

Ocean City, New Jersey

Economic Development Recommendations



Presentation Overview

- 1) Project Context
- 2) Key Trends
- 3) Recommendations



Introduction / Context

- Strong, positive, and well supported brand of “America’s Greatest Family Resort”
- Certain local economic indicators a concern
- Changing preferences and more choices for tomorrow’s decision makers
- Staying true to a timeless brand, while responding to new challenges/opportunities



Research Process

- Working session on overall OCNJ brand
- Follow-up working sessions and participant surveys on:
 - Accommodations
 - Retail/entertainment/food
 - Transportation/infrastructure
 - Quality of life
- Multiple site visits for informal observation/interview of visitors and merchants
- Extensive review of online reviews of OCNJ and selected destinations
- Additional independent research and analysis
- Iterative discussions with City Council and City administrators

Starting Point: A Familiar and Consistent Brand

- Media coverage of OCNJ as a tourism destination tends to focus on familiarity / continuity

Philadelphia



THRILLIST

**Every Major Jersey Shore Beach Town,
Ranked**

COASTAL
LIVING

**2018 America's Happiest Seaside
Towns**

Because Jersey boardwalks never change.

There's no Fortnite, no 128-mile-per-hour Kingda Ka, no place for iced matcha — just the familiar tempo of the Buccaneer, the zitty teen working the water-gun races, hermit crabs in cages and pizza by the slice. You could compare a photo of my daughter taken in Ocean City in 2019 to one of me from 1987 and the only difference would be the quality of the print. And that makes me smile, because it's quite possibly the only thing our childhoods have in common. — A.P.

An iconic seaside spot that's as wholesome as they come

Voted America's #1 beach by Coastal Living in 2016, OC is the epitome of a family destination -- "New Jersey's Disney World," in the words of the city's mayor, Jay Gillian. At Playland's Castaway Cove, you can ride the triple-launch GaleForce roller coaster and the Giant Wheel, a 90-foot-high ferris wheel with beautiful Atlantic City skyline views. Since this is a dry town, getting high on saltwater taffy and fudge from Shriver's -- the oldest business on the boardwalk, turning 120 this year -- is as crazy as things will get. At least you'll actually remember all the fun you had in Ocean City.

This Jersey Shore city is pure Americana: Its glory days as a 19th-century resort town have resulted in a boardwalk that is still the heart of the place, complete with amusements, funnel cakes, and saltwater taffy. Further, Ocean City's status as a "dry town" translates to no liquor being served at any establishments, which keeps the whole vibe family friendly. But there's more to this spot than Skee-Ball and summer nights. Ocean City has eight miles of broad, pale-sand beaches—including a surfing beach at its north end and the serene remove of Corson's Inlet State Park to the south. The Residential Historic District is full of Victorian bungalows and beach cottages, making life here feel like an old-fashioned vacation.

"You could compare a photo of my daughter taken in Ocean City in 2019 to one of me from 1987 and the only difference would be the quality of the print."

"OC is the epitome of a family destination."

"This Jersey Shore city is pure Americana."

Travel Trends



Travel Trends

- Changes in the travel landscape set the environment within which destinations operate and compete
- The consulting team has identified key industry trends relevant to Ocean City

Key Trends

- 1) Generational Change
- 2) Shorter Trips
- 3) Technological Tools
- 4) New Transportation Options
- 5) Experiences > Stuff
- 6) Wellness Above All

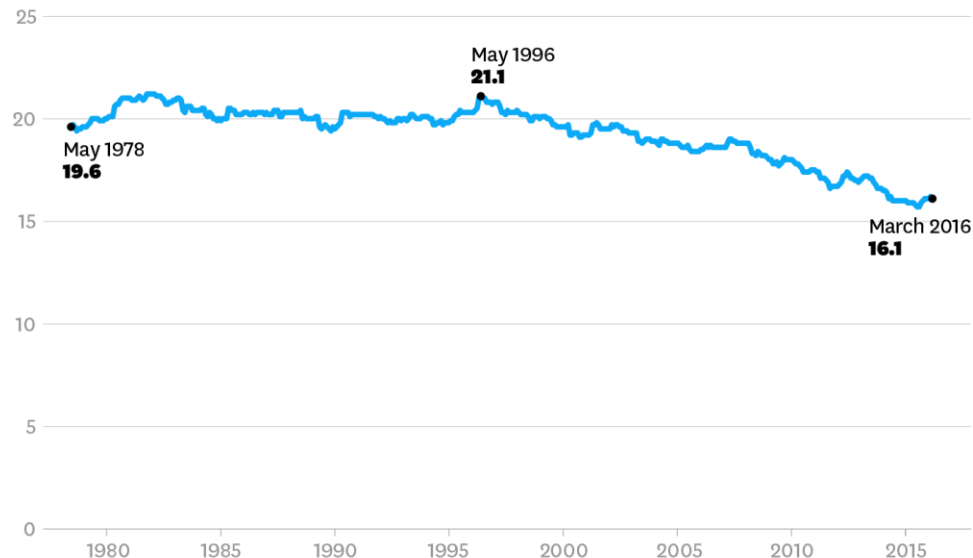
Shorter Trips: The Rise of the Micro-cation

- Modern travelers and families have less vacation time and more options, and are responding by dividing among destinations through shorter trips
- Destinations need to attract more visitor “churn” to compensate for shorter stays per visitor

America's Declining Vacation Usage

How much lower will it go?

AVERAGE ANNUAL VACATION DAYS USED



SOURCE PROJECT: TIME OFF, 2016

© HBR.ORG

The Rise of the Micro-cation: More Than Half of Americans Opt for Vacations Shorter Than Four Days

Three-Quarters of Millennials Took at Least One Micro-cation in the Last Year



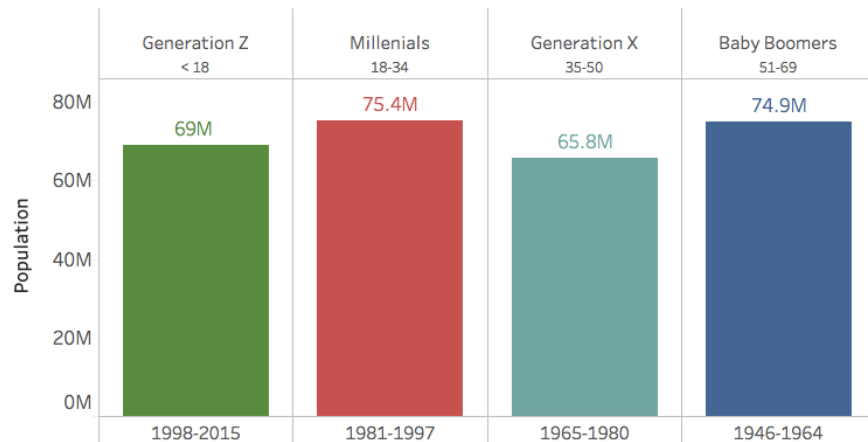
*Stressed, Tired, Rushed: A
Portrait of the Modern Family*

The New York Times

Generational Change: Millennials Make the Call

- Generational change is influencing the demographic profile of travelers and trip planners
- This has implications for what motivates decision-makers and what they expect of a destination

US Population by Generation (2015)



How to Sell to Millennials? Be Radically Inclusive.








“Millennials have redefined travel!” says Sabina Osorio, marketing manager for Sceptre Tours. “They want to see the world, experience it in a unique way and tell all of their friends along the way via social networks. They are interested in **diversity and authenticity**, especially when it comes to travel. When targeting Millennials with escorted tours, we have found that boutique tours that offer value without compromising on the personal touch is the way to go. Small things like Wi-Fi-enabled coaches and genuine encounters with locals and artisans can make a big difference for this market.”

Technological Tools: How We Research/Book/Enjoy/Brag

- New technologies have changed the way travel is envisioned, researched, and booked
- Travelers are looking for iconic experiences they can share with their friends and followers (which in turn serves as a powerful marketing for the destination)

Average number of sources considered by stage

	Ideas/ Inspiration	Advice/ Ratings	Comparing Features/Prices	Reservations
 Overall	7.5	5.2	5.9	2.5
 Millennials Age 18-35	9.1	8.0	9.5	3.6
 Gen X (Xers) Age 36-49	7.2	4.5	5.3	2.1
 Boomers Age 50-68	7.8	4.0	5.5	1.8
 Matures Age 69+	6.7	2.8	4.0	1.1

American consumers spent more on Airbnb than on Hilton last year

That means Airbnb now owns about 20 percent of the entire US consumer lodging market.

Vox



New Transportation Options: Rise of the Car Free Traveler

- Fewer travelers have private cars and expect to use them to get to and around destinations
- The mode by which visitors travel to a destination impacts their transportation needs once they arrive there



The New York Times

THE GETAWAY

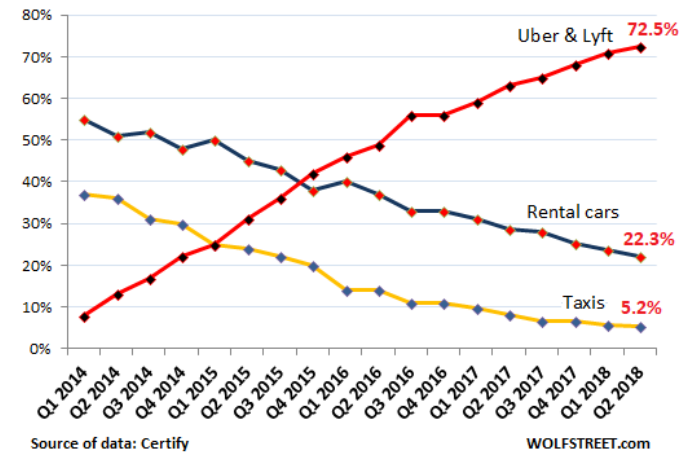
Car-Free Vacations for the Urban Traveler

ShermansTravel

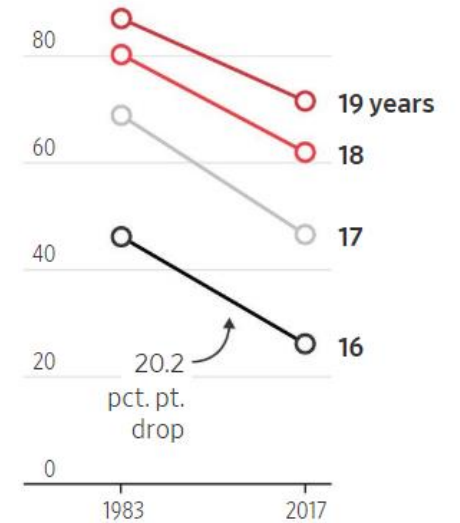
TOP DEALS DESTINATIONS INT

How To Take a Road Trip Without A Car

Uber & Lyft Crush Taxis and Rental Cars
% of Ground Transportation Travel Reimbursements



Percentage of licensed drivers by age
100%

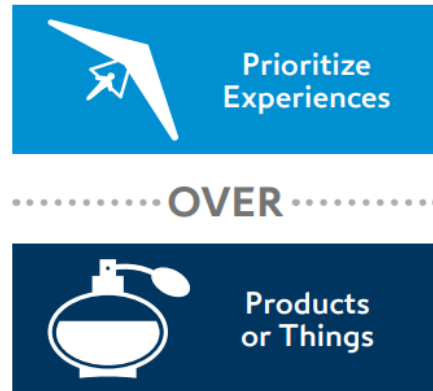
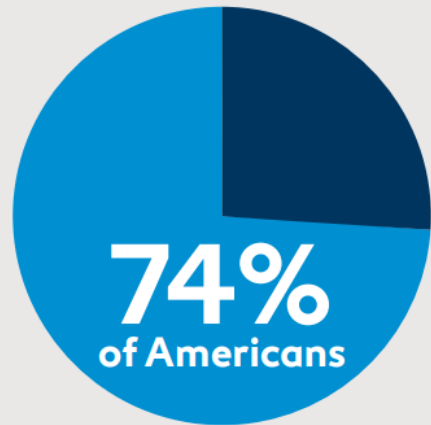


Experiences > Stuff: Authentic, Unique, and Experiential

- Tourists are increasingly gravitating to experiential travel, where they engage with the history, people, food, culture and environment of the place they are visiting

An emerging trend...

is the shift towards placing value on experiences, rather than things.



EXPERIENTIAL TRAVEL Feb 5, 2019

The Secret to Truly Authentic Travel

Wellness Above All: Being Active and Being Safe

- Wellness travel is a growing market segment (across all age groups)
- Personal wellness has expanded as a concept to include mind, body and spirit

THE GETAWAY

Your Next Trip Might Change Your Life

Once confined to spas, wellness travel has expanded to encompass the many ways getting away can benefit mind, body and spirit.



Recommendations



Trends → Recommendations

- Recommendations seek to value what is unique about Ocean City, while adapting to the changing external environment
- External forces (societal and demographic) are driving changes in consumer preferences:
 - **Shorter vacations**
 - Experiential/authentic travel
 - Diversity and inclusivity
 - Car-free travel
 - Focus on wellness
 - Importance of social media
- Shorter trips → More visitor volume / churn → Attracting and engaging new audiences

Recommendation Categories

- 1) Getting Here, Getting Around
- 2) Where to Stay
- 3) Attracting New Audiences

Getting Here, Getting Around

- Optimize key corridors for flow / safety
- Ocean City circulator
- Weekend Philadelphia → Ocean City Bus
- Dock Availability on Bayside

Optimize Key Corridors for Flow/Safety

- Use signage and infrastructure to separate traffic types and increase East/West flow and safety
 - 9th Street as key car arterial (capitalizing on flow from bridge and parking availability)
 - 5th / 6th Street adding infrastructure to encourage biking (capitalizing on city owned property)
- Signage/infrastructure can connect to broader messaging and aesthetics around safety, mobility, and recreation



Ocean City Circulator

- Initiate service on a reliable and frequent circulator trolley around Ocean City
 - Enables connections to multiple nodes within the island, encouraging more activity
 - Enhances mobility and safety for many populations (elderly, children, disabled)
- Vehicle and journey is its own activity that can reinforce the Ocean City brand / experience
- Trolley smartphone app could track trolley location and provide timetables, enhancing rider experience
- Circulator could ease downtown parking/driving congestion



Weekend Philadelphia → Ocean City Bus

- Pursue a dedicated weekend AM bus from Philadelphia to Ocean City
- Responsive to preference for avoiding driving
 - Enhances appeal/convenience to groups beyond traditional families
 - Opportunity to promote serendipitous social connections among groups with similar interests
- Potential to package bus tickets with attraction / activity tickets in Ocean City



Dock Availability on Bayside

- Create and maintain “transient” docks available for short-term stays
 - Draws attention to bay and marina assets
 - Provides an additional inter-destination transportation option
 - Supports experiential travel activities



Where to Stay

- Promote a portfolio of lodging options
- Embrace technology that meets market demand
- Build hotel image and supply back up

Promoting a Portfolio of Lodging Options

- A diversified menu of lodging choices to reflect shorter/flexible stays and changing preferences
 - Weekly rentals remain the base, but other choices are presented as complements when that product/timing doesn't work
 - Aggressively segment and promote
- Upsell today's short-stayers to build tomorrow's long-stayers

Vacation Rentals



AirBNBs



Bed & Breakfasts



Hotels



Embrace Technology that Meets Market Demand

- Tools like Airbnb provide the flexibility, booking, and unique experience that many travelers are seeking out
 - Help Airbnb hosts synchronize their offerings with familiar themes (history/nostalgia/memories, family, beach, active, rejuvenating)
 - Resource Airbnb hosts with specific information/packages for different audiences and different interests and promotional material gets people out and about in Ocean City



Vintage OC Beach home with contemporary updates
Ocean City

★ **Entire house**
9 guests 4 bedrooms 7 beds 2 baths

🔑 **Self check-in**
Check yourself in with the keypad.

Build Hotel Imagery/Supply Back Up

- Shorter stays means more hotels, and more hotels means rebuilding an image of quality/value
 - Micro-micro-micro-hotels are a good way to experiment with new concepts to see what the market likes
 - New = higher price point, fancier amenities, curated backstories/experiences, non-traditional locations
 - Jumping off point for reimagining brand characteristics in new ways
- Working towards larger-scale flag hotel addition



Attracting New Audiences, Maintaining Family Experience

- Outreach to disabled community
- My Ocean City storytelling platform
- Targeted bundled experiences

Outreach to Disabled Communities

- Signal of inclusion both for these communities and for broader audience
- Build on existing strengths in accessibility and welcoming, reinforce messages of safety and inclusion
 - Integrate messaging/imagery into all promotional efforts
 - Highlight businesses that demonstrate exemplary effort in accessibility/welcoming
 - Specific experiences/promotion for intellectual disability community



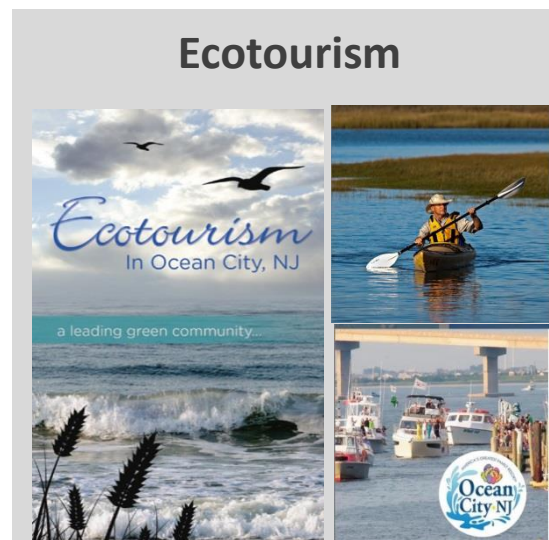
My Ocean City Storytelling Platform

- Campaign of testimonials from wide range of residents/visitors about why Ocean City is special from their perspective
 - Expansive approach to the many ways in which Ocean City can be enjoyed
 - Allows known aspects of brand (family, safety) to be seen in a broader context
 - Reinforces strong sense of community pride and a feeling that Ocean City is a cherished place
 - Allows for targeting new audiences and welcoming them to OCNJ experience



Targeted Bundled Experiences

- Curated packages to emphasize the breadth of audiences and interests OCNJ appeals to
 - Sample audience (and strategy): spiritual seekers would receive information on OCNJ history, places for contemplation, and locations/hours for worship services
 - Sample interest (and strategy): fitness lovers would receive itineraries/promotions related to gyms, running routes, and surf lessons
- “Soft” approach to promotion (i.e. no need to commit vendors to a specific agreement / discount)
- Incentivizes visitors to experience the variety of amenities that OCNJ offers



Recommendations Summary

Build on Ocean City's established and strong brand

React to changes in the external environment



Adaptations that affirm the Ocean City brand in new ways and to new audiences