2016

Finger Lakes Regional Tourism Council Research Summary

DESTINATION WIDE MARKET ANALYSIS & STRATEGIC MARKETING PLAN

JLL HOTELS AND HOSPITALITY TOURISM GROUP

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Executive Summary

JLL, in conjunction with the Finger Lakes Regional Tourism Council (FLRTC) members, has completed an organizational plan that was approved by the Board of Directors. In conjunction with this, JLL conducted a stakeholder survey and a lifestyle segmentation analysis during this process to develop a foundation of knowledge for the future direction of the organization. This information was presented to the FLRTC Board in January 2016. The following pages are a summary of the findings presented.

Stakeholder Survey Results

A stakeholder survey was sent to over 4,000 tourism stakeholders at related businesses and organizations as well as local and state elected officials and agencies to gain their feedback on current priorities and future focus. JLL also has met with the Finger Lakes Tourism Alliance, Finger Lakes Wine Country, Empire State Development, I love New York and the Regional Economic Development Councils from the Finger Lakes, Central NY and Southern Tier and sent the survey to as many of these organization's respective stakeholders in the tourism industry as possible in order to gain the most comprehensive input.

The survey received strong feedback from the industry with attractions, hotels/lodging, cultural institutions and museums and retail having the highest response rate. The overall knowledge of the FLRTC was low, but interest in future of the organization was overwhelmingly high. Stakeholders primarily want additional marketing support from the FLRTC, especially in shoulder seasons, and believe added research support to target visitors are the most valuable tools for the organization to continue to raise the profile of the Region.

The stakeholder survey results also showed that the respondents believed the messaging related to the broad spectrum of outdoors activities is what has the greatest impact on why a visitor comes to the Region. The relationship with the larger cities i.e. Rochester, Syracuse and Corning as well as the overall Region are important because of their ability to leverage marketing dollars to further their messaging.

Lifestyle Segmentation Analysis

JLL conducted research designed to uncover the breakdown of current market segments that were visiting the Region as a tool to determine future marketing strategies and focus. The methodology was to utilize individual TPA's inquiry databases and engage Nielson Companies to use their PRIZM data for market analysis. JLL presented the results in the aggregate as a Region as well as provided individual reports for each of the TPAs. The reports included a geographical analysis of where the highest concentration of the top market segments resided within a 400-mile radius of the Finger Lakes Region.

JLL's research coded over 100,000 visitor records from 2014 and the results of the research validated some information that already existed as well as raised the question of where the marketing focus should be in the short and longer term to deliver the highest return.

The research determined that the primary visitor is primarily older and white, without children in the home, living in a small town or rural environment with an upscale lifestyle. Each County had a different level of this primary visitor, however it was clear that the existing data showed that this type of visitor was prevalent throughout the Region.

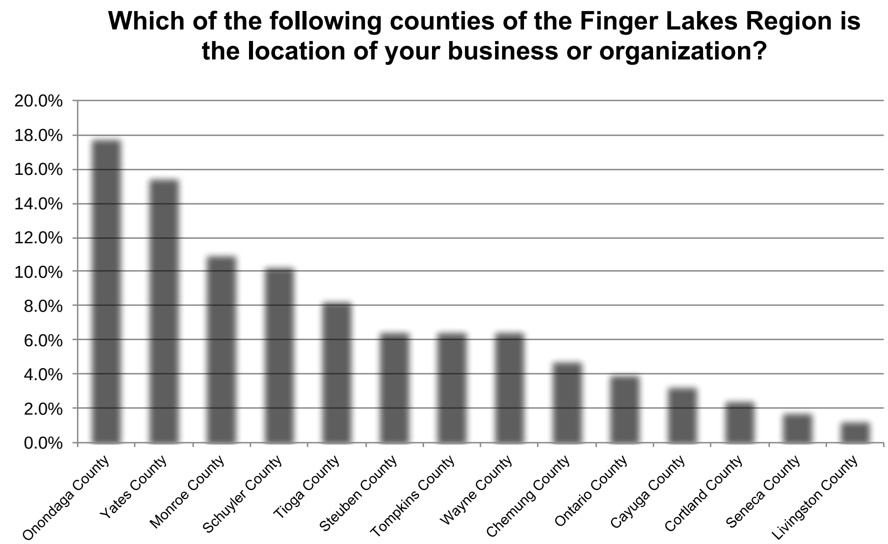
Stakeholder Survey Results

As mentioned above, the stakeholder survey was distributed to over 4,000 Regional stakeholders. JLL's request to complete the survey had a 53% open rate (industry average is 17%) and received 400 responses with nearly a 10% completion rate. The following is a breakdown of their responses.

Stakeholder Business Breakdown

Stakeholders Breakdown by Location

Location of Business/Organization

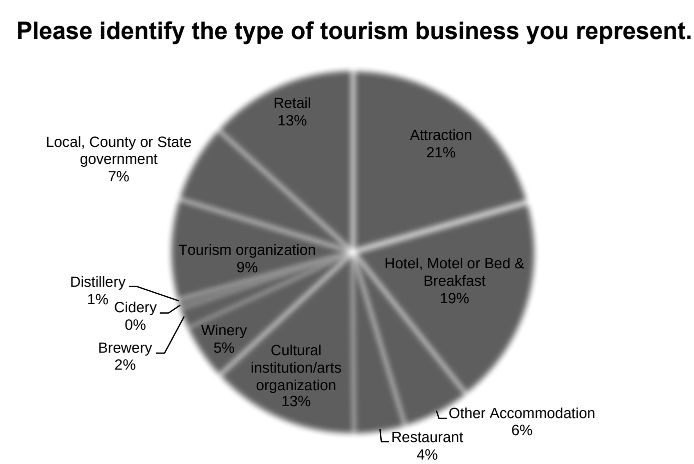


Stakeholders responded from all 14 counties with the highest percentage coming from Onondaga, Yates and Monroe Counties. This mirrored where the respondents reside with a small fraction of respondents living outside the Region, but working within it.

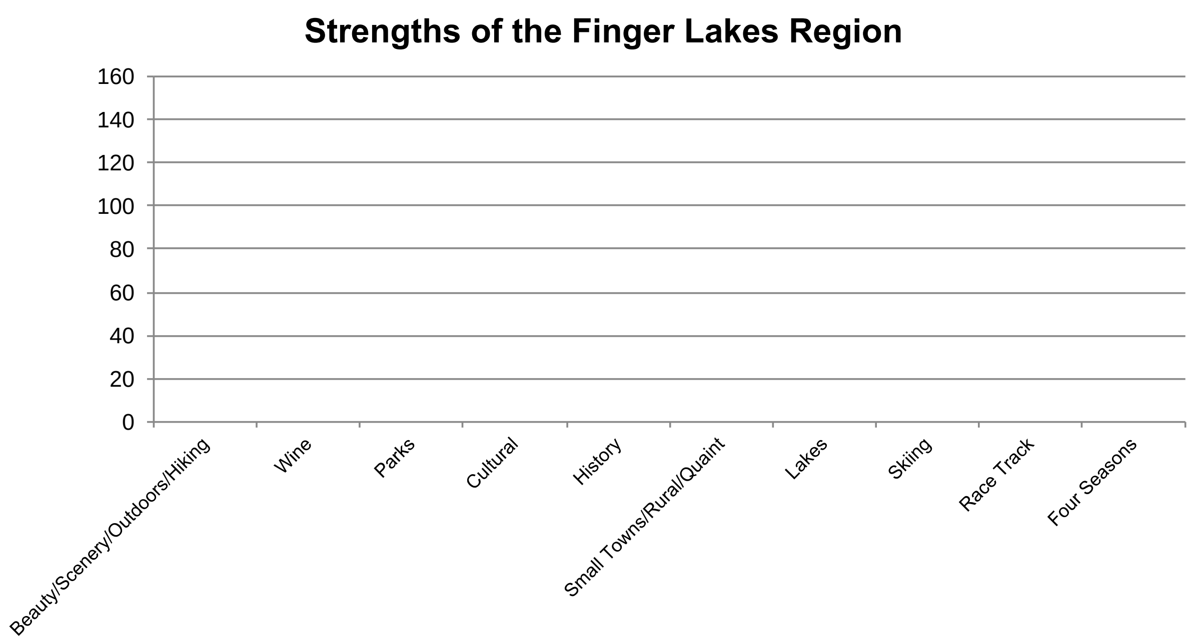
Type of Tourism Businesses

Stakeholders who participated in the survey represented a diverse section of business types in the Region. With hotels, lodging and other accommodations totaling 25% of the responses, attractions at 21%, retail and cultural institutions both at 13%, the majority of the responses (59%) were the core businesses of the tourism and hospitality industry.

Stakeholders by Tourism Business



Strength of the Finger Lakes Region



Stakeholders were clear in their responses that the top strength of the Region is the outdoor experience. The overwhelming majority of stakeholders feel that the beauty of the Region combined with the outdoor activities are the top key attributes.

Conversely, the weather, seasonality and conditions during bad winter months are the primary weaknesses. Additional weaknesses surfaced by stakeholders included transportation and accessibility. These weaknesses were primarily directed at the geography of the Region making it important to focus on a cohesive plan for future marketing efforts.

Top opportunities, according to stakeholders, were the wine industry, lakes, tours and trails and the beauty, scenery and outdoor experiences. Within the responses from the opportunities there was a clear theme around the need for consistent coordination on behalf of the Region as well as brand alignment for future regional efforts.

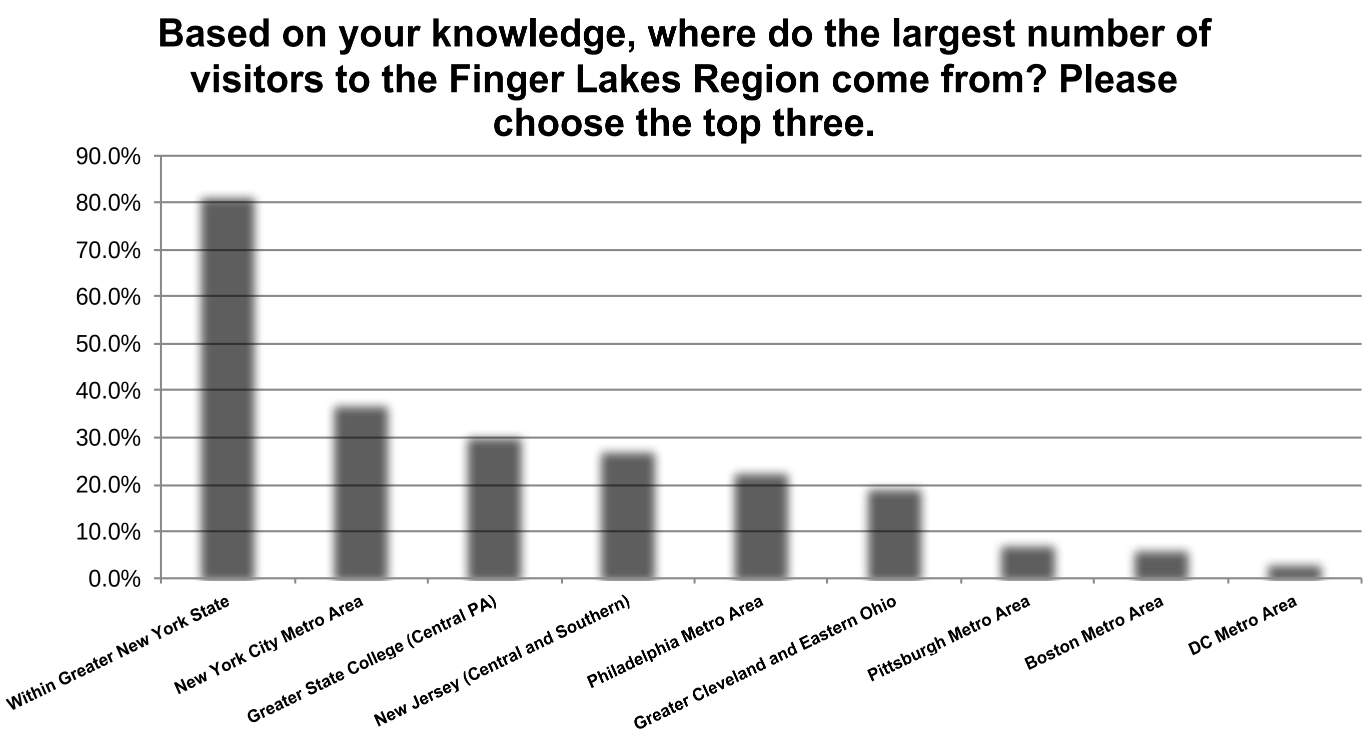
The threats surfaced by stakeholders primarily focused on those things that could have a negative effect on the beauty and outdoor experiences the Region offers. The top three threats were fracking, contamination of lakes and weather, all of which are in direct contrast with the top strength, of beauty and the outdoor experiences.

It was clear through reviewing the responses that the outdoors and the beauty of the Region should be leading thought and ideas around what the Finger Lakes Regional Tourism Council can push to potential visitors. To that effect, responses from the larger cities (Rochester, Syracuse and Corning) cited that nearly 40% of their business is **strongly affected** by the rural communities' scenic experiences i.e. outdoors, hiking, fishing and other lake experiences, etc. In comparison, less than 20% of the smaller communities are strongly affected by the larger cities' marketing efforts. That differential in effectiveness further highlights the importance of those top strengths that the Finger Lakes Region has to offer visitors.

Visitor Information

Based on the stakeholders' day-to-day knowledge of where their customers and visitors are coming from, JLL asked them about who their current customers are. The next series of charts reflects their responses.

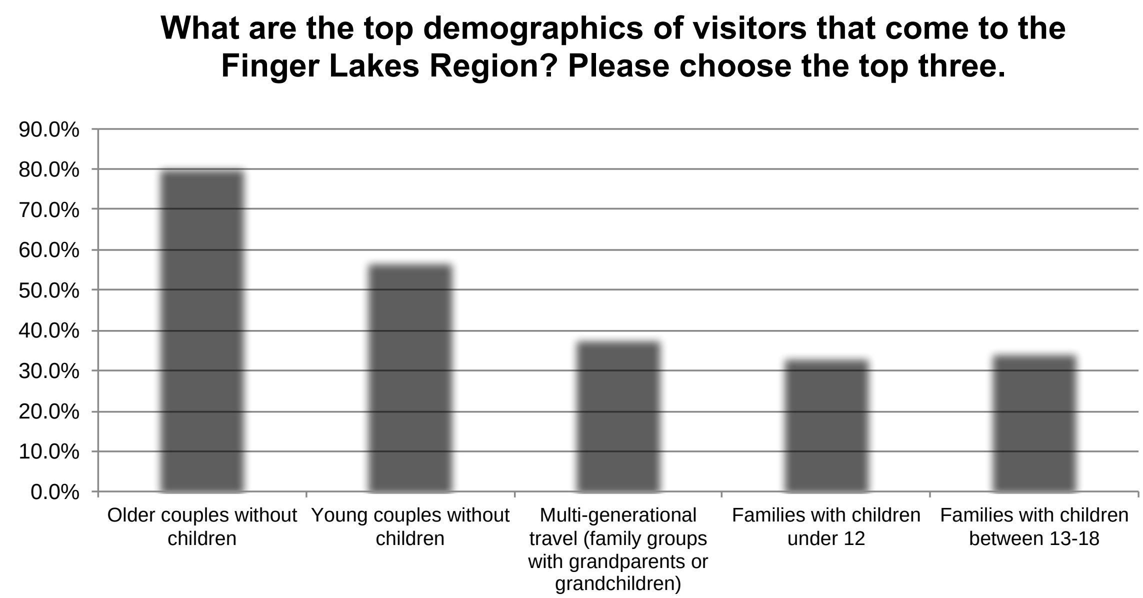
Visitors by Region



According to stakeholders, the top visitor region is within greater New York State. The second highest market was the NYC Metro Area followed by central Pennsylvania and central and southern New Jersey.

JLL also asked stakeholders about who their customers are. Stakeholders clearly stated that their primary visitors

Visitor Demographics



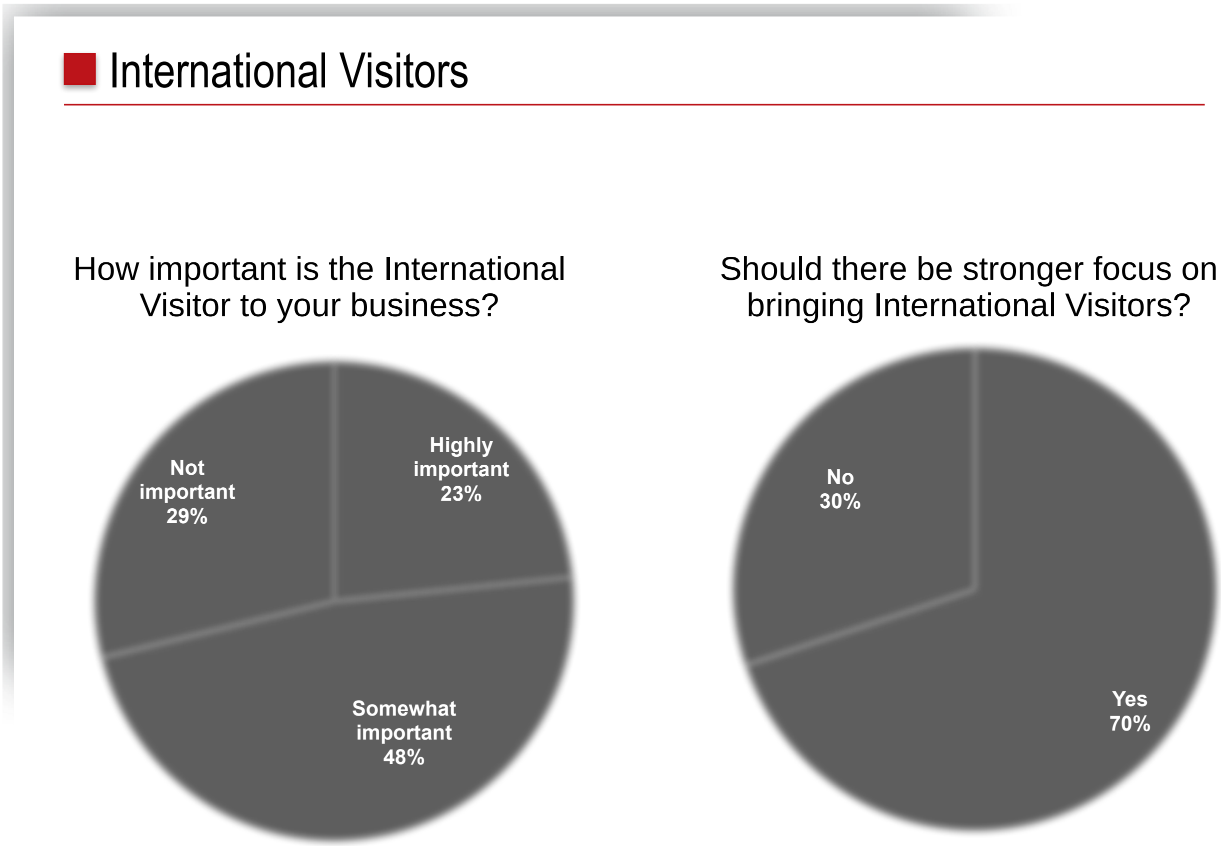
are couples without children, with the top two categories being older couples and younger couples without children.

This is consistent with the top segments JLL uncovered in the visitor inquiry database studied using the Nielsen Lifestyle Segmentation analysis. The primary visitors were older, without children, living in a suburban small town or rural environment and were predisposed to the outdoors. This research is discussed in more detail in the following section of this summary.

Also, less than 40% of all respondents rated group business as important to their current business mix.

International Visitation

Stakeholders were both highly interested in expanding the international business, but only somewhat impacted by the international visitor in their current business.

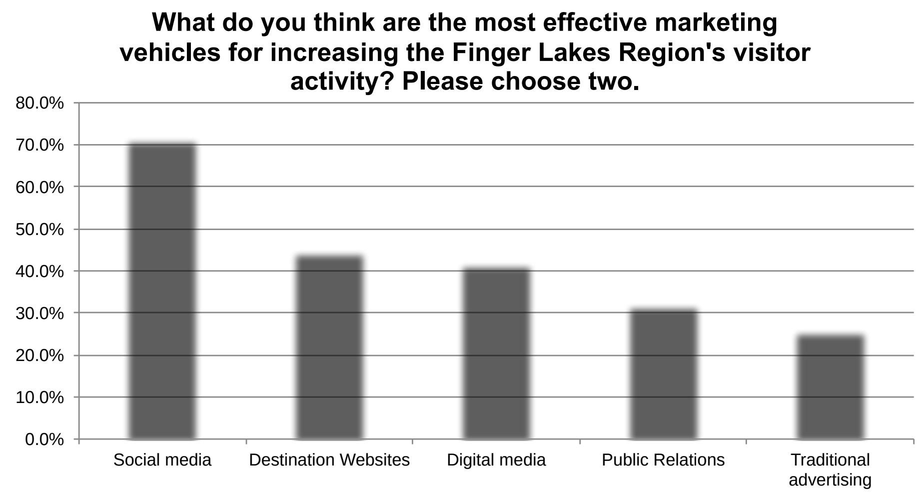


Less than 50% of the stakeholders felt that the international visitor was currently important to their business however 70% of the stakeholders felt there should be a stronger focus on bringing that market to the Region. Anecdotal comments from this section varied that there are markets in the US that have not been saturated and should be explored before expanding internationally, without losing the partnership with I Love NY's international programming, where applicable.

Marketing Support

JLL's stakeholder survey also addressed the current marketing initiatives and future support that stakeholders want during specific times of year and what they need in the future.

Marketing Vehicles



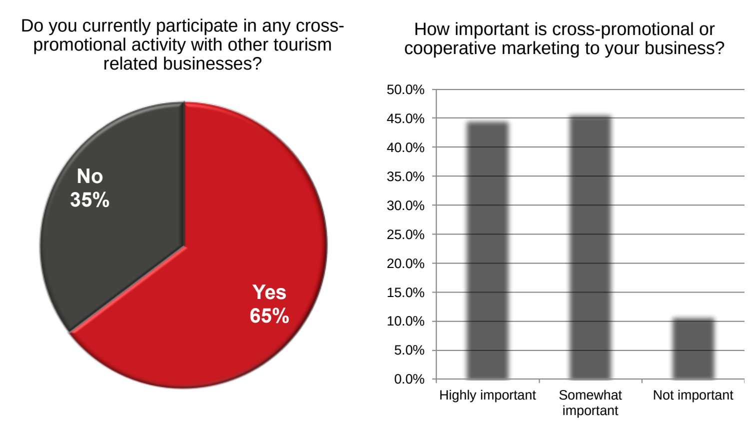
Stakeholders felt that the most effective marketing vehicles for the Region are social media, destination websites and digital media. Stakeholders are interested in receiving overall marketing support to leverage their individual dollars outside of the Region. Suggested marketing initiatives from stakeholders included:

- Public Relations of the Region to get mentions in national media outlets
- Cooperative packages across the Region
- Coordinated advertising around regional events
- Websites with a comprehensive calendar for the Region
- Content for social media

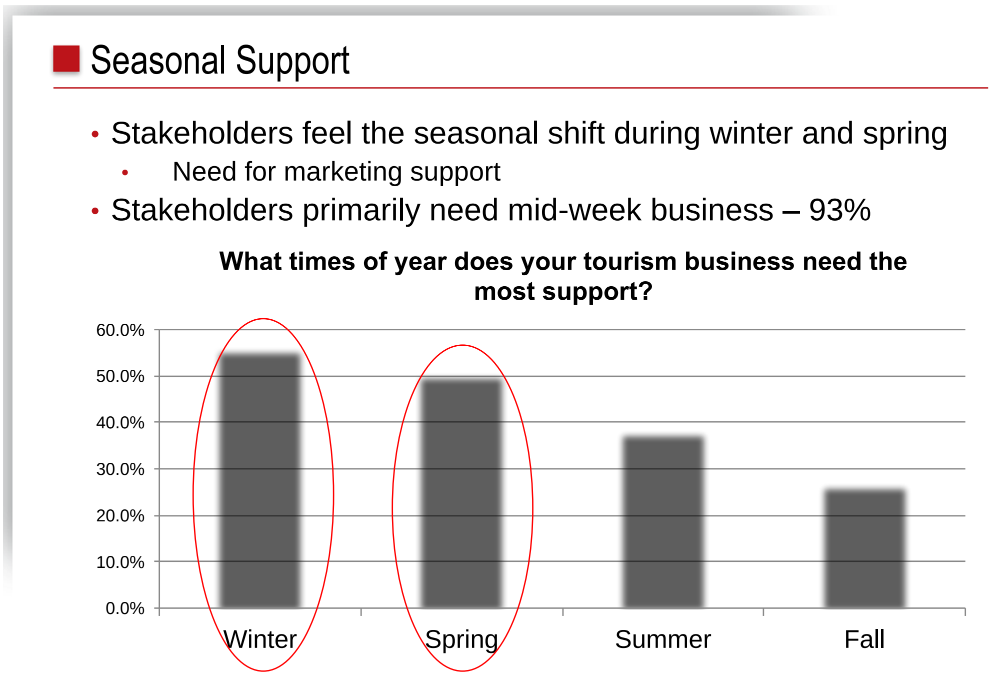
Stakeholders also felt that cross-promotional activity is important to their business with 65% of respondents currently participating in these types of activities.

Of those who are actively engaged in cross-promotional activities, approximately half of them rely on this as a highly important aspect of their current marketing efforts.

Current Marketing Efforts



Stakeholders also expressed the need for specific marketing support during off season periods such as the winter months as well as shoulder months i.e. April, May and November and December. Stakeholders also specified that even during peak season they still need support midweek with 93% of respondents looking for midweek business year-round.

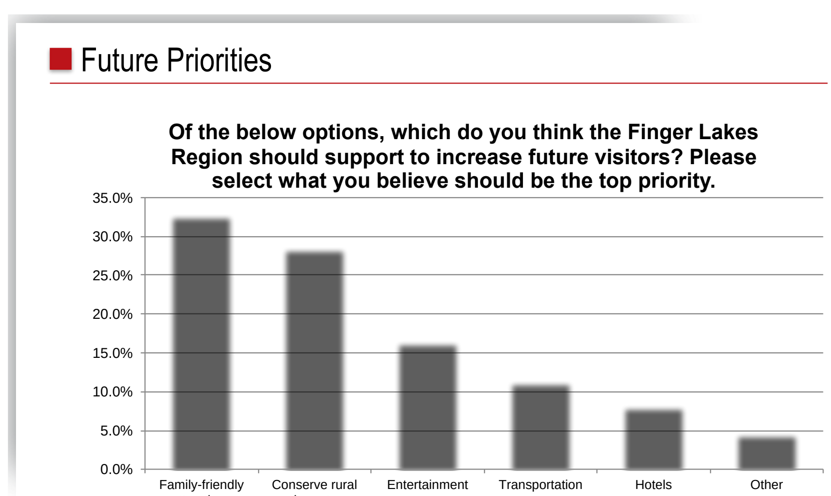


Respondents to the survey were also specific about information they would like to know more about their current visitors and potential targets through research projects carried out by the FLRTC. Stakeholders are interested in the following information about visitors:

- Demographic information
- Geographic information
- Travel patterns
- Length of stay
- Seasonal interests

Visitor Attractions and Priorities

JLL crafted the stakeholder survey to probe at questions regarding the current visitor experience and future product development priorities. Stakeholders again rated the outdoor experience as the top current attraction with agri-tourism and culinary attractions as a close second. When asked about future priorities, the top choice for support from the Region was family-friendly attractions and conserving the



rural character of the Region. This also correlated to findings in the research of the family market having future potential for the Region.

Lifestyle Segmentation Research

As mentioned in the Executive Summary, JLL conducted a Lifestyle Segmentation Analysis using Nielsen's PRIZM data. PRIZM defines every U.S. household in terms of 66 demographically and behaviorally distinct types, or "segments," to discern consumers' likes, dislikes, lifestyles and purchase behaviors. Used by thousands of marketers within Fortune 500 companies, PRIZM provides the "common language" for marketing in an increasingly diverse and complex American marketplace. It is important to note that the names given to the segments that follow are Nielsen's labels and the background for all segments can be accessed through the Nielsen Core Segment database.

Submission Summary

JLL received over 100,000 records of data to run through the PRIZM analysis from all 14 TPAs as well as the New York State camping database for the Region and the Finger Lakes Tourism Alliance. Of those records over 80,000 were domestic and over 20,000 were Canadian.

Top Segments

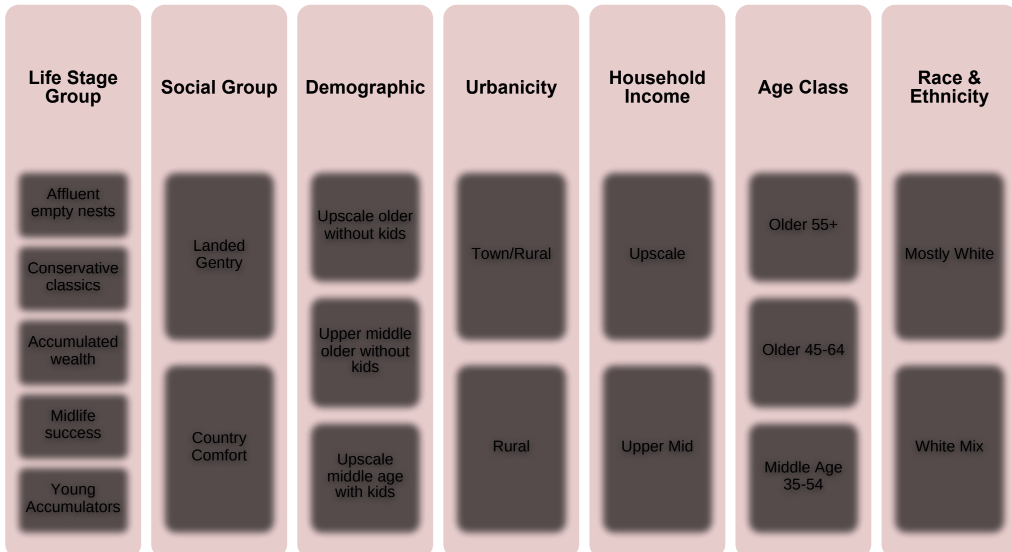
The top segments from all of the combined 2014 records were all domestic segments. Of the top segments the share of those segments across the Region was relatively even. Their lifestyles and interests are very similar and offer the ability to combine future marketing efforts.

Top 5 Regional Segments: Lifestyles

Big Fish, Small Pond	Traditional Times	Country Squires	Mayberryville	Fast Track Families
Shop at Talbots	Shop at Sam's Club	Order from amazon.com	Shop at Sears Hardware	Order from gap.com
Go sailing	Contribute to PBS	Vacation at ski resorts	Go hunting	Vacation at beach
Read *Kiplinger's Personal Finance*	Read *Southern Living*	Read *Shape*	Read *American Hunter*	Read *National Geographic Kids*
Watch Kentucky Derby	Watch *Antiques Roadshow*	Watch *The Biggest Loser*	Watch NASCAR	Watch *Grey's Anatomy*
Toyota sedan	Toyota Avalon	Chevy Suburban Flex Fuel	GMC Sierra Diesel	GMC Yukon XL Flex Fuel

The top five regional segments, noted above, have unique aspects to their lifestyles that allow the FLRTC and their partners to delve into in creating products and packages that appeal to these audiences and drive a high return from these markets.

Top 5 Regional Segments: Summary by Category



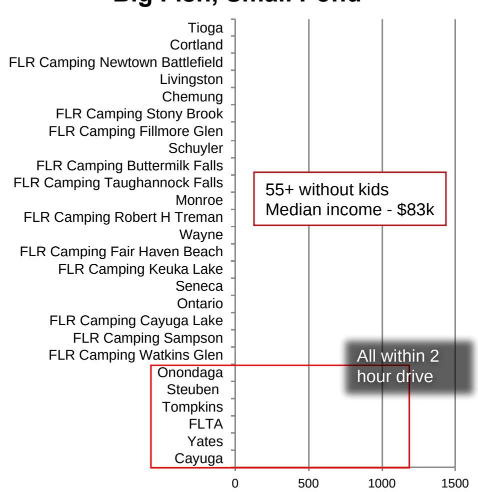
As described in the Executive Summary, the primary visitor was white, older, without children in the household living an upscale lifestyle. The top five regional segments all had very similar categorical aspects further enabling the FLRTC to develop a strategy to support regional marketing efforts to these segments.

Top Two Segments by Organization:

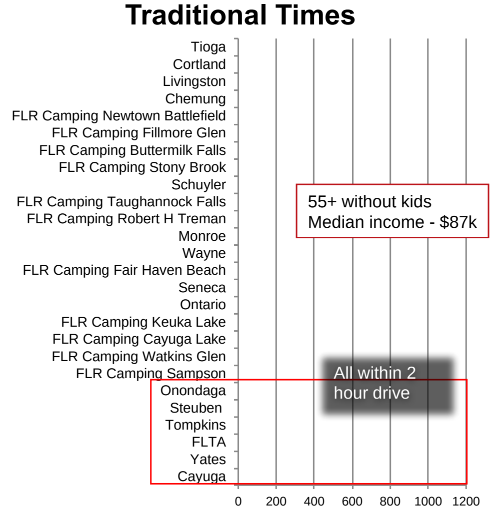
Similarities may create opportunities to work sub-regionally

- Top Segment: Big Fish, Small Pond
- Second Segment: Traditional Times

Big Fish, Small Pond

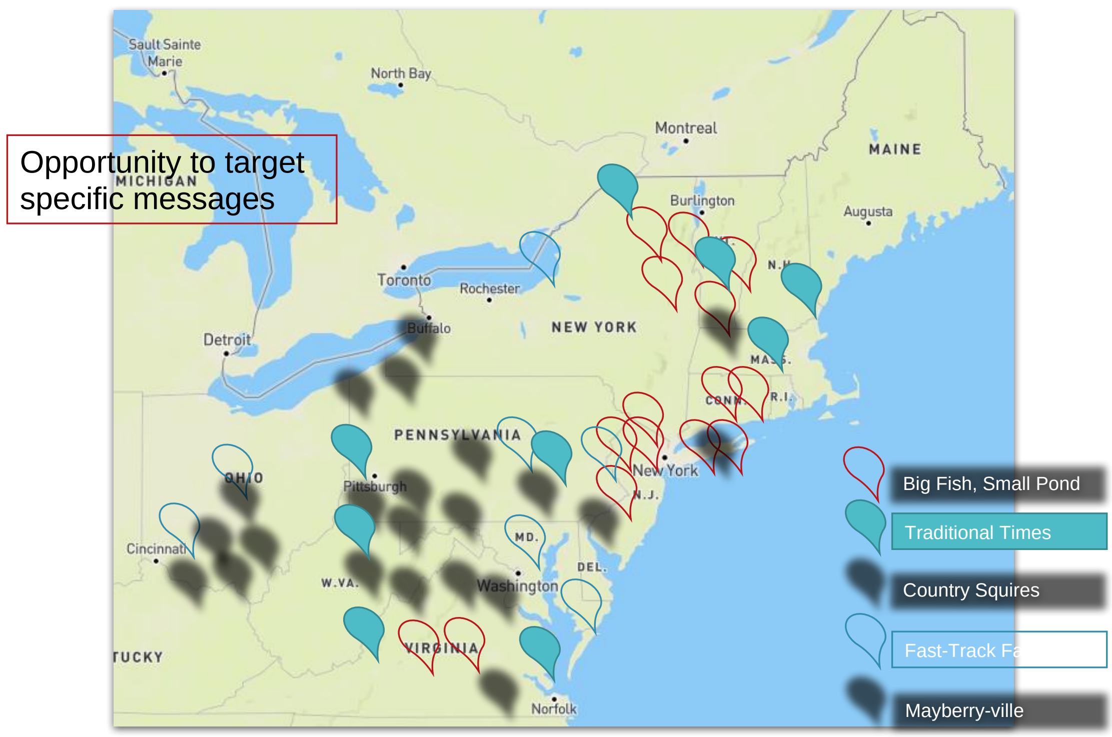


Traditional Times



The charts above illustrate a preliminary review of the top two segments and where they appeared across the TPAs' inquiry databases. This shows an opportunity to work cooperatively across the Region to support marketing initiatives.

Top Segments by Geographic Location



JLL utilized the Nielsen Lifestyle Segmentation to review the top segments by zip code in the Northeast. The map above is a preliminary representation of where concentrations of the top segments from the TPA inquiry databases live within a six-hour drive of the Region. The top segments are primarily living in suburban or rural environments and this illustration shows that these segments are within range of the Region.

These segments represent those that appeared in the top five of the Nielsen Segmentation results from the TPAs' inquiry databases. These markets should be explored further through a direct marketing test to determine the level of future interest as target markets. Additional direct market tests should consider other segments to determine the interest level in the Region and surface new target markets for the future.

Top Canadian Segments

The majority of the Canadian data came from the New York State camping database for the Region, Cayuga County, Steuben County, Yates County and Tompkins County.

The top five Canadian segments also reflected similar primary visitor with the Canadian visitor having a higher number of suburban, middle class families showing interest in the Finger Lakes.

2014 Top 5 Segments: Canadian

Satellite Burbs	Kids & Careers	Fresh Air Families	Second City Retirees	Pets and PCs
• Older, upscale couples and family mixed	• Large, well-off, middle aged suburban families	• Middle-aged, middle income	• Older and mature, middle income homeowners	• Younger, upscale suburban families

Research Conclusions

JLL's extensive research process provided insight to the FLRTC on what the Region's stakeholders are experiencing in their businesses and what they want for the future. The research conducted and analysis provided shaped the strategic planning process on behalf of the FLRTC's organizational priorities.

Each TPA received a breakdown of their respective results, top segments and the details behind their results. For results in your County, please contact your FLRTC Board Member.

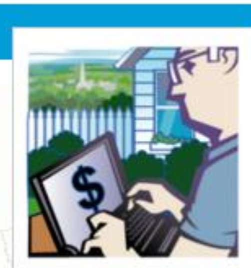
As a next step, JLL is going to be working with FLRTC to do test marketing to the segments identified in the research to validate their interest and the types of activities that are popular.

Appendix

Top Five Segment Profiles

Top Segment: Big Fish, Small Pond

09 - Big Fish, Small Pond



Upscale Older w/o Kids

Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, including belonging to country clubs, maintaining large investment portfolios, and spending freely on computer technology.

Social Group: 11 - Landed Gentry
Lifestage Group: 08 - Affluent Empty Nests

Demographics Traits

- **Urbanicity:** Town/Rural
- **Income:** Upscale
- **Income Producing Assets:** Millionaires
- **Age Ranges:** 55+
- **Presence of Kids:** HH w/o Kids
- **Homeownership:** Homeowners
- **Employment Levels:** White Collar, Mix
- **Education Levels:** Graduate Plus
- **Ethnic Diversity:** White

Lifestyle & Media Traits

- Shop at Talbots
- Go sailing
- Read Kiplinger's Personal Finance
- Watch Kentucky Derby
- Toyota sedan

Top Segment: Traditional Times

28 - Traditional Times

Upper Mid Older w/o Kids

Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and older, these upper-middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles like Country Living and Country Home. But they're big travelers, especially in recreational vehicles and campers.

Social Group: 12 - Country Comfort
Lifestage Group: 09 - Conservative Classics

Demographics Traits

- **Urbanicity:** Town/Rural
- **Income:** Upper Mid
- **Income Producing Assets:** High
- **Age Ranges:** 55+
- **Presence of Kids:** HH w/o Kids
- **Homeownership:** Homeowners
- **Employment Levels:** White Collar, Mix
- **Education Levels:** Some College
- **Ethnic Diversity:** White

Lifestyle & Media Traits

- Shop at Sam's Club
- Contribute to PBS
- Read Southern Living
- Watch Antiques Roadshow
- Toyota Avalon

Top Segment: Country Squires

05 - Country Squires

Upscale Middle Age w/ Kids

The wealthiest residents in exurban America live in Country Squires, an oasis for affluent Baby Boomers who've fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Country Squires enjoy country club sports like golf, tennis, and swimming, as well as skiing, boating, and biking.

Social Group: 11 - Landed Gentry
Lifestage Group: 04 - Accumulated Wealth

Demographics Traits

- **Urbanicity:** Town/Rural
- **Income:** Upscale
- **Income Producing Assets:** High
- **Age Ranges:** 35-54
- **Presence of Kids:** HH w/ Kids
- **Homeownership:** Mostly Owners
- **Employment Levels:** Management
- **Education Levels:** Graduate Plus
- **Ethnic Diversity:** White, Asian, Mix

Lifestyle & Media Traits

- Order from amazon.com
- Vacation at ski resorts
- Read Shape
- Watch The Biggest Loser
- Chevy Suburban Flex Fuel

Top Segment: Mayberry-ville

37 - Mayberry-ville

Upper Mid Older w/o Kids

Like the old Andy Griffith Show set in a quaint picturesque burg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, upper-middle-class couples like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles, and pickup trucks.

Social Group: 12 - Country Comfort
Lifestage Group: 01 - Midlife Success

Demographics Traits

- **Urbanicity:** Town/Rural
- **Income:** Upper Mid
- **Income Producing Assets:** Above Avg
- **Age Ranges:** 45-64
- **Presence of Kids:** HH w/o Kids
- **Homeownership:** Mostly Owners
- **Employment Levels:** BC, Service, Mix
- **Education Levels:** High School Grad
- **Ethnic Diversity:** White

Lifestyle & Media Traits

- Shop at Sears Hardware
- Go hunting
- Read American Hunter
- Watch NASCAR
- GMC Sierra Diesel

Top Segment: Fast-Track Families

20 - Fast-Track Families

Upscale Middle Age w/ Kids

With their upscale incomes, numerous children, and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theater systems, and video games. They take advantage of their rustic locales by camping, boating, and fishing.

Social Group: 11 - Landed Gentry
Lifestage Group: 05 - Young Accumulators

Demographics Traits

- **Urbanicity:** Town/Rural
- **Income:** Upscale
- **Income Producing Assets:** Elite
- **Age Ranges:** 35-54
- **Presence of Kids:** HH w/ Kids
- **Homeownership:** Mostly Owners
- **Employment Levels:** Management
- **Education Levels:** College Graduate
- **Ethnic Diversity:** White

Lifestyle & Media Traits

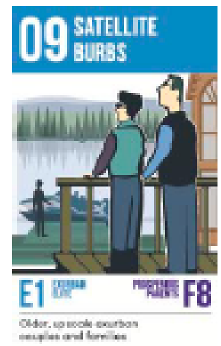
- Order from gap.com
- Vacation at beach
- Read National Geographic Kids
- Watch Grey's Anatomy
- GMC Yukon XL Flex Fuel

Top Canadian Segment: Satellite Burbs

09 SATELLITE BURBS

Older, upscale exurban couples and families

Population	971,671 (2.71% of Canada)
Households	362,014 (2.48% of Canada)
Average Household Income	$128,962
Housing Tenure	Own
Education	Mixed
Occupation	Mixed
Cultural Diversity Index	Low
Sample Social Value	*Religion a la Carte*



One of the wealthiest exurban lifestyles, Satellite Burbs features a mix of middle-aged families and older couples living in satellite communities across Canada. Many residents have settled here for the relaxed pace of outer-ring subdivisions, with their wooded tracts and spacious homes built between 1960 and 2005. Despite their mixed educational achievement—one-quarter have university degrees, another quarter have high school diplomas—the households average impressive incomes of nearly $140,000 from a wide variety of jobs. Members take advantage of their location between city centres and rural settings, enjoying both the arts and the great outdoors. Their idea of entertainment is going to a community theatre, music concert or movie theatre. For vacations, they're more likely than average Canadians to go camping, boating or touring in a recreational vehicle. But they're not entirely into roughing it: their exurban dream homes are outfitted with hot tubs and stylish furniture on their patios, and home theatre in their family rooms.

Top Canadian Segment: Kids and Careers

06 KIDS & CAREERS

Large, well-off, middle-aged suburban families

Population	1,098,648 (3.06% of Canada)
Households	350,117 (2.39% of Canada)
Average Household Income	$157,517
Housing Tenure	Own
Education	University
Occupation	White Collar/Service Sector
Cultural Diversity Index	Medium
Sample Social Value	*Ecological Concern*

One of the wealthiest suburban lifestyles, Kids & Careers is known for its sprawling families—more than 40 percent have four or more people—living in the nation's second-tier cities. Parents are middle-aged, children are between 10 and 25 years old, and 85 percent live in single-family homes—typically spacious affairs built after 1980. And nearly a quarter of households contain older immigrants who have achieved success and moved to the suburbs. With average incomes around $160,000, residents lead flourishing lifestyles, belonging to golf and fitness clubs, shopping at upscale malls and big-box stores and attending pro sporting events. Few segments score higher for team sports as both participants and spectators, with Kids & Careers households exhibiting high rates for playing ice hockey, soccer, football and basketball. When they want to catch a game on TV, they relax in family rooms outfitted with home theatre systems, iPads and gaming devices. Still in the asset accumulation phase of their financial lives, these families score high for investing in stocks and mutual funds, and many do their investing and banking online.

Top Canadian Segment: Fresh Air Families

24 FRESH AIR FAMILIES

Middle-aged, middle-income exurbanites

Population	909,194 (2.53% of Canada)
Households	340,762 (2.33% of Canada)
Average Household Income	$102,243
Housing Tenure	Own
Education	College/High School/Trade
Occupation	Mixed
Cultural Diversity Index	Low
Sample Social Value	*Obedience to Authority*

Widely dispersed across Canada, Fresh Air Families is one of the largest segments—and growing. Found in rapidly expanding exurban communities, these neighbourhoods feature a mix of middle-aged couples and families with children of all ages. While most adults have high school, trade school or college educations, these two-income households enjoy solid, middle-income lifestyles thanks to positions in health care, public administration and the trades. They own single-detached homes, typically built in the 1990s, and nearly nine out of ten commute by car to jobs in nearby suburbs. With its mixed family types, the segment scores high for a range of marketplace preferences, frequenting big-box retailers, large department stores and discount grocers. Members of Fresh Air Families enjoy the great outdoors, particularly fishing, boating, snowmobiling and camping. Indeed, some of their favourite leisure activities are evident in their driveways, typically cluttered with boats, campers or motorcycles—and pickup trucks to haul them to parks and campgrounds. But they also enjoy indoor pursuits like crafting and knitting.

Top Canadian Segment: Second City Retirees

26 SECOND CITY RETIREES

Older and mature, middle-income homeowners

Population	695,053 (1.94% of Canada)
Households	295,561 (2.02% of Canada)
Average Household Income	$90,420
Housing Tenure	Own
Education	College/High School
Occupation	Service Sector/White Collar
Cultural Diversity Index	Low
Sample Social Value	*Ecological Fatalism*

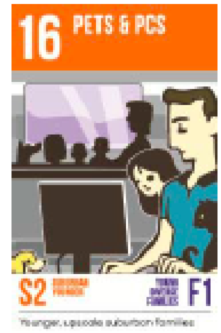
Second City Retirees consists of a mix of older and mature couples and families found in the suburban neighbourhoods of second-tier cities like Hamilton, Winnipeg and Windsor. Most residents are over 55 years old and are divided between those now retired and those approaching retirement from jobs in public service and manufacturing. Nearly all, however, are homeowners, aging in place in single-detached homes that were built before 1980. These households contain slightly more empty-nesting couples than those married with children—and in those family households the kids are typically older teenagers. With their high school, trade school and college educations, many of the working adults report middle-incomes that allow them to get away from their emptying nests with a cruise vacation or a trip to Jamaica or Florida. With more time on their hands to relax, they also enjoy staying at their cottages, strolling a city park or just meeting friends at a donut shop for coffee and conversation. Their idea of exercise is gardening, golfing and paddling around a lake or stream in a canoe.

Top Canadian Segment: Pets & PCs

16 PETS & PCS

Younger, upscale suburban families

Population	1,306,643 (3.64% of Canada)
Households	429,189 (2.94% of Canada)
Average Household Income	$132,591
Housing Tenure	Own
Education	University/College
Occupation	Mixed
Cultural Diversity Index	Medium
Sample Social Value	*Saving on Principle*



The largest lifestyle in Canada, Pets & PCs has changed little over the last decade, remaining a haven for younger families with pre-school children in the new suburbs surrounding larger cities. More than half the children in this segment are under the age of 10, and most of the maintainers are under 45. What has changed in Pets & PCs is an increasing presence of immigrants from South Asia, China and the Caribbean. Few segments have more new housing, and most residents have settled into a mix of single-detached, semi-detached and row house developments. With upscale incomes, segment members have crafted an active, child-centred lifestyle. These families participate in many team sports, including baseball, basketball, hockey and soccer, and they shuttle kids and gear to games in minivans and SUVs. On weekends, they head to kid-friendly destinations such as zoos, theme parks, aquariums and water parks. They fill their homes with an array of computers and electronic gear, including video game systems and iPads, to occupy their children while the moms and dads grab the occasional date night to go dancing or enjoy dinner at a fine restaurant.