

The San Diego Union-Tribune

July 22, 2016

Hoteliers Don't Drive Tourism



San Diego's tourism bureau had to cancel its TV ad campaign for this summer because its funds are frozen. (Scott Allison)

By GEORGE MULLEN & JASON RIGGS

Once and for all, it is time to crash the widely held belief that hoteliers drive San Diego's tourism business. They do not — this is a self-serving myth.

Let's begin with several illuminating common-sense questions: First, do grocery stores create the demand for food in San Diego? Or do they seek to fill an existing demand in exchange for a financial profit? Clearly, the latter.

Second, do you travel based on hotels? Or, like 99 percent of us, do you seek a hotel once you have decided to visit a particular city, whether for business or holiday? As such, do hotels create

the demand for overnight rooms in San Diego? Or, rather, do hotels fill an existing demand, in exchange for a financial profit? Again, the latter.

So you see, San Diego's hoteliers are demand-fillers, not demand-creators as they would have you believe.

Demand-creators are what prompt outsiders to travel to San Diego — the zoo, SeaWorld, Balboa Park, beaches, UCSD, life-science collaborations, business meetings, competitive regattas, soccer tournaments, Chargers and Padres games, etc.

Contrary to reality, San Diego's elected leaders (and media) perpetuate the fallacy that hoteliers are the demand-creators of San Diego's tourism business, and thus key drivers of our local economy. This is simply untrue — 95 percent of local hoteliers are demand-fillers, period. Exceptions include those few hotels with internal convention space marketed to out-of-towners.

Likewise, our elected leaders (and media) glorify hoteliers ad nauseam based on the city's Transient Occupancy Tax (TOT) revenue that comes from hotel customers, as if it is actually the hotelier's money. It isn't. Do our leaders ever give glorified credit to Walmart or Costco for the gargantuan tax proceeds that come via sales taxes in their stores? Tobacco companies? Oil companies? Of course not — these are all products legislatively chosen to be taxed to fund various government functions for the people. And those taxes are paid by consumers of those products, not the businesses.

So, then, why have our elected leaders turned over the marketing of our city (our product) to demand-filling hoteliers, instead of to our actual demand-creators? Why do our leaders support a Tourism Marketing District tax (likely illegal) that gives these same hoteliers \$30 million plus per year of "taxpayer money" to market themselves?

Simply put, the reason is because San Diegans have been hoodwinked by the so-called hotelier cabal with the myth that hoteliers drive our tourism business.

Astonishingly, over the past 10 years hoteliers have spent over \$200 million of "taxpayer money" supposedly marketing San Diego — and yet, our city still lacks any semblance of a real brand. Why? Because hoteliers instead used this money for short-term, throwaway ad campaigns seeking to fill their hotel rooms, at taxpayer subsidized rates.

This is marketing malpractice in the extreme.

Great brands have proven track records as demand-creators — New York City (*The Big Apple + I (Heart) NY*), Las Vegas (*Sin City + What Happens Here, Stays Here*), Apple (*Think Different*) and Nike (*Just Do It*). San Diego is a world-class product as well, and should have pursued the same long ago — with a thoughtful, uplifting, inclusive and bilingual brand. Embracing such would enhance our city's economic interests, appeal as a tourist destination, and sense of self and city pride.

San Diego's brand and marketing should never be controlled by one interest group, and we've seen exactly what happens when it is — it is abused to serve that group's interests. Rather, it should be controlled by a board equally represented by our authentic demand-creators in the life sciences, high-tech, higher education, military, conventions, amusement parks, public parks & beaches, sports entertainment, and cross-border activities.

There are many reasons to market San Diego, but filling hotel rooms is not one of them. Just like any other business, marketing their businesses is the hotelier's responsibility. Fortunately for them, if our brand and demand-creators thrive, so too will they. A win-win.

Dare to be great San Diego.

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