



EL PASO

Convention and Visitors Bureau

A Preliminary Market Assessment of Convention Activity

Report was compiled by **Hill & Knowlton**, authors of the *2011 El Paso Downtown Marketing Plan* for the City of El Paso, at the direction of the Convention and Visitors Bureau

Objectives:

Provide a preliminary review of El Paso's Convention Tourism Industry

Outline the challenges El Paso faces in attracting meetings and conventions to El Paso

What we are doing that is working?

Where do we go next?

History:

When the State of Texas first established a tourism development effort in 1963, El Paso was recognized among the top five destinations in the State.

In the past two decades, however, a number of factors have converged to cause El Paso to lose its place as a top destination.

While El Paso consistently leads the State and Nation in hotel occupancy and continues to increase supply, El Paso struggles to attract meetings and conventions

Challenges facing El Paso:

- *Increased competition from other Texas cities*
- *Distance from over 70% of the state's population*
- *Airline travel and connectivity*
- *Lack of Commercial Attractions*
- *Lack of Full Service Hotels near Convention Center*
- *Escalation of Violence in Juarez and the national misperception of safety in El Paso*

Effects on El Paso:

Increased competition from other Texas cities

The factor that most limits El Paso's ability to attract major convention business is that the city has not kept up with its dynamic and drastically changing competition

- New competition from markets that were not a player 20+ years ago such as Grapevine & Arlington
- Other Texas cities have invested in quality of life assets such as shopping districts, convention and resort hotels, stadiums
- El Paso is not keeping up with investment

Effects on El Paso:

Distance from over 70% of the state's population

The area of Texas from Dallas/Fort Worth, San Antonio and Houston known as the Texas Triangle contains over 70% of the state's population

- El Paso is the biggest convention destination outside of the Triangle, however its proximity to the Triangle is a major obstacle.
- Convention and Meeting planners are dependent on strong attendance. El Paso is not a drivable market from 70% of the population, meaning increased costs to delegates and reduced convention attendance

Effects on El Paso:

Lack of Full Service Hotels near Convention Center

While there are nearly 9,000 hotel rooms in El Paso, only about 10% are full-service hotels, and about 500 full service rooms are near convention center

- Meeting planners are looking to house delegates under one roof and near the convention and meeting facilities
- A UTEP IPED study indicated that 1,000 rooms are needed in downtown in order to provide a minimum of 650 committable rooms to convention delegates. This would satisfy the needs of 95% of statewide association convention demand
- Currently there are only 125 committable rooms available from the Double Tree and up to 275 from the Camino Real

Effects on El Paso:

Lack of Commercial Attractions

A keystone of any destination's offering are entertainment and sightseeing attractions driving delegate attendance and provoking pre and post convention stays.

- For many years, the international experience of visiting Juarez was a key attraction, however recent violence has turned this asset into a liability
- While outdoor natural attractions are popular with visitors, they are typically not accessible or attractive to convention delegates and planners who are seeking evening attractions.
- Downtown lacks a primary asset available to delegates near convention campus

Effects on El Paso:

Escalation of Violence in Juarez and the national misperception of spillover violence in El Paso

The recent spike of violence in Juarez and the misperception of its effect on safety in El Paso has had a direct effect on the loss of conventions since 2008.

- Safety and Security of a destination was listed as a top factor in selection in 63% of respondents surveyed*
- While El Paso is the safest city in the US, the perception of El Paso as a dangerous border city remains a primary reason El Paso is not selected or not offered an opportunity to bid

**Meetings and Convention Magazine, 2008*

What we have done right:

- *Expanded and modernized convention center*
- *Downtown revitalization in progress through public and private investment*
- *Plaza Theatre Performing Arts Centre*
- *Renovation of Double Tree Hotel*
- *Mills Plaza Project*
- *KickstArt program is increasing downtown events*
- *Looking to invest in our community with a 2012 Quality of Life Bond Initiative*

Where do we go from here:

- *Feasibility study for an upscale hotel with meeting space near convention center should be considered*
- *Air Service Development Consulting Services (awarded by City Council on Feb. 28)*
- *In depth market analysis of competitive offerings of top Texas destinations, followed by a "Blue Ocean Strategy" session among city leadership*
- *Strategic communications task force*

The background is a faded, golden-hued illustration of a courtyard. It features several buildings with arched windows and doorways. A central archway is prominent. The overall style is reminiscent of a watercolor or a soft-focus photograph. The text "Questions / Comments" is overlaid in the center in a dark brown, sans-serif font.

Questions / Comments