



The Art & Science of Destinations
DESTINOLOGYTM

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Destinations and Social Responsibility

*Building relationships with your visitors
by focusing on profit, people, and the planet.*

SHARED VALUE FROM SHARED VALUES

We are all operating in a business world that has been tainted by corporate irresponsibility. Today's consumer is more sensitive than ever to doing business with organizations that operate with integrity. They want to see tangible proof that a company shares their values, and acts accordingly. In this setting, destinations have a unique opportunity.

In the destination industry, we provide experiences that enrich people's lives. We enhance our communities through economic development, job creation, and improved quality of life. At PGAV, we encourage our clients to think of their operations in this broader context, and to be leaders in environmental and socially responsible practices. More often than not, their customers will reward them for it. As Jim Atchison, CEO of Busch Entertainment Corporation (BEC) states, "I think people want to be close to organizations that show responsibility and passion. People are inspired by this, want to work for us and visit our parks. They see us trying to do the right thing."

But will consumers feel this way in a struggling economy? A recently published study called "Green Winners" by the consulting firm A.T. Kearney shows that during the current economic slow down, publicly traded companies in all industry sectors that show a "true" commitment to environmental sustainability are outperforming their industry peers in the financial markets.

Perhaps the more relevant question is: In today's business environment, can your destination afford NOT to make this type of value-based commitment?

In their landmark article: "Strategy and Society – the Link Between Competitive Advantage and Corporate Social Responsibility" (Harvard Business Review, December 2006), Michael Porter and Mark Kramer highlight the mutual dependence of business and society. For destinations to thrive, they need to operate in healthy communities, and in a healthy world. More than ever, destination consumers are sensitive to a "Social dimension to the value proposition."

This value proposition serves as the crucial distinction between destinations that authentically embrace social and environmental values, versus organizations that are simply reacting to media trends.

For the Biltmore Estate in Asheville, North Carolina, the descendants of George Vanderbilt are actively translating his Century-old commitment to sustainable practices into a powerful point of difference. Recently, Biltmore received North Carolina's Triple Bottom Line Award, which is based on John Elkington's concept of corporate success via "People, Planet, and Profit." For Jim Atchison, BEC's core purpose is "to celebrate, connect and care for the natural world we share through the power of entertainment."

More than ever, destination leaders are acknowledging their role to the industry and society. Bruce Beckham is Executive Director of Tourism Cares, an organization which engages industry leaders in conservation, preservation and education regarding endangered tourism assets. According to Beckham, "We give back so future generations can experience the travel we so enjoy and value today."

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PGA V PARTNER PROFILE
JIM ATCHISON

President, Busch Entertainment Corporation

Jim heads the Busch Entertainment Corporation's family entertainment division of Anheuser-Busch InBev Cos. - SeaWorld parks in Orlando, San Diego and San Antonio; Busch Gardens parks in Tampa and Williamsburg, VA; Discovery Cove in Orlando; Sesame Place in Langhorne, PA; and three water parks, including Adventure Island in Tampa, Water Country USA in Williamsburg and Aquatica, SeaWorld's waterpark in Orlando.

What is the vision for BEC?

Our statement of purpose is: to celebrate, connect and care for the natural world we share through the power of entertainment. As a company, we operate in both the natural and themed entertainment worlds. Holding one of the world's largest animal collections, we feel the deepest sense of responsibility for protection and conservation.

Explain your company's commitment to social responsibility.

We provide myriad forms of support. We're very active in research and animal rescue efforts, saving over 15,000 animals. In California, we rescue marine mammals and reptiles; in Florida, it's manatees, dolphins, pelicans and whales. In the early '90s, an orphaned gray whale was amazingly rescued, just days after birth with its umbilical cord attached. We raised it from calf to a 17,000-pound adult, eventually releasing it into the wild. As you can imagine, rescue personnel and equipment are costly. There is no budget for these efforts; we just do it.

Many people share our passion, and we work to support conservation around the world. Nearly \$5 million has been given as international grants, from developing turtle-friendly fishhooks to transforming third-world beaches into eco-tourist destinations. Extensive efforts are made to advance breeding of endangered species.

Describe a few special initiatives.

In recent years, we've begun to advance our commitment to sustainable practices. For example, all fish and shrimp served to our visitors must come from sustainable sources. We use compostable material in serving ware and dishes, and we've tripled recycling output in our parks.

Our Animal Ambassadors are frontline zoological professionals who make thousands of appearances to groups and in classrooms around the country. They bring our animals and talk about habitat and conservation.

In 2005, we launched "Here's to the Heroes" to support members of our military and their families. Over 4 million people have enjoyed free admission to parks. When they stand to be recognized in Shamu Stadium, the recognition by our guests is overwhelming and deeply touching.

Not long ago, we challenged frontline employees to come up with off-the-wall grassroots ideas to further our vision. These Blue Teams, comprising thousands of employees throughout our parks, volunteer their time in a wide variety of causes.

You do so much; how does this focus impact business?

I think people want to be close to organizations that show responsibility and passion. People are inspired by this, want to work for us and visit our parks. They see us trying to do the right thing.



BILTMORE WINS BIG!

Biltmore was recently honored with the Triple Bottom Line Award from Sustainable North Carolina. This coveted distinction recognizes leadership in building a sustainable future through the successful integration of environmental, social and economic strategies with measurable results.

“We’re thrilled to be recognized with this award,” says Ted Katsigianis, Vice President of Agriculture. “It’s a real tribute to the Vanderbilt family legacy, which has shaped the culture of Biltmore since the inception of the estate 100 years ago.”

Sustainable Guiding Principles

Biltmore’s history speaks directly to the triple bottom line. Environmentally sound practices were implemented in the early stages of Biltmore. Following the advice of his landscape architect, Frederick Law Olmstead, George Vanderbilt replaced over-farmed land with well-managed forests. The transformation resulted in prosperity for the people as well as wildlife at Biltmore. Both sustainable forestry and agriculture are still practiced on the estate. Nationally, this area is credited as the Cradle of Forestry.

Social responsibility is also a tradition at Biltmore, beginning with teaching literacy and supporting local craftsmen. Today, management consistently demonstrates a commitment to philanthropic and educational activities for both employees and the community at large.

The economic impact was dramatic when Biltmore initially created hundreds of jobs in a rural area of Appalachia. Currently, The Biltmore Companies employ over 1800 people and calculate their direct effect in Western North Carolina to be about \$350 million annually.

Commitment to the Future

Biltmore established an environmental strategic plan in 2007 to assure corporate sustainability. The first step was to appoint champions of the sustainability initiative. Secondly, internal environmental and social footprint analyses were conducted to determine a baseline. All employees were engaged in the process by asking each department to identify their own Green Teams. Some of these groups have achieved notable results. For example, the Food & Beverage department worked on developing fair trade coffees and compostable containers as well as converting used cooking oil into biodiesel for estate trucks, tractors and small equipment.

Outstanding employees are rewarded on a regular basis for customer service, environmental commitment and safety.

One key activity was getting all Green Teams together to clean up several miles of the French Broad River running through the estate. Their efforts at “fishing” produced a great number of treasures to take to the dump, and equally important, the experience provided an opportunity for everyone to share the environmental commitment. Biltmore’s next challenge is to make sure that customers are fully informed about employee projects and environmental successes.

“The meat of next year’s strategic plan will be information gleaned from the Online Best of Biltmore Research Panel,” says Katsigianis. “We want both our guests and frontline employees to realize that our CEO William Cecil Jr. fully supports implementing best management practices and all creative pursuits for corporate sustainability.” To learn more about Biltmore’s history and current initiatives, visit www.biltmore.com.

BILTMORE'S GUESTS GET GREEN

As long-time stewards of the environment, Biltmore's management team was intrigued by the recent PGAV national survey entitled "Survival of the Greenest." That survey offered keen insights into how the general population of consumers thinks about sustainability. Because Biltmore frequently utilizes an Online Best of Biltmore Research Panel consisting of 5000 customers, they have a ready vehicle for communicating directly with their guests.

"Our panel is an exciting cost-effective way to conduct research with a wide range of people," reports Peggy Dalman, Marketing Research Manager. "While we offer an incentive, what guests really appreciate is knowing we use their input to make decisions."

Biltmore solicited the Panel's views on environmental issues by adapting the PGAV national survey to meet their own needs. Turns out, consumer preferences in the two studies proved to be strikingly similar, and the opportunity to compare outcomes provided an extra level of validity.

Significantly, 75% of Biltmore's respondents say their perception of the estate improved knowing that the environment is a priority at Biltmore. They expect to see

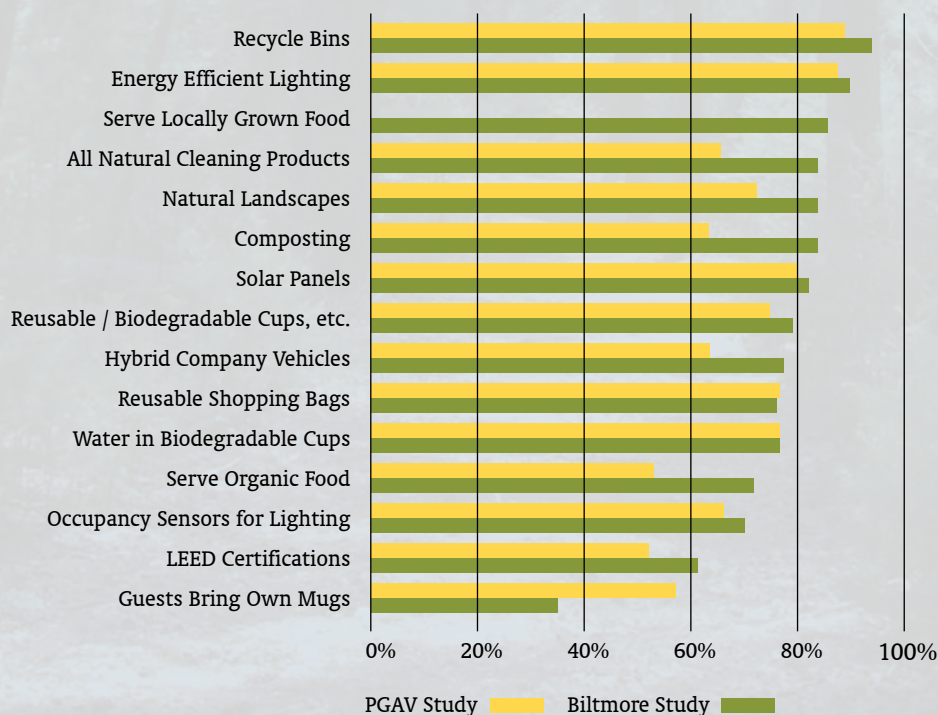
outward signs of environmental commitment, and the top five in rank order are: recycle bins, energy efficient lighting, locally grown food served, all-natural cleaning products and natural landscapes.

Like the PGAV study, 43% of Biltmore's Panel is willing to pay 5% to 10% more at an environmentally friendly destination. A full 54% of Biltmore guests expect prices to be higher at places committed to going green. And, 63% of respondents would be more likely to select a leisure destination that uses environmentally friendly practices.

While 38% are aware that Biltmore utilizes resources to be environmentally friendly, 41% of respondents would definitely like to hear more about environmental efforts.

Based on the survey results, Biltmore has outlined key recommendations for action. Next steps include activating their Green Teams of employees to review guest suggestions and identify priorities for the coming year. "We have so many stories to tell about Biltmore's history of being green, and we plan to fully develop these as opportunities to talk about our current environmental practices," adds Dalman.

Comparison of PGAV and Biltmore Studies
Outward Signs of an Environmental Commitment



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Three-hundred and thirty (330) tourism industry volunteers came together to restore Louis Armstrong Park in New Orleans in 2008. The park has now reopened for the first time since Hurricane Katrina.



Volunteers roll up their sleeves to clear debris on the devastated Mississippi Gulf Coast after Hurricane Katrina in 2006.



Volunteers help to restore a century old railroad car in Virginia City, NV in 2007.

More Ways Tourism Cares

Grants to world-wide nonprofit organizations to preserve cultural, historic and natural sites

Scholarships for students pursuing tourism and hospitality degrees

Save Our Sites donations by traveling passengers are matched by tour operator members of the National Tour Association and the United States Tour Operators Association

Tourism Caretaker contributions allow everyone to show support for these efforts

HOW MUCH DO WE CARE? LET ME COUNT THE WAYS.....

Places like Ellis Island and Mount Vernon are integral to our nation's identity. Yet, many of these popular sites, considered national treasures, are at risk due to old age or natural calamity. Fortunately, they are the beneficiaries of industry TLC from **Tourism Cares**.



Tourism professionals devoted a day to give back and clean up America's Front Door, Ellis Island.

Created by the consolidation of the National Tourism Foundation and the Travelers Conservation Foundation, Tourism Cares is a nonprofit group dedicated to conservation, preservation and education. "We give back so future generations can experience the travel we so enjoy and value today," says Bruce Beckham, executive director of Tourism Cares. "Economically speaking, cultural and historic sites are the reasons *why* we travel; if they were to go away, so would the industry of *how* we travel."

When President Bush challenged each American to commit to 4,000 hours of public service following September 11, 2001, Beckham seized the opportunity for the tourism industry to respond. The Tourism Cares for America Volunteer Program was born. As its first work site, Ellis Island was chosen because this symbolic entry to America had turned from icon to eyesore. Over 300 industry volunteers spent a weekend cleaning up the Island's south side. Marriott Hotels donated 200 rooms and multiple sponsors came forward to support the project.

In 2004, volunteers scrubbed tombs to help restore New Orleans' 215-year-old St. Louis Cemetery #1. In 2005, 400 people from around the country cleared debris left by Hurricane Isabel at Mount Vernon. Last year, 350 industry members rolled up their sleeves to clean up Louis Armstrong Park in New Orleans.

Since 2003, nearly 1,800 volunteers have provided over 30,000 hours of labor at various destinations. "About 50% of the people who come each year are new. Representing the entire spectrum of the tourism industry, executives and front desk clerks share unforgettable camaraderie. It's a Woodstock kind of feeling," reports Beckham. "More than ever, people turn to us and ask what they can do to help."



Tourism Cares for Gettysburg

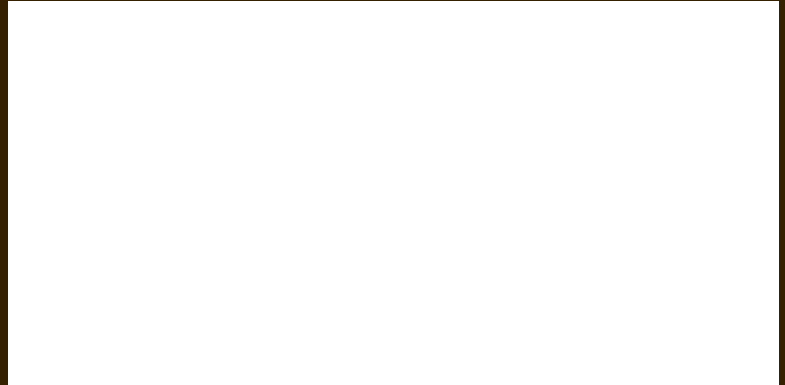
On April 17, 2009, about 400 people will gather to restore Spangler Farm at Gettysburg. This site was the field hospital for wounded soldiers during the most significant battle of the Civil War. Abraham Lincoln's Gettysburg Address ensured this battle site would forever symbolize the strength of our nation. Volunteers plan to paint, replace fencing, remove modern structures, clear brush and repair outbuildings.

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think deeply, plan carefully, act boldly

Destinology is produced by PGAV Destination Consulting, a firm providing growth solutions to cultural, natural, and entertainment destinations worldwide. Learn more about us at www.pgav.com.



FEATURED PROJECT: BILTMORE TO OPEN ANTLER HILL VILLAGE IN SPRING 2010

ASHEVILLE, NC – The Biltmore Company, which operates the National Historic Landmark Biltmore in Asheville, has announced that it will break ground on a new guest attraction, Antler Hill Village. Located adjacent to the Winery and River Bend Farm on its grounds, the area will be open to guests as part of daily admission to Biltmore. This pedestrian-friendly village, opening Spring 2010, will become a center of activity that joins two historically significant and popular attractions at Biltmore.

Antler Hill Village will expand current guest offerings at the estate and include a new exhibition space, village green with live entertainment, dining, shopping and a new outdoor adventure center. As part of this project, Biltmore Winery will be enhanced to offer a newly designed tour and tasting areas. The existing interpretive farm area with historic barn, kitchen garden and farmyard will be incorporated as well. Estimated cost of this project is \$18.6 million.

“We are pleased to announce this exciting new guest experience at Biltmore,” said William A.V. Cecil Jr., CEO of The Biltmore Company. “This area of the estate has become a fun location for outdoor activities, and one that is rich with agricultural history. At Antler Hill Village, guests will learn even more about

our family’s interest in agriculture and the outdoors, as well as my great-grandfather’s legacy of making Biltmore self-sustaining.”

George Vanderbilt called the hill overlooking the village area Antler Hill. The area where the village will be located was a hub for the estate employees to interact socially with dances, harvest fairs and classes in the evenings.

“This area has a history of hospitality and entertaining,” said Cecil. “With the creation of Antler Hill Village, we will draw from this history and offer guests a more contemporary experience of today’s Biltmore.”

PGAV Destination Consulting is proud to have served as planner and designer of this project.

