

# LOS ANGELES

## *TOURISM*



A DOMESTIC AND INTERNATIONAL ANALYSIS

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## Executive Summary

Tourism is one of the most important industries in Los Angeles when it comes to job growth and economic impact. Thus, it is important to identify the strengths and weaknesses of LA Tourism and evaluate how to go about improving the integrity of the industry.

The political issues that surround tourism in Los Angeles include visa restrictions, subsidies granted to the film and television industry, tax breaks for the hotel industry, and the effect of the Transient Occupancy Tax on tourists. Tourism is a major factor in LA's economy, but the business environment in Los Angeles could serve to restrict future growth in that area. Los Angeles benefits from its racial diversity relative to tourism, but a current constraint is its high crime rate. However, crime is steadily decreasing, which could provide more incentive for tourism. Los Angeles has made strides in technological advancements, specifically in the recent improvements done at LAX. However, the airport suffers from poor logistics management and the city needs to gain a technological advantage to further spur tourism.

The domestic city most comparable to Los Angeles is New York City, as both economies rely heavily on tourism as a generator of revenue and jobs. Though geographically different than LA, New York City faces similar challenges in marketing its outer boroughs.

Three relevant international comparisons include Bangkok, London, and Paris, as they all represent models of success that Los Angeles can learn from. Bangkok topped a recent list of popular tourist destinations because of the luxurious and beautiful nature of its tourist attractions, especially shopping malls and its appeal to the large middle class Asian market. London is the most popular tourist destination in the world due to its rich history, convenient public transportation, and tax-free shopping. Paris is another top tourist destination due to its abundance of cultural sites and walkable districts.

Recommendations for future tourism growth include the easing of visa restrictions, the adoption of more multi-lingual employees in the tourism sector, implementation of city-wide Wi-Fi, overhauling the city's marketing and promotional strategies with regard to segmentation, and highlighting landmarks, cultural events, and sporting events.

## Introduction



With its warm, sunny weather, beautiful beaches, and eclectic mix of attractions that are continuously highlighted in Hollywood films, it is easy to see the allure of travel to Los Angeles, California. As of 2013, Los Angeles is number 20 on Business Insider's list of the top 20 most popular cities for tourists. In 2012, tourism was Los Angeles' fastest growing industry, with visitor spending supporting 324,000 jobs. Travel in California is

### ***Earnings of Leading California Export-Oriented Industries***

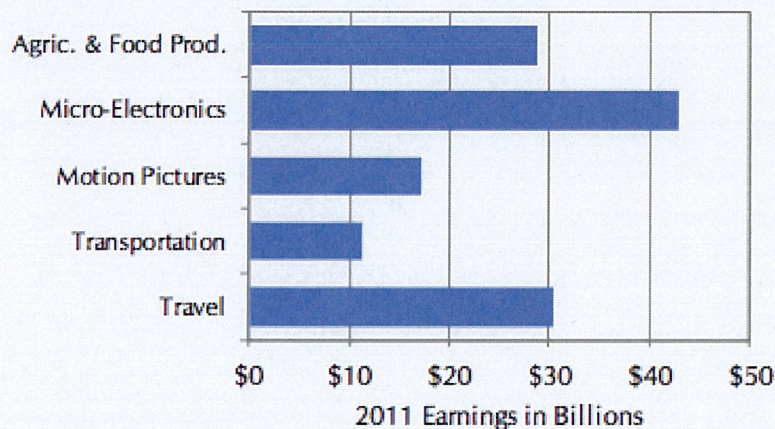


Fig. 1 (Los Angeles Tourism & Convention Board, 2012)

actually a bigger industry than even its famed motion picture industry, as demonstrated in the chart below. Mayor Eric Garcetti enthusiastically agrees that "The continuing, record-breaking growth and strength of tourism in Los Angeles is a shining light for our economy, creating good-paying jobs for our families, benefiting local businesses, and generating significant revenue for the city that goes toward the important public services our city needs" (LA Tourism & Convention Board). It is clear that Los Angeles tourism is important to the city, so with such a large role in the economy, it is only fitting to explore areas in which Los Angeles tourism can be improved and strengthened. Though it is a popular tourist city, Los Angeles faces a variety of challenges that must be addressed in order to continue to market the city as a destination for both domestic and international travel.

## PEST Analysis of Los Angeles Tourism

### Political Implications



A primary political concern at the forefront of tourism is strict immigration and visa rules. Even if Los Angeles seems like an attractive location to foreign tourists, it may take too long and cost too much to get a visa. In 2011, The U.S. Travel Association worked to persuade the government to ease visa rules in order to gain more travelers. From this sparked the Visa Waiver Program, where citizens of a country in the program are not required to obtain a visa to travel in the United States for trips less than 90 days. The United States is very cautious about loosening visa rules due to immigration and the threat of terrorism.

In order to help the Visa Waiver Program expand, the “Jobs Originated Through Launching Travel” (JOLT) Act was introduced to Congress in early 2013 and passed in November 2013. The JOLT Act promises to reduce visa wait times by requiring the State Department to publish information about when visa demands are low to encourage foreigners to apply, starting a program for paid, expedited interviews for visas, easing restrictions on Canadian tourists, and setting a goal of interviewing 90% of applicants for non-immigrant visas within 10 business days (Times Editorial Board). Additionally, the Act plans to use increased inbound international travel to help create more jobs and facilitate economic growth.

In addition to visa setbacks, Los Angeles is suffering a big loss in the film and television industries. Movies and television shows are venturing out of California for production, hitting the entertainment industry hard with an estimated loss of 16,000 entertainment jobs in the past decade (Times Editorial Board). To help combat these losses, a tax credit program was created. This program awards credits through a lottery system and will “allow production companies to cut their state tax bills by 20% to 25% of their crew and locations costs” (Times Editorial Board). Assembly Bill 1839 was created after funds ran out in the original program. The Bill plans to contribute billions of dollars to the program and in turn, protect middle-class jobs and money created by the entertainment industry. Assembly Bill 1839 is controversial, as many people would rather see tax dollars go to social services. However, if the entertainment industry can remain strong in Los Angeles, tourists will continue to be drawn to the area, creating more revenue and growth for the city overall.

Additionally, tax breaks for hotels are a topic for political discussion in Los Angeles. In order to erect large, attractive hotels to draw in tourists, many companies need financial help



from the city. The City Council is attempting to be more selective with which hotels receive the city subsidies by deciphering how beneficial each hotel would be in job creation and attracting visitors. Alan X. Reay, president of Atlas Hospitality Group in Irvine, California, claimed that, “the amount of demand for sites in downtown Los Angeles to build hotels is stronger than [they’ve] seen in 25 years of being in business” (Zahniser). In addition to creating new hotels, the Convention Center wants to expand by creating 4,000 other rooms in order to be an even more attractive conference destination. Analyses are being conducted to decide whether this tax break, along with the many others, will be granted by the city. Though hotels are being given tax breaks, perhaps a more controversial issue is the Transient Occupancy Tax, a tax unique to California that is levied on any place of lodging that houses visitors for 31 days or less. This tax is beneficial for the state government, as in 2012 Los Angeles paid \$354.7 million (Dean Runyan Associates, Inc.). However, this is just an added constraint on accommodation businesses in Los Angeles and it makes lodging for tourists even more expensive.

### Economic Implications

Strict immigration and visa rules are also an economic concern because both make it more difficult for tourists and visitors to visit the United States, and more specifically, Los Angeles. It was estimated that “barriers to easy travel to the U.S. have kept out an estimated 78 million foreign tourists (and their wallets) from 2000 to 2010. Lifting many of the restrictions could pump \$859 billion into the U.S. economy and add 1.3 million jobs, by the association's estimates” (Warner). Visitor spending for Los Angeles in 2012 was an estimated \$16.5 billion. This was a 6.9% increase over 2011’s numbers (Los Angeles Tourism Statistics). Domestic day and overnight visitors spent a total of almost \$11.1 billion, and international visitors spent over \$5.4 billion.

In 2012, Mexico, Canada, China, Australia, and the United Kingdom were named Los Angeles’ top five tourist producing markets. China is considered the number one overseas market for tourists traveling to Los Angeles and has the fastest growth of any market, attracting 36% more tourists than 2011. The reason for this is because of China’s strong economy and growing upper middle class, enabling them to spend more money in Los Angeles. More places



in Los Angeles are also drawing in more Chinese customers by hiring Mandarin speaking sales clerks and incorporating and understanding the Chinese culture (Sim). This helps us understand why more Chinese are flocking to Los Angeles and how this may give us a good competitive edge over other cities in America.

Additionally, the Los Angeles Travel Price Index for February 2014 decreased by -.5 % compared to February 2013. The Travel Price Index measures the seasonally unadjusted inflation rate for the cost of travel away from home. Food and beverage and lodging had an increase in their TPI, but motor fuel and airfares showed a decrease compared to February 2013. The average daily room rate for LA County in 2013 was \$171.54 (LAEDC). The number of hotels in Los Angeles stayed steady from 2011-2013 with 2,022 hotels. In 2011 and 2012, more than 70% of the beds in these hotels were occupied. Domestic tourist arrivals were also at a high in 2013 reaching 22,412,300. International tourist arrivals was at its highest in 2013 reaching 6,541,800 (Passport).

As of 2011, Los Angeles is an \$827 billion economy, with business services contributing the most, 35%, to the city's gross domestic product (GDP). Commerce activities contribute the second largest amount to the GDP with 27% and are the most prominent characteristic of the Los Angeles economy. Compared to other major metropolitan cities in the United States, such as New York and Chicago, commerce activities in LA contribute a higher share of the GDP (Los Angeles City Review). Commerce contributes 22% of the GDP in New York and 20% of the GDP in Chicago. Commerce also employs the most people in any industry. Los Angeles's establishment as the entertainment capital of the world and its ports have led to these high numbers in commerce. The clustering of industries, such as entertainment, logistics, healthcare and biotechnology, and the city's world-class infrastructure gives Los Angeles an advantage in productivity.

Finally, it does not help that the small business environment in Los Angeles is remarkably unfriendly, earning a D in a 2013 Kauffman Foundation survey. Small businesses in Los Angeles face high taxes and excessive regulation, and a recent survey among small business owners found 9% of members intend to move out of Los Angeles. This relates to tourism both in terms of business travellers and in terms of travellers who are relatives of California



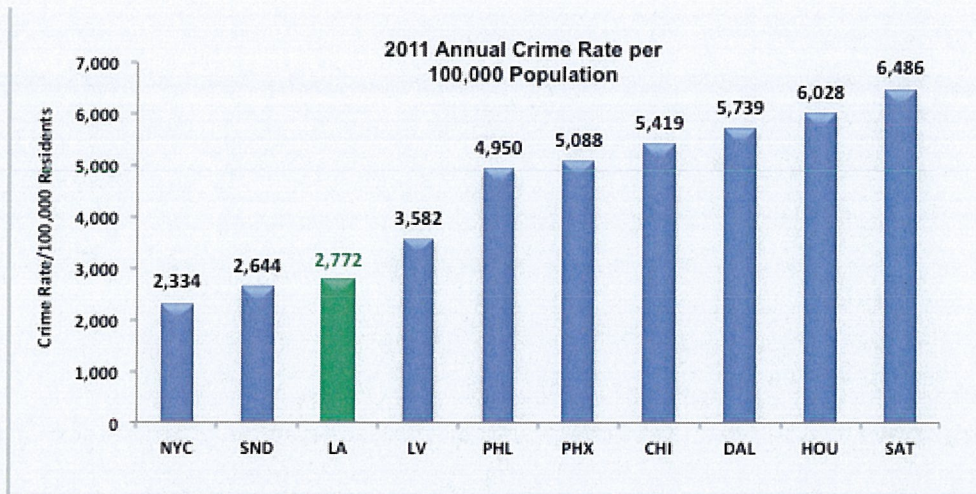
residents. Small business enhances the local economy, and having an environment that is destructive for business lowers the potential amount of visitors to Los Angeles (Los Angeles 2020 Commission).

### Social Implications

Los Angeles is heavily populated and vast, consisting of five counties: Los Angeles, Riverside, Ventura, Orange, and San Bernardino. It was found that “if the Los Angeles five-county area were a state, it would surpass all states in total population size with the exception of California, Texas, New York, and Florida” (LAINC). The people are also very culturally diverse. Los Angeles is home to people from more than 140 countries, speaking around 224 different languages (LAINC). According to the United States Census in 2012, Los Angeles County’s top four ethnicities are 71.6% white alone, 48.2% Hispanic or Latino, 27.3% white alone (not Hispanic or Latino), and 14.5% Asian alone. This diversity may help visitors from other cultures feel more welcomed and accepted in Los Angeles.

Crime in Los Angeles is another social consideration for tourism. There are many movies and television shows that bring crime in Los Angeles to light, giving the city a reputation of being dangerous. Some tourists may also be weary to visit due to their preconceived ideas of gang violence in Los Angeles. However, crime levels in Los Angeles have decreased significantly in past years. Both violent and property crime rates in 2011 for the City of Los Angeles fell 21% from 2006 (LAINC). When compared to other major U.S. cities, Los Angeles ranked fairly low in annual crimes. With less crime, more tourists will feel safe visiting the area with their families (see Fig. 2).





SND= San Diego, SAT= San Antonio

Source: FBI 2011 Unified Crime Report

**Fig. 2** (Los Angeles Tourism & Convention Board, 2012, p. 58)

### Technological Implications

In November 2013, the Los Angeles City Council approved a request for proposals to bring free Wi-Fi to the entire city. The hope for this initiative is to “stimulate economic growth and ‘bridge the digital divide’” (Linthicum). The estimated cost for basic Wi-Fi is between \$60 million and \$100 million. To install a faster operating system involving fiber-optic cables, the project could cost around \$5 billion. Currently, only a few cities in the country provide fiber-optic internet, some of which are Austin and Kansas City. This would set Los Angeles apart as a competitive, technological-based city, hopefully attracting more tourists to the area. On the other hand, such a large sum of money could be used to fund other projects and Los Angeles can save billions by only installing basic Wi-Fi.

Another technological initiative is Los Angeles International Airport (LAX) and the recent steps it has taken to help its travellers become more engaged. The most notable change at LAX is the new Tom Bradley International Terminal (TBIT) that completely recreates the traveler experience, making it easier to pass the time in the airport. The TBIT includes digital storyboards that display wide-angle pictures of aircrafts, a large destination board that is easy to read from any distance, a four-sided time tower that stands 72-feet tall, and much more. Each element ties together, creating an immersive environment (Saleme). However, despite



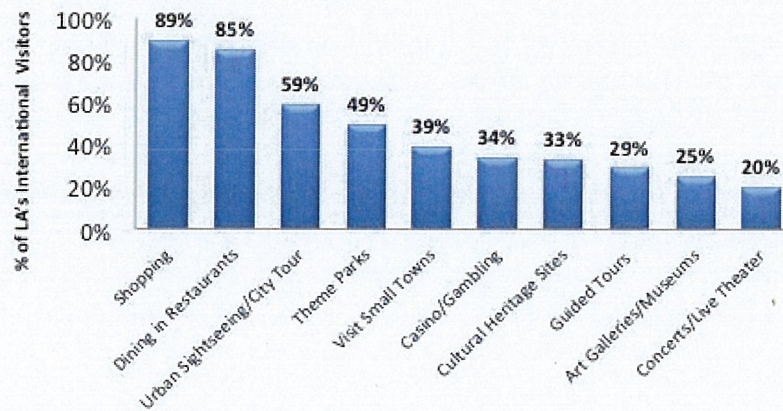
technological advances at LAX, the airport suffers from poor logistics management, such as the LAX setback on plans to reconfigure a runway, which would increase efficiency, and accommodate larger jets for international air travel. This project has garnered support from a wide variety of business, labor, and political leaders, but despite this support, discussion has gone on for decades and the runway has not been moved (Los Angeles 2020 Commission).

## Strategic Analysis of Los Angeles Tourism

In order to effectively understand how to market Los Angeles as a tourist destination, an evaluation of the different attractions Los Angeles has to offer is necessary. The categories listed in the chart below are from a 2011 survey of activities among international tourists. In evaluating these different topics, the strengths and weaknesses of each section must be addressed in light of their impact on the Los Angeles tourism landscape.

### Top 10 Most Popular Activities of Los Angeles' International Visitors

- **Shopping** (89%) is the most popular activity among International visitors followed by **Dining in Restaurants** (85%).



Source: OTTI 2011 Survey of International Air Travelers

**Fig. 3** (Los Angeles Tourism & Convention Board, 2012, p. 26)

## Landmarks



When it comes to Los Angeles tourism, there are certain landmarks, cultural events, sporting events, and conventions that attract the most tourists. The first landmark is Venice Beach. "Venice Beach is the 2<sup>nd</sup> largest tourist attraction in Southern California after Disneyland. There were 16 million visitors in 2004" ("About Venice"). The reason Venice Beach is able to attract so many tourists is because "it's known for its canals, funky artist colonies, contemporary restaurants, the eclectic shops and galleries on Abbot Kinney Boulevard, boutique hotels, and of course, its beaches and the circus-like Ocean Front Walk—a two-and-a-half mile pedestrian-only promenade that features performers, fortune-tellers, artists, and vendors" ("About Venice"). Venice Beach is also a large attraction for tourism because of the amount of films and music videos that are filmed there.

Another famous landmark is the Hollywood Walk of Fame, which Forbes ranked number eight on the top tourist attractions in America in 2010. The Hollywood Walk of Fame started as a gimmick to attract visitors but "2,400 stars later, business groups and local boosters say the sidewalk attraction has played a crucial role in making tourism the biggest industry in Los Angeles County, drawing nearly 26 million visitors and \$14 billion a year." (Martin) "The walk itself -- which attracts an estimated 10 million visitors annually to an 18-block stretch lining Hollywood and Vine -- helps make Hollywood and Los Angeles a destination rather than a brief stop on the way to bigger tourism hubs such as Disneyland or Las Vegas" (Martin). And according to Eliot Sekular, a spokesman for Universal Studios Hollywood, another top Los Angeles tourist stop, "The Hollywood Walk of Fame is an important anchor for Los Angeles and Hollywood," and "it establishes critical mass in Hollywood" (Martin). Though the walk is a free attraction, it leads tourists to other paid attractions and restaurants in the area, helping to generate profit.

Sunset Strip in West Hollywood is another well-known tourist attraction. "The Sunset Strip is one of the most visited tourist attractions in all of California. It is the economic engine of West Hollywood where premier fashion, music, entertainment, dining and a unique history collide," said West Hollywood Mayor Pro Tempore John Heilman. The Sunset Strip attracts many visitors and is primarily attractive to tourists due to its nightlife and entertainment. "The



Sunset Strip has been at the epicenter of nightlife and entertainment since the current road was laid more than 75 years ago”(Entertainment Newsweekly).

### Culture and Art

Many tourists are attracted to Los Angeles for its prominent culture and art scene. One primary cultural event is called DineLA, a two-week event that unites LA restaurants from all different cultures and backgrounds to promote and show off their extraordinary cuisines. According to DineLA Restaurant Week, “Participating restaurants reported a 25% average increase in business with an estimated 100,000 DineLA customers served during the two-week event that ran from January 27 through February 8, 2008.” DineLA is an excellent way to attract many different cultures from around the world to try a variety of cuisines.

Concerts are also a main tourist attraction. Los Angeles attracts some of the biggest names in music every year. In 2013, The Who performed at the STAPLES Center, Fleetwood Mac performed at the Hollywood Bowl, and Barry Manilow performed at the Greek Theater. Performers of every genre perform in Los Angeles, giving options for visitors with a vast array of music tastes. Many of the venues are attractions in themselves with their unique architecture. The Greek Theater is an outdoor venue with panoramic views of Los Angeles, the Walt Disney Concert Hall has a striking stainless steel exterior with a wood-paneled auditorium on the inside for strong acoustics, and the Hollywood Bowl is the largest outdoor amphitheater in the United States (“The Best of Los Angeles in 2013”).

Last is the Los Angeles County Museum of Art (LACMA). This museum ranks number seven on Discover Los Angeles’s “Best Things to do in Los Angeles 2013.” When it comes to the LACMA, “The Los Angeles County Museum of Art ranked No. 53 on the list, with 914,356 visitors” (Finkel). This may seem like fairly high attendance, many have high hopes for the museums to do much better. A *Los Angeles Times* article said that, “Although Los Angeles is home to one of the most dynamic art scenes in the world, its leading art museums continue to lag behind those of smaller cities in annual attendance” (Finkel). Therefore, there is room for improvement when it comes to increasing tourism to Los Angeles museums.



### Sporting Events and Conventions

Sporting events and conventions are also large contributors to the tourism industry. When it comes to sporting events, the X Games stands out as a huge event that attracts many tourists. The X Games is an event put on by ESPN that focuses on extreme sports. In 2010, the X Games brought in over \$50 million to the Los Angeles economy. "The benefits quantified in this report include approximately \$12 million associated with increased tourism (reflecting as many as 58,000 additional visitor days spent in Los Angeles), around \$6 million associated with the setting up, staging and television broadcast production of X Games events, and roughly \$12 million in multiplier effects flowing from direct spending associated with the X Games" ("2010 ESPN X Games"). This event not only produces significant profit, but it's also a catalyst for Los Angeles tourism.

Conventions are extremely important due to the potential for improvement and their ability to attract tourism from around the world. According to Discover Los Angeles, "The Los Angeles Convention Center is one of the most technologically-advanced convention and exhibition centers in the world. It attracts over 2.5 million visitors annually and is renowned internationally as a prime site for conventions, trade shows and exhibitions" ("Los Angeles Convention Center"). Conventions are a way to help boost the economy because of the money they generate. In a report done by Lucy Bodilly, "Industry experts estimate that each convention attendee spends an average of \$1,500 per gathering, making convention centers an attractive idea to cities trying to boost their tax base." This concept is proven through Los Angeles' two biggest conventions, E3 and the Anime Expo. These two conventions are known for attracting many tourists to Los Angeles. The first convention that takes place at the Los Angeles Convention Center is a video game convention called the Electronic Entertainment Expo or E3 for short. "E3 was born right here in Los Angeles and is one of the city's most anticipated conventions," said Mark Liberman, president and CEO of Los Angeles Tourism & Convention Board." E3 is the biggest convention of the year in Los Angeles and it brings in over 48,200 people in attendance, accounting for over 28,000 hotel rooms sold and represents a \$40 million dollar economic impact for Los Angeles. In a 2011 article written by Alex Pham and Hugo Martin, they stated, "the weeklong convention, which is expected to attract 45,600 attendees



and fill an estimated 25,000 hotel rooms this week, is among the most lucrative shows for downtown merchants and hoteliers. E3 exhibitors and attendees last year spent an estimated \$25 million on restaurants, taxis, hotels, and the hiring of hundreds of temporary workers to staff their booths, among other things, according to the Entertainment Software Assn., the group that puts together E3" (Pham). It becomes apparent that conventions such as E3 have a huge impact on the Los Angeles economy and tourism industry.

The second convention is the Anime Expo. Anime has a huge following worldwide and according to Marketing Weekly News in 2012, "More than 165,000 people are expected to descend on Los Angeles for the gathering with a total of 9,000 room nights at a variety of downtown properties..." These numbers are staggering as a tourist attraction for Los Angeles. Hosting events in the Los Angeles Convention Center has a huge impact on tourists coming to Los Angeles and greatly benefits the city's economy.

### Nightlife

Nightlife is the center of any after hours activity in a big city, and Los Angeles is no different. While people may not travel here for the bars and clubs that so many of the locals love, it does not keep it from being a popular nighttime activity for foreigners and Angelinos alike. On a worldwide ranking, Forbes.com lists Los Angeles as the 3<sup>rd</sup> best city for nightlife, coming in behind San Francisco, Oakland as number one and New York, New York at number two ("Los Angeles' top bars and clubs"). Los Angeles does similarly on rankings from Business Insider and Fodors.com on which it is ranked 6<sup>th</sup> and 8<sup>th</sup> respectively ("The 20 Best Cities For Nightlife Around The World"). As a popular nightlife spot, Los Angeles has an impressive variety of nightlife options to satisfy the needs of the millions of diverse people in the city.

The different geographic areas of Los Angeles have become home to different nightlife trends. The Sunset Strip, which was recently replaced by Hollywood Boulevard as sporting the most bars and clubs, offers a lively atmosphere with comedy clubs, hard rock spots, as well as a variety of restaurants ("Los Angeles Nightlife"). Crossing over onto Santa Monica Boulevard, the street is full of lively gay and lesbian bars that have become popular in recent years ("Los Angeles Nightlife"). A more traditional nightlife experience is found now on Hollywood Boulevard, which features a variety of nightlife experiences just walking distance from each



other (“Los Angeles Nightlife”). Less popular is Downtown Los Angeles, which seems to shut down after the workday is over, but has seen a resurgence of clubs and bars that are putting it back on the map. Los Angeles should consider focusing its nightlife in one central area (such as London which claims to have 190 bars and pubs within the Square Mile (“City of London Pub List”)), in order to increase the visibility of LA’s club scene, and attract more people to visit for nightlife.

In a city so large and with so much to offer, it is difficult to pick out a formula that makes a club or bar successful. In Los Angeles, home of the stars, it is often thought that people watching at particular clubs made a spot attractive. However, as shown by these popular spots, it is more about the unique experience that one achieves at a club that convinces people to return.

Four places stand out among the rest as some of Los Angeles’ most popular nightlife attractions: Supperclub, Hyde Lounge, The Edison, and The Rooftop at the Standard. All four of these places were listed on multiple articles from Linley Planet, Zagat, LA.com, and AskMen.com directed at those interested in Southern California’s hottest nightlife.

Supperclub on Hollywood Boulevard offers a unique dining and dancing experience. It was described as a “classic cult venue” that differentiated itself with its all white décor and 30 foot raised ceilings (“Top Hollywood Nightclubs”), a four-course dinner, and dancing with belly dancers and contortionists until the early morning (“Your Guide to L.A.’s Top Nightclubs”). On the other end of the spectrum is Hyde Lounge, known for its 100-person cap and menu of Asian Tapas (“Top 10: L.A. Nightclubs”). The thriving new nightlife in downtown features the Edison, a steampunk, semi-casual clubbing experience (“Los Angeles’ Top Bars and Clubs”). Finally, for those who prefer a more traditional experience, the Rooftop at the Standard is the quintessential nightlife adventure with panoramic views of Los Angeles by night, and pricey table ticket prices (“Best Places in Los Angeles”).

It is clear from the examples above that Los Angeles is home to a diverse range of nightlife experiences. With so many options to choose from, it is likely that there is a location for every person’s (local or tourist) preferences. The biggest competitive strategy displayed in Los Angeles’ nightlife is the heavier the dramatic performance, the better. The clubs in Los



Angeles specialize in being unique, and each one offers an experience that can only be imagined through personal interaction, which makes Los Angeles one of the best cities for nightlife.

### Transportation

One of the downsides of being part of such a sprawling city is the lack of suitable transportation. In order to hop from one club to another, one must either spend an enormous amount on taxi fares or designate a driver who is likely to sit in traffic. This fact is well known by the locals, and most know how to strategically travel around crippling rush hour traffic. However, those who visit the area are not as knowledgeable, and face many issues in both the state of the traffic as well as the variety of transportation options available to them.

One of the most disappointing modes of public transportation in Los Angeles is the Metro. On the road there are plenty of buses with sprawling routes that, if managed efficiently, would be a useful mode of transportation. However, as of now, the stops are spread out, it offers sluggish service, and frequent transfers rack up prices and make using the system impractical ("Getting Around"). The basic fare for each ride is \$1.50, with transfers costing riders an additional \$0.35. These fares are actually a competitive advantage Los Angeles has, especially compared to its European tourism competitors. For example, in London, for an all-day unlimited Oyster card that travels in every sector the cost is £21 (VisitLondon). In LA, you can purchase the equivalent Metro Card for a mere \$5, and for an entire week of unlimited Metro rides, it is \$20. (LA Metro)

One step up from the bus system is the Metrorail that centers around Los Angeles' downtown. The prices are equivalent to those of the bus system, but the availability and reliability are not as high. Recent years have seen an increase in the MTA digging up city streets and using lots of taxpayer money to erect exhaust vents through parkland with the intention of increasing the quality of the Metrorail ("Getting Around").

It is in this system that Los Angeles could benefit most from. Not only would an expansion in the infrastructure benefit those who use this system, which includes tourists, but it would also bring about an economic benefit to the city itself. Los Angeles has a very high



unemployment rate, and a lot of the lost jobs have been in construction and manufacturing, making it a very feasible time to increase development efforts. The LA Metro is slowly working on a plan to accelerate the continuing construction to complete 12 key expansions to the metro by 2019 that were originally planned to take up to three decades (Cooper, "Assessing the Economic Benefits").

However, there are concerns on the profitability of the public transit system, and increasing concerns about running a deficit have come to light. In reaction, officials have started a plan to raise basic fares by as much as 117% over the next eight years, which would increase a \$1.50 fare to \$2.25 in 2021 (Nelson, "Metro Seeks to Raise Fares"). To help keep riders on buses and trains, LA Metro has proposed a plan to allow passengers to transfer free for 90 minutes, so that the cost of one ride may get you wherever you need to go, no matter the number of stops. These changes are to combat a potential \$36 million gap in the agency's operating budget, which has the possibility to create a debt of \$225 million in 10 years. These increases significantly harm the cost advantage that the Metro Bus has over other forms of transportation (Nelson, "Metro Seeks to Raise Fares").

Though more expensive, traveling by car is still the most popular way to get around Los Angeles. Today there are many options for travelers who wish to travel by car. For residents, owning a car is particularly popular. It gives ease of access to travelers, despite the battles through traffic and costly expenses. In fact, the American Public Transportation Association estimates that if a driver were to switch to using public transportation, he or she would save an average of \$893 a month and 10,712 per year ("Access to Quality to Public Transit Leads to Big Savings").

For those who do not wish to undertake the economic burden of owning a car, and are not satisfied with the Metro, there are still other options. For visitors, an attractive option is renting a car through a service such as Hertz. Los Angeles has become one of the cheapest cities in America to rent a car, with daily rates as low as \$40, and weekly rates of \$200 ("Getting Around"). While these costs are higher than taking the metro, they are significantly less expensive than taking a taxi. A short trip in a taxi can cost \$20 or more, and in a city like Los Angeles, short trips are rare. Taxi rates are currently \$2.85 plus \$2.70 per mile with a \$0.30



charge for every 37-second delay ("Getting Around"). Trying to get from downtown to the beaches in heavy traffic can be quite costly, which has turned some riders toward other means of car rental services.

Increasingly popular are the phone-app-driven town car services such as Uber and Lyft that pride themselves on low prices and friendly drivers. These services rely on fees that are built into the price of the ride, and do not in fact own their own fleet of cars or employ drivers as taxi services do, instead they hire drivers as independent contractors (Camplet, "Are Uber and Hailo Going After a Big Enough Market?"). Because of this, Uber and Lyft have managed to keep their prices competitively low, increasing their popularity. The availability of smart phone apps also adds a level of ease to ordering a car, and can be accessed from places where trying to hail a cab is impossible. However, these services still make up only a tiny portion of the taxi and town car market and must at some point require customers to pay more in order to increase their position in the market, which will likely cause a decrease in popularity (Camplet, "Are Uber and Hailo Going After a Big Enough Market?").

These services have also come under scrutiny as of late for not following the rules set forth for taxis in the city of Los Angeles. Uber drivers have been cited at Los Angeles International Airport for not having the permits necessary to pick up flyers; permits that cost taxi drivers and riders a lot of money. Taxi companies have also complained that Uber and Lyft were providing services that were not licensed in the city. Accusations such as these may make it harder for these companies to survive in a city such as Los Angeles. However, as long as they follow the rules, the California Public Utilities Commission will continue to endorse them, and for the time being, these services are a popular alternative to taking a taxi.

### Amusement Parks

Two of the most popular destination spots in Los Angeles, especially for those visiting from out of state, are Disneyland and Universal Studios. These two spots, along with Six Flags Magic Mountain and Knotts Berry Farm, are LA's most attractive amusement parks. Disney has eight theme parks around the world, and the two in California and Florida alone attract more than 73 million visitors every year. This is substantially higher than Universal Studios, which



only attracts 18 million at all three of its theme parks (Barnes, "Clash of the Theme Parks"). Despite the large gap in popularity, these two parks compete heavily to be the best and the biggest in Southern California.

The main form of competition between these two parks is in the development of new rides and attractions. Each year, the parks roll out new and exciting adventures for visitors in order to entice people to spend their money with them instead of the competitor. Examples of this are shown in the exceptionally popular Universal Studios Wizarding World of Harry Potter, which currently only exists at the Orlando location. The \$265 million investment had an amazing effect on the attendance to the park, rising 30 percent in its opening year (Barnes, "Clash of the Theme Parks"). The Harry Potter attraction is so popular that Universal Studios is currently working on recreating it in its Los Angeles and Japan locations, hoping for similar ticket sales.

Disney has not let this go unnoticed, and has been working on expansions of its own. New to Disney is Cars Land, which opened in 2012, around the same time as Harry Potter World in Orlando. Increasing competition with Universal Studios has also caused Disney to expand past predetermined plans to grow its parks. Disney factored in Universal's success when deciding to spend \$500 million on an expansion to Magic Kingdom with an Avatar-themed addition to the park (Barnes, "Clash of the Theme Parks"). Not to be outdone, Universal recently spent \$100 million on a Transformers ride, battling Disney for the most expansive theme park.

These costly additions are feasible, as patterns show that despite rising ticket prices and a recession, visitors to the parks are just as likely to spend a lot of money on a theme park vacation as they have always (Barnes, "Clash of the Theme Parks"). This is surprising, seeing as the rises in ticket prices have been dramatic over the past couple of years. Disneyland has increased the price of a Park Hopper ticket from \$105 to \$125, charging only \$6 less for a child's pass, eligible for those between the ages of 3-9. For those who live in Southern California and visit frequently, an annual pass has gone from \$199 to \$269, with a parking pass increasing to \$129 from \$99 (Tuttle, "Got \$488?").



These ticket increases are common across the theme park world, not just within Disney, and may speak toward financial troubles. However, this is not the case; while parks are vulnerable to swings in the economy, the financial situation at these parks is increasing. Between 2011 and 2012, Universal Parks and Resorts experienced a 3.4% increase in revenue to \$539 million and a rise of operating cash flow to \$235 million, a change of 2.4% (Garcia, "Universal Theme park Earnings"). These companies are using the extra funds from ticket sales to invest in substantial improvements to the parks, creating a better experience for those who visit.

As seen in these examples, the only thing Southern California parks need to do to attract visitors is stay relevant. Building new and improved rides and attractions while retiring some of the outdated ones is the best way to entice people to spend their money on expensive tickets. As parks continue to grow, so does their popularity, and it will continue to be that way as long as there are people willing to spend the money.

## Best Practices

### New York City

#### Introduction

When evaluating the impact of tourism on Los Angeles, one of the most relevant comparisons lies within its largest domestic tourism competitor, New York City. While both cities have global brand recognition, New York City is a much more successful model of an American tourism capital, and thus can be used to evaluate the current successes, failures, and marketing strategies related to the Los Angeles tourism industry.

#### Geography

The geography of tourism within Los Angeles and New York City are vastly different, and therefore affect the behaviors of tourists within each city. Out of NYC's five boroughs, Manhattan generates 80% of the tourism market, containing a vast majority of tourist attractions along with jobs in hotels and amusement/recreation. Manhattan, thus, becomes a tourist hub that centralizes the average NYC tourist. The geography of NYC itself is a major draw for tourists, as visitors often identify walking the streets of New York to be an attraction in



itself. Tourist hubs in NYC include Times Square and Fifth Avenue, yet in travelling around the city, tourists and locals often blend together (Gladstone and Fainstein).

It is quite a different experience in Los Angeles. Hollywood is the most visited area, but it only accounts for 23% of visits, followed by Beverly Hills at 17%. Los Angeles is highly dispersed, and despite booking a hotel at a certain location, LA tourists on average visit 3.6 areas other than the location of their hotel. Even more so, the lack of a centralized geographic tourist region (like Manhattan) forces the typical LA tourist into a more isolated experience, having to travel by car, and often being confined in either the Hollywood or Universal City area with other tourists (Gladstone and Fainstein).

#### Economic Impact of Tourism

Tourism is a critical economic component of both Los Angeles and New York City. Tourism and Hospitality was Los Angeles' fastest growing industry in 2012 with visitor spending supporting 324,000 jobs in LA County and generating an additional 10,000 jobs. Direct visitor spending totaled \$16.5 billion in 2012, which was a record high for Los Angeles (Roy Weinstein and Kristina Stanford).

In New York, tourism is a fast growing industry, and direct visitor spending in 2012 totaled \$36.9 billion, and supported 363,050 local jobs in the hospitality and leisure industries (NYC & Company).

However Los Angeles relies much more heavily on tourism as an economic entity than New York City, despite the fact that tourism in New York is much bigger. Tourism is New York's fifth largest industry, whereas in Los Angeles, it is the third largest industry.

#### Comparison of International Visitation

It is important to compare the number of international visitors between these two globally recognizable cities. International visitors tend to spend more, stay longer, and explore more of the cities than the average domestic tourist. The presence of international tourists also reflects the global brand awareness of each city, and having a strong international presence only serves to increase the flow of international tourists (NYC & Company).

In 2012, Los Angeles received a 1.2% increase in international tourist visitation, welcoming over 6 million foreign visitors, and enjoying an excess of \$5.4 billion spent by those



visitors. The largest international markets in Los Angeles are that of Mexico, Canada, China, Australia, and the UK (LA Tourism & Convention Board).

However, in contrast, between 2006 and 2012, New York City was able to increase its international visitation by 52%, totaling 52 million visitors to the city in 2012. The largest international markets for New York City are Australia, Brazil, the United Kingdom, Italy, and China.

It is clear that New York City has a definite advantage over Los Angeles in terms of international tourist volume and spending. One reason may stem from a comprehensive marketing strategy undertaken in 2006 by the City of New York. The team decided to focus marketing attention to new and emerging travel markets such as Brazil, India, and China. These cities all showed potential for huge growth, but the inclusion of these markets diversified the tourism in New York, helping to offset any decreases in visitation from other markets. This proved extremely successful during the global recession of 2011, which plateaued European travel, but actually increased visitation from these emerging markets (NYC & Company).

#### Promotion

Los Angeles is greatly disadvantaged when it comes to marketing its city. As previously mentioned, Los Angeles does not have a unified marketing agency that combines its vast regions; whereas cities such as Santa Monica and Beverly Hills do their own marketing. There is also a lack of attraction partnership. For example, on the official tourism website of Los Angeles, DiscoverLA, official partners include CityWalk, Universal Studios, LAX, and LA Live, only a small smattering of large-scale tourist attractions that can be found in the Los Angeles region.

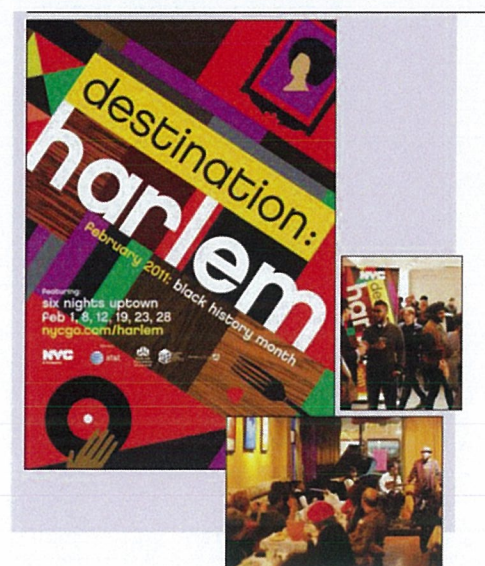
The New York equivalent website is NYCgo, and it does not contain any explicit corporate partnerships, as it is run by the City of New York as a whole. The website originated as part of a marketing campaign overhaul in 2006 that proved to be very successful.

As mentioned before, new methods of segmentation in emerging markets proved to be a drastically effective marketing tool for New York City, but this marketing plan was even bigger. The city decided to look into other segments they felt would be worthwhile investments, including repeat visitors, youth, families, seniors, and LGBT. Much of this segmentation had to do with new legislation being introduced. For example, the legalization of



gay marriage and subsequent marketing focused on LGBT generated \$259 million in annual economic impact for New York City. For youth, the legalization of hostels is predicted to provide \$170 million in economic impact. However, there have been many creative marketing advances as well. The city implemented an Official NYC Family Ambassador program as an initiative to promote New York as a more family friendly destination by using characters like Where's Waldo and Dora the Explorer to highlight family appropriate attractions. This has led to a 15% increase in family tourism. The marketing campaign also created cultural events as promotion for the many attractions present in the city. Examples of these successes are Restaurant Week, Broadway Week, Off-Broadway Week, and Comedy Week which highlight cultural attractions while providing promotional discounts (NYC & Company).

Due to the fact that most of tourism is centered in the borough of Manhattan, there has also been a greater push to market attractions present in the other five boroughs through a variety of different campaigns. For example, Destination: Harlem was a campaign that highlighted the opening of the first new hotel in Harlem since 1967, but paired it with a variety of cultural, shopping, and dining options, all during Black History month (adding a historical component). Neighborhood x Neighborhood was a promotion that was designed to support local businesses and encourage tourism throughout the five boroughs through a communications initiative. Just Ask the Locals was another advertising campaign that used native New Yorker celebrities to share their favorite places across the different boroughs (NYC & Company).





## Bangkok

Bangkok, the capital of Thailand, took the number one spot as the most popular tourist destination for 2013. This was mostly due to the shopping Bangkok offers. Another reason is that tourism in Southeast Asia has risen among the region's upper-middle class. In 2013, domestic tourist arrivals reached 30,322,600 people and international tourist arrivals reached 15,776,000 people (Passport-Bangkok). The city is well known for its luxurious shopping malls. They can be compared to Beverly Hills' Rodeo Drive and the Century City Mall in Los Angeles. These districts have luxurious shopping and malls that are known to attract a lot of tourists. Bangkok's Siam Paragon shopping mall is the world's second most photographed location on Instagram, coming after Bangkok's Suvarnabhumi Airport (Watts). MasterCard data has found a surge of Chinese tourists going to Thailand. The average Chinese visitor is found to spend \$167 per day in Thailand. Bangkok is relatively cheap compared to other regional destinations. Tourists often come to Bangkok for its many temples and the Grand Palace. There are more than 400 functioning Buddhist temples. The downtown districts have an electric rail system, an elevated sky train, and an underground subway that makes traveling around Bangkok easier for tourists and civilians (Tourism Thailand). The number of hotels in the capital was only 387 in 2013, which is less than other countries. The percentage of hotel beds occupied was close to 40% (Passport- Bangkok).

## London

London, England attracts around 30 million visitors a year, making it the most popular tourist destination in the world overall. Tourism generates approximately 10% of London's city gross value profit income and about 13% of people who work in London are employed in some way through the tourism sector. It was estimated that the UK tourism industry will account for 3.7 million jobs by 2025. The tourism sector of the UK is predicted to grow around 3.8% per year through 2025, a much higher percentage than other sectors in the country (Visit Britain). Since summer 2013, tourism in London has surged 20%, in part due to "Prince George of Cambridge's birth, Andy Murray's historic Wimbledon triumph and a long hot spell of weather" (Prynn). Every year, approximately 26 million overnight visits are made to London, though most



stays were made by people living in the United Kingdom. In February 2014, London hotel occupancy was at 77.8%. This is very similar to Los Angeles' hotel occupancy rate in February 2014, which was at 77.5%. While both cities have almost identical occupancy rates, their average daily rates (ADR) differ greatly. In 2013, ADR for Los Angeles hotels was \$171.54 (LAEDC), whereas ADR for London was £139.6, or \$230.35 (PwC). Tourists in London are willing and able to pay significantly more per night, most likely because London is currently a more desired tourist destination than Los Angeles.

London has many historical landmarks that attract people to the city, the most popular attraction being Buckingham Palace, which attracts about 15 million tourists every year. Other main attractions include the Tower of London, St. Paul's Cathedral, the National Gallery, and the London Eye, all of which reel in numerous tourists every year. Not only are tourists coming to London, but they are also spending more than ever when there. Last summer, tourists spent about £3.372 billion (about \$5.7 billion) in London alone (Prynn). This is a massive number, especially compared to tourist spending in Los Angeles. In 2012, business and tourist travellers in Los Angeles combined spent \$16.5 billion for the entire year (LAEDC).

Another major draw to London is the tax-free shopping. Chinese tourists are especially attracted to the tax-free shopping. Due to this, London simplified visitor paperwork for China, which increased visitors exponentially. Optimizing on this opportunity gave London a competitive advantage over other tax-free shopping locations for Chinese tourists. VisitBritain plans to increase Chinese tourism from 179,000 in 2012 to 382,000 by 2016 in hopes of generating £600 million in tourist spending (Clark). Los Angeles, on the other hand, has a sales tax of 9%, making it more expensive to purchase goods. The Chinese Yuan is stronger in America than in London though, as 1 Yuan equals \$0.16 and only £0.095. This makes London and Los Angeles quite comparable for Chinese tourists, especially since both cities are known to be the best places in the world to shop.

There are many transportation options in London as well, giving tourists the ability to get around the city with ease. Most public transportation is governed by Transport for London (TfL.) This government-funded organization manages London's city buses, Tube network, Docklands Light Railway, Overground and Tramlink ("What We Do"). The buses are run by



private operators under contract with TfL and run on a system called iBus that provides bus location through satellite tracking. The Tube, London's underground subway, is one of the most popular ways to get around London. It accounts for 3.5 million passenger journeys per day and is constantly being improved to make the experience better for every user. Recent improvements include adding new air-conditioned trains and track and signaling improvements ("What We Do"). In Los Angeles, each different form of public transportation is run by a different company, making it harder to navigate the various systems. This also adds a layer of difficulty to maintaining and improving the transportation.

## Paris

Paris, the capital of France, is one of the top tourist destinations in the world. Domestic tourist arrivals reached 14,653,300 people and international tourist arrivals reached 18,661,900 people (Passport-Paris). The United States was the leader in bringing in visitors to Paris with 1.4 million hotel arrivals. In 2012, the amount of tax revenue from the tourist tax was 39.5 million euros ("Tourism in Paris" 4). The rise in tourism in Paris is in part due to the mixed origins of its visitors and the efforts the city makes to enhance its attractiveness.

In 2010, Paris held 44% of the jobs in tourism related activities in the Ile-de-France region. The salaried employment in jobs directly related to tourism represented 13.3% of total employment in Paris. The average annual growth rate of jobs in the tourism industry in Paris over the last 12 years was 2.3% ("Tourism in Paris" 6). In 2011, visitors were asked why they visited Paris. It was found that 65.6% said that their main reason was discovering Paris by strolling through the different districts, and 61.5% cited visiting museums and monuments as their reason. The number of visitors to cultural sites, such as museums and monuments, reached close to 46.5 million people in 2011, which was higher than the year before. The fact that Los Angeles does not have many cultural attractions located within walking distance to each other makes it more difficult for visitors to come just to stroll through the different districts.

The Paris-Charles De Gaulle airport had 61.6 million passengers in 2012, and the Paris-Orly airport had 27.2 million passengers. International passenger traffic in Paris rose by 1.3%



between 2011 and 2012 (“Tourism in Paris” 10). Compared to other cities in the world, Paris has seen the strongest growth in its passenger traffic.

Paris has the second highest number of hotel rooms in Europe. With this, visitor accommodations in the city broke new records in 2012. There were 36.9 million overnight stays registered to the city. In 2013, the number of hotels reached 2,348 with the hotel bed occupancy rate reaching 72%. Visitors are not only visiting Paris for pleasure, but also for business. Visitors traveling to Paris for business accounted for 43.2% of overnights in Paris hotels in 2012 (“Tourism in Paris” 33). June and October are the months that are found to have the most business travel, accounting for 20. 5% of the 43.2% (“Tourism in Paris” 18).

	Arrivées hôtelières à Paris Hotel arrivals in Paris				Nuitées hôtelières à Paris Hotel overnights in Paris			
	0* et 1*	2*	3*, 4* et 5*	TCC <sup>(1)</sup>	0* et 1*	2*	3*, 4* et 5*	TCC <sup>(1)</sup>
<b>Français French</b>	704 338	2 001 461	4 288 100	6 993 899	1 300 554	3 724 940	7 947 935	12 973 429
Variation 2012/2011	-2,5 %	-12,5 %	+2,6 %	-2,7 %	-6,4 %	-13,8 %	+0,8 %	-4,6 %
<b>Étrangers Foreign</b>	294 809	1 331 301	7 059 213	8 685 323	770 901	3 642 281	19 520 761	23 933 943
Variation 2012/2011	-9,9 %	-17,9 %	+8,3 %	+2,6 %	-11,2 %	-16,9 %	+8,2 %	+2,8 %
<b>Total</b>	<b>999 147</b>	<b>3 332 762</b>	<b>11 347 313</b>	<b>15 679 222</b>	<b>2 071 455</b>	<b>7 367 222</b>	<b>27 468 696</b>	<b>36 907 372</b>
Variation 2012/2011	-4,8 %	-14,7 %	+6,1 %	+0,2 %	-8,3 %	-15,4 %	+6,0 %	+0,1 %

(1) Toutes catégories confondues. (1) For all categories.

Fig. 4. (Hotel arrivals in Paris in 2011 and 2012; “Tourism in Paris”; *Paris Info*; Press. ParisInfo. 12 June 2013)

Paris has many attractions and events that bring in a lot of tourists. The Paris Motor Show, held from September 19 to October 14, brings in 1.2 million visitors and hotel occupancy rates during this time reach around 90.4% (“Tourism in Paris” 5). Paris Fashion Week is another attraction that brings in designers, bloggers, and other important people and celebrities. These people fill up the hotel rooms, and since they typically have a lot of money, they tend to spend it shopping and dining. Even though Los Angeles has its own fashion week, it is not as widely recognized and talked about as Paris Fashion Week. Less revenue is generated from Los Angeles Fashion Week because it is not well advertised nationally or internationally. Trade shows are also big in Paris. In 2011, a study showed that trade shows generated a total spending, on the part of participants, of 3.704 billion euros (“Tourism in Paris” 36). The culture of Paris is one of the main reasons tourists come to the city. Paris has over 144 museums, more than 200



theaters, around 3 opera houses, more than 70 clubs, more than 80 cinemas, more than 450 parks and gardens, and around 5 major department stores ("Tourism in Paris" 30).

## Conclusions & Recommendations

Los Angeles has enormous potential to become an even more popular destination for national and international tourists.

First, easing visa restrictions in major tourists markets, especially China, should be strongly considered. Even though the JOLT Act passed, China was not one of the countries added to the Visa Waiver Program. Chinese citizens still need to go through the long visa process to visit the United States, which can turn people away. When other locations such as London offer world-class shopping and have less strict visa restrictions, many tourists would opt to visit London over Los Angeles. If China was included in the JOLT Act, more tourists may be inclined to visit the United States over other countries. While adding China to the Visa Waiver Program would be risky because of the countries' rocky relationship, it could ultimately bring exponential growth in tourism as seen in London.

Another way to draw in tourists is to begin employing more multi-lingual employees in the tourist sector, specifically ones who speak Mandarin. As stated, many Los Angeles small businesses have been favorably impacted by their decisions to diversify employees to attract Chinese tourists. However, most of these employees remain in the consumer goods sector, as opposed to jobs in hotels, theme parks, city bus tours, and other tourist services. The other large international feeder markets for Los Angeles tourism are Japan and France, so if these trends continue to accelerate, the demand for these languages may also increase.

To help make Los Angeles a more convenient city to explore, the Los Angeles City Council should implement free basic Wi-Fi citywide. Though \$60-\$100 million is a large amount of money, tourists and businesspeople alike will benefit from this resource and will not have to spend additional money to get Internet connection in hotels. Implementing fiber-optic Wi-Fi is significantly more expensive and may not be necessary since a majority of national travellers have smartphones and can use its 3G or 4G.



In terms of the Los Angeles County economy, much could be done to improve it. Regulations and big taxes on small businesses actually hurt tourism and the amount of money these businesses are making. Easing these regulations and lowering taxes will help improve the environment surrounding these businesses, ensuring that these businesses stay in Los Angeles and do not leave. Adding more luxury hotels around major attractions will also help bring in more tourists who are willing to spend more to be closer or even within walking distance to main shopping areas.

For attractions, events, landmarks, and parks, there are several things Los Angeles can do to increase tourism. First, for landmarks, it is important to understand how much of an influence the Internet and Google have on people in this day and age. When you search Los Angeles in Google and look at the images that appear, they are not very appealing compared to Bangkok's pictures, for example. When one types in Bangkok and looks at the images, they are very colorful and full of life and excitement. This is something Los Angeles can learn from and easily implement. The city needs to increase international awareness of its best landmarks and the beauty of these landmarks through something as simple as making their images on Google better.

The next recommendation is for cultural and art events. Los Angeles's art scene drags behind that of smaller cities in annual attendance. Therefore a recommendation would be to visit and study what these smaller cities are doing to attract so many people to their museums, and then apply those same strategies to LA museums (primarily LACMA). Though other small cities may have some strategies specific to the region, overarching ideas can be carried out and used to spark other creative marketing ideas.

Additionally, Los Angeles should consider hosting more large conventions, similar to the Anime Expo and E3. The best way to do this is to make the Los Angeles Convention Center more attractive for conventions. The city is currently considering offering a tax break for the Convention Center so that it can build more rooms. This tax break should be granted in order to increase the appeal of the Convention Center for large-scale events. Not only should the Convention Center expand in size, but it should also work on increasing its productivity. "Venues that are designed to maximize productivity are extremely attractive to



meeting planners and exhibitors. Wireless Internet access, efficient transportation, and reduced walking distances to meeting rooms and food service areas are crucial components to increasing productivity (“Next Gen Convention Centers”). It was also included that, “the quantity and quality of meeting rooms can make a huge difference in winning trade show business.”

A recommendation to improve Los Angeles’ nightlife would be to focus on building a centralized area with many locations within walking distance of one another in order to draw people to one spot and increase the attendance and popularity of LA’s clubs. Transportation would benefit from an increase in the quality of the LA Metro. Adding more routes for the Metrorail to expand over more parts of LA and increasing the reliability of the service will give more people an opportunity to choose public transportation over cars. In addition, Los Angeles’ public transportation should be governed by one overarching company, similar to London’s Transport for London system. This will make it easier for tourists to get information about public transportation and use its different systems efficiently. The amusement parks in Los Angeles are already competitive on a global scale, however the companies behind these amusement parks (Universal Studios and Disney) need to make sure that they are staying up to date with their technology so visitors will want to continue to visit Los Angeles theme parks.

In terms of marketing, much can be learned from New York City. As previously addressed, the current promotional marketing techniques of Los Angeles are not centralized under one agency, and this creates a lack of cohesiveness in presentation. Los Angeles not only needs to consolidate, it needs to create campaigns that are unified in theme and visual graphics. Though tourism in New York is generally centralized to Manhattan, their efforts to expand tourism into outer boroughs like Harlem and Staten Island have thus far been effective. Los Angeles has so many different regions, creating different campaigns and promotional events to showcase them could be an especially powerful tool; one that if done on the right scale could easily eclipse the efforts done in New York. With these promotional campaigns comes the task of then segmenting the Los Angeles tourism market. A currently underserved segment of that market is LGBT, especially now that gay marriage has been legalized in California. New York was able to firmly capitalize on that status in their state, and Los Angeles



could do the same by promoting itself as a prime location for destination weddings and honeymoons, even serving to highlight the West Hollywood region of Los Angeles. Another marketing strategy that proved to work very well for New York was to focus marketing not only on traditionally high grossing European tourism markets, but also that of developing nations like China, India, and Brazil. Los Angeles realizes the enormous spending power of China and has opened tourism agencies in Shanghai, however, looking at Brazil and especially India in the future could be a great advantage. Los Angeles should also work on marketing existing events such as LA Fashion Week and the LA Auto Show. Events like these in Paris, for example, bring in thousands of visitors because of how well known they are around the world. Working on this would bring in a lot more tourists and help raise visitor spending.

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