



# Judge Doyle Square Monona Terrace Market Analysis

July 28, 2014

# To Assess Madison's Market Possibilities, We Analyzed EmpowerMINT database

## ANALYTICAL PROCESS

### STEP 1

Started with approximately 25,000 rows of data from the Destination Marketing Association International's collaborative database, EmpowerMINT

### STEP 2

- Removed data with missing Room Night information
- Removed events appearing to be duplicates
- Maintained all market segments (future analysis could narrow the focus)

### STEP 3

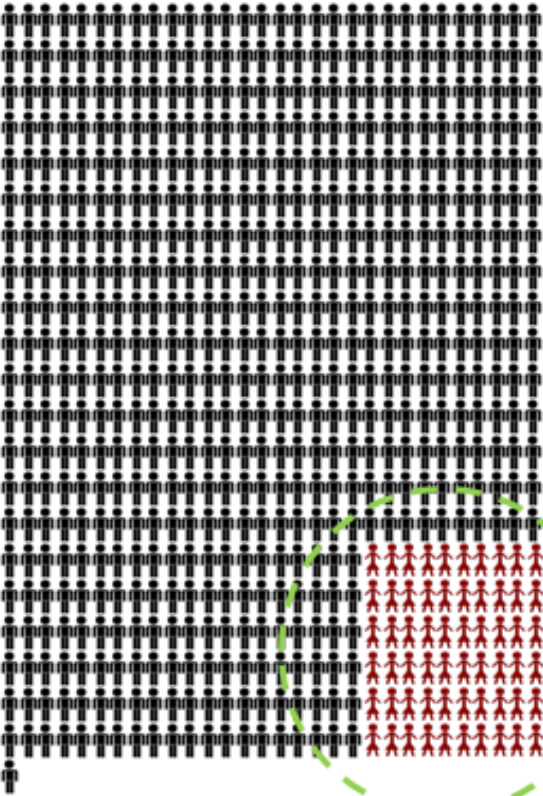
- Wound up with 16,700 events in sample
- Compared national EmpowerMINT data to Monona Terrace data on events, total room nights generated, and peak room night demand

### LIMITATIONS OF EmpowerMINT DATA

1. Data is self-reported by meeting planners (many people entering data)
2. Data is a sample of national events

# Conferences and Conventions Drive 50% of Monona Terrace's Revenue

MONONA TERRACE EVENTS



10% of events...

...drive 50% of revenue

MONONA TERRACE REVENUE



- Banquets
- Meetings
- Consumer Shows
- Entertainment
- Community Meetings

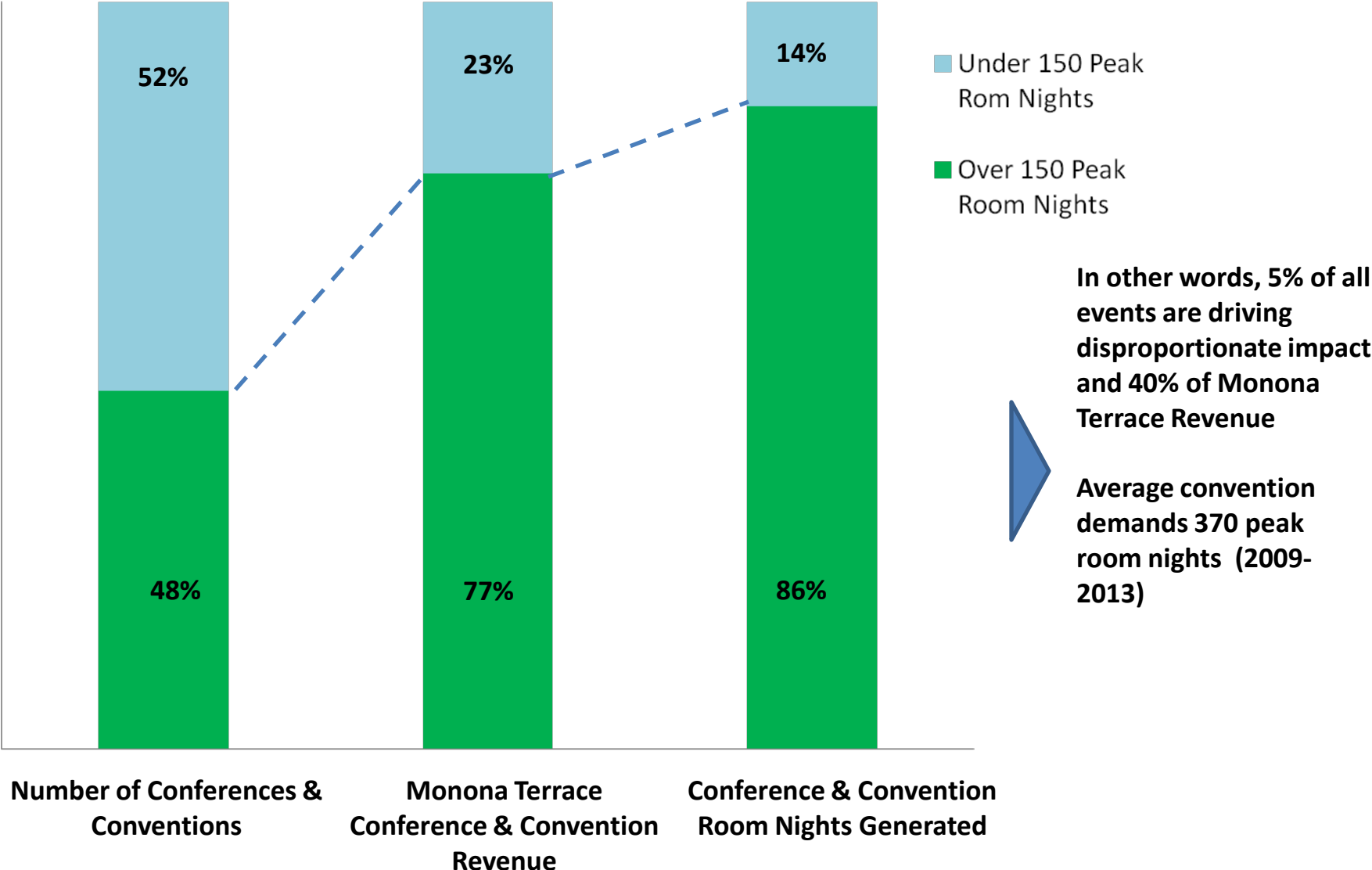


- Conferences
- Conventions

Sources: Monona Terrace

# Moreover, the Larger Events Drive Monona Terrace Revenue and Economic Impact

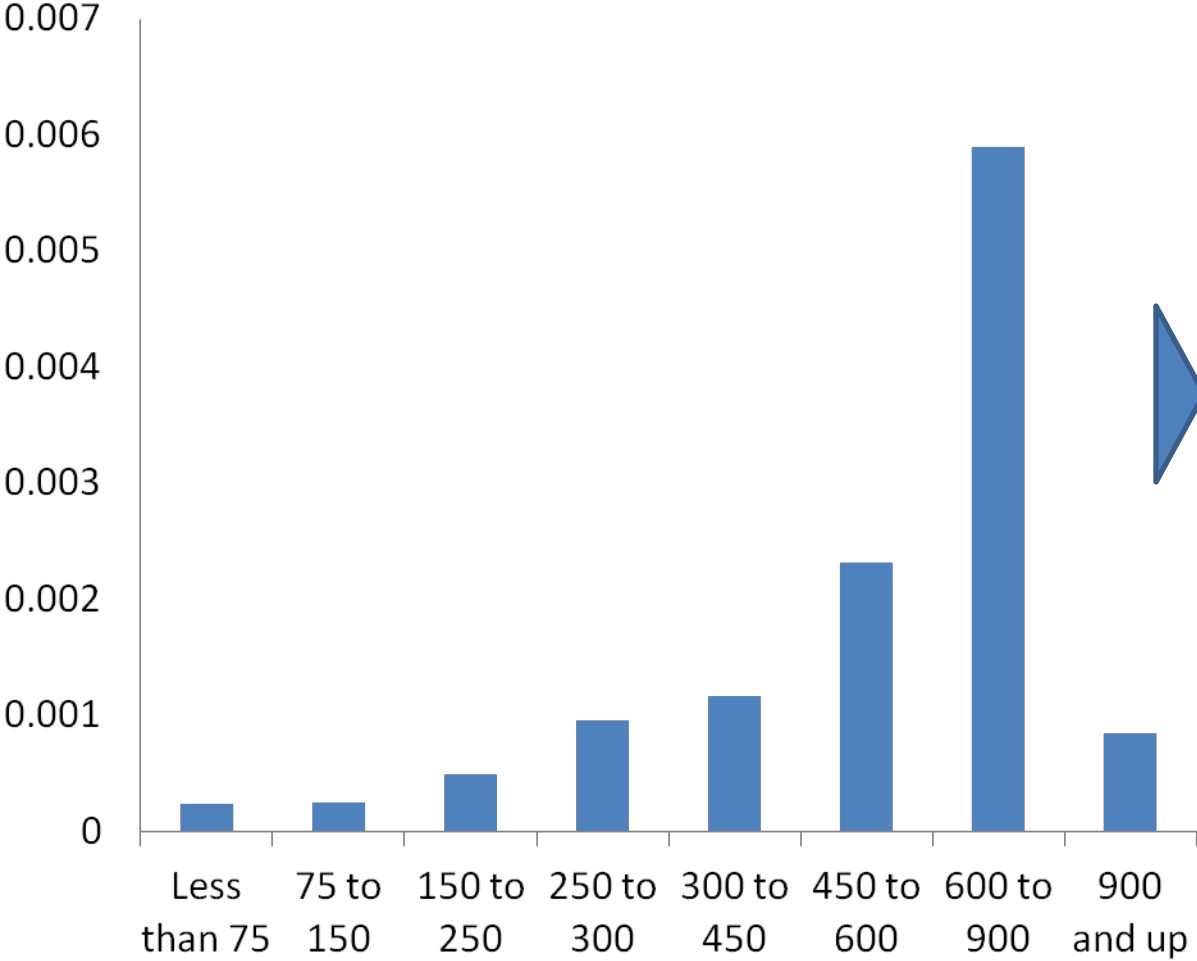
MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, MONONA TERRACE REVENUE, AND ROOM NIGHT GENERATION



Sources: Monona Terrace

# Monona Terrace Market Penetration Increases as Event Size Grows

MONONA TERRACE MARKET PENETRATION BY PEAK ROOM NIGHT RANGE



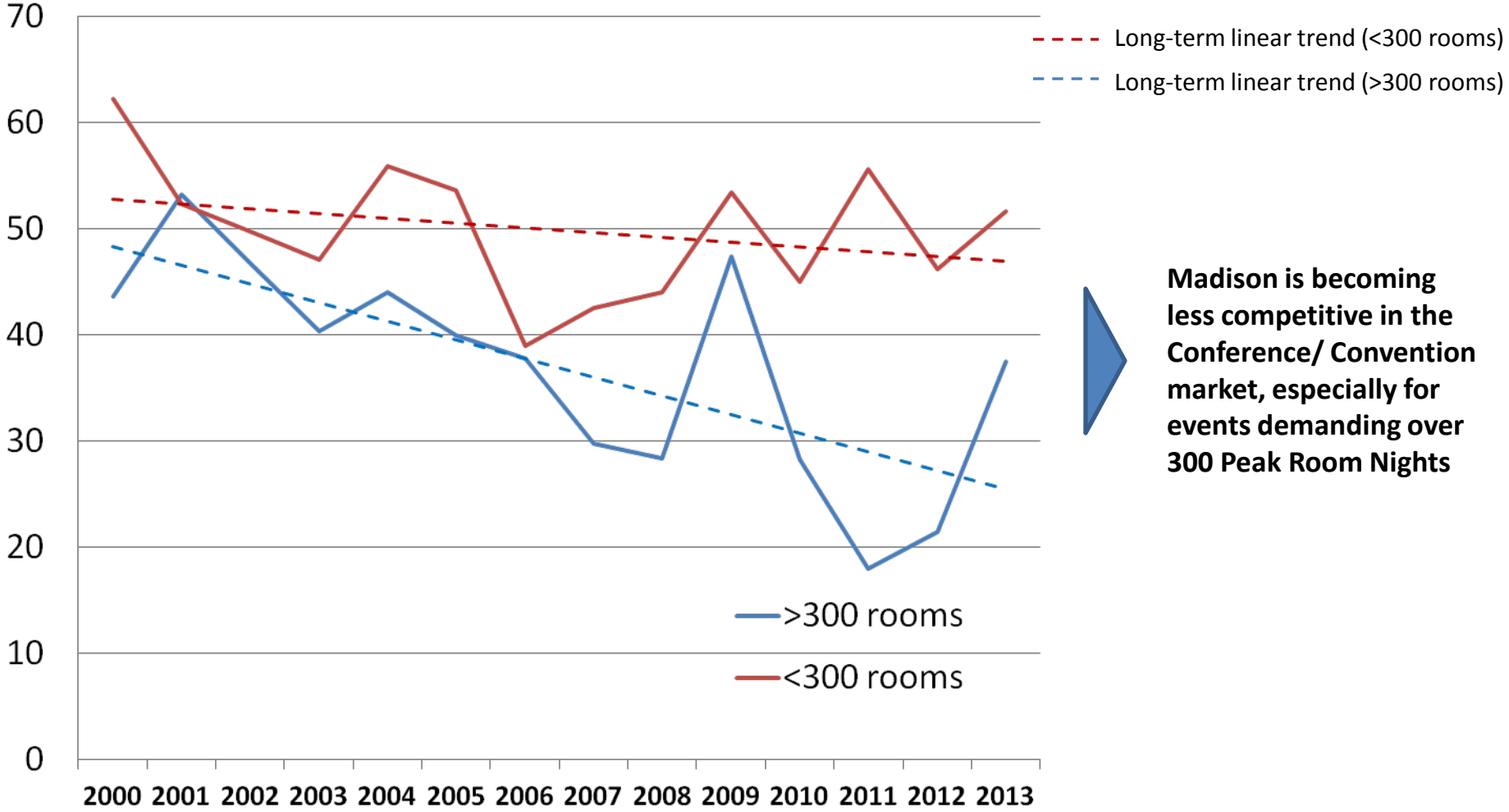
**Smaller Events have numerous options where larger events require larger, more specialized facilities**

**Monona Terrace's national penetration suggests Madison's current sweet spot is competing for events requiring between 250 and 900 Peak Room Nights**

Sources: EmpowerMINT database, Monona Terrace, analysis

# Unfortunately, Monona Terrace is Becoming Less Competitive for Larger Events

CONVERSION RATE OF CONVENTION LEADS BY PEAK ROOM SIZE



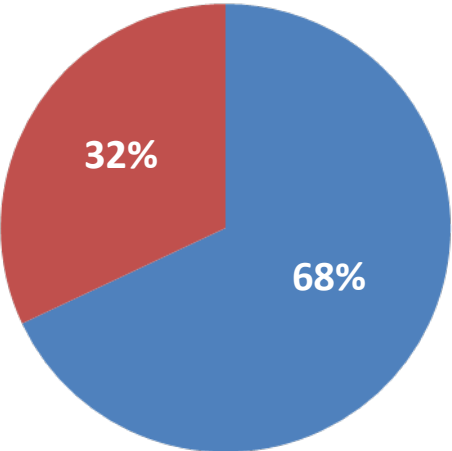
**Madison is becoming less competitive in the Conference/ Convention market, especially for events demanding over 300 Peak Room Nights**

Sources: Greater Madison Convention and Visitors Bureau

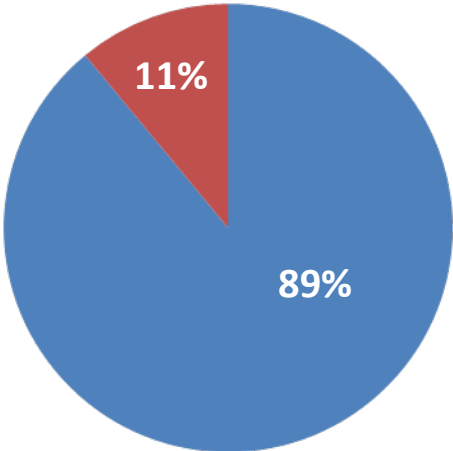
# Madison Can Compete for Most Events but Small Portion of Potential Room Nights

PERCENTAGE OF MARKET ADDRESSED AT 200% OF CURRENT AND PROPOSED ROOM BLOCK

## Percentage of Market Events



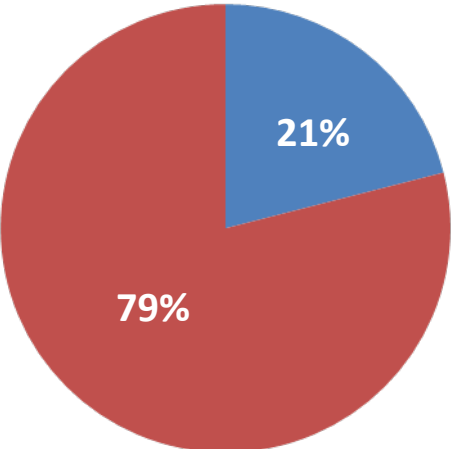
150 Room Block



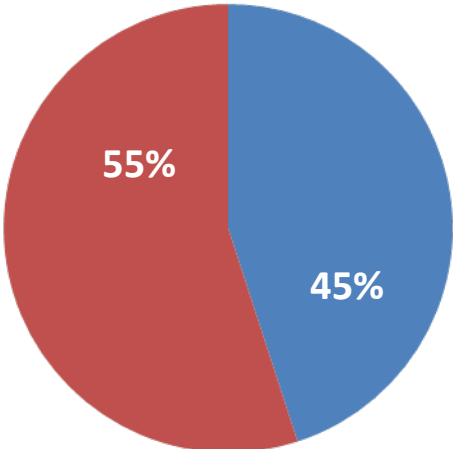
400 Room Block

**Within 200% of Room Block**  
**Outside 200% of Room Block**

## Percentage of Market Room Nights



150 Room Block



400 Room Block

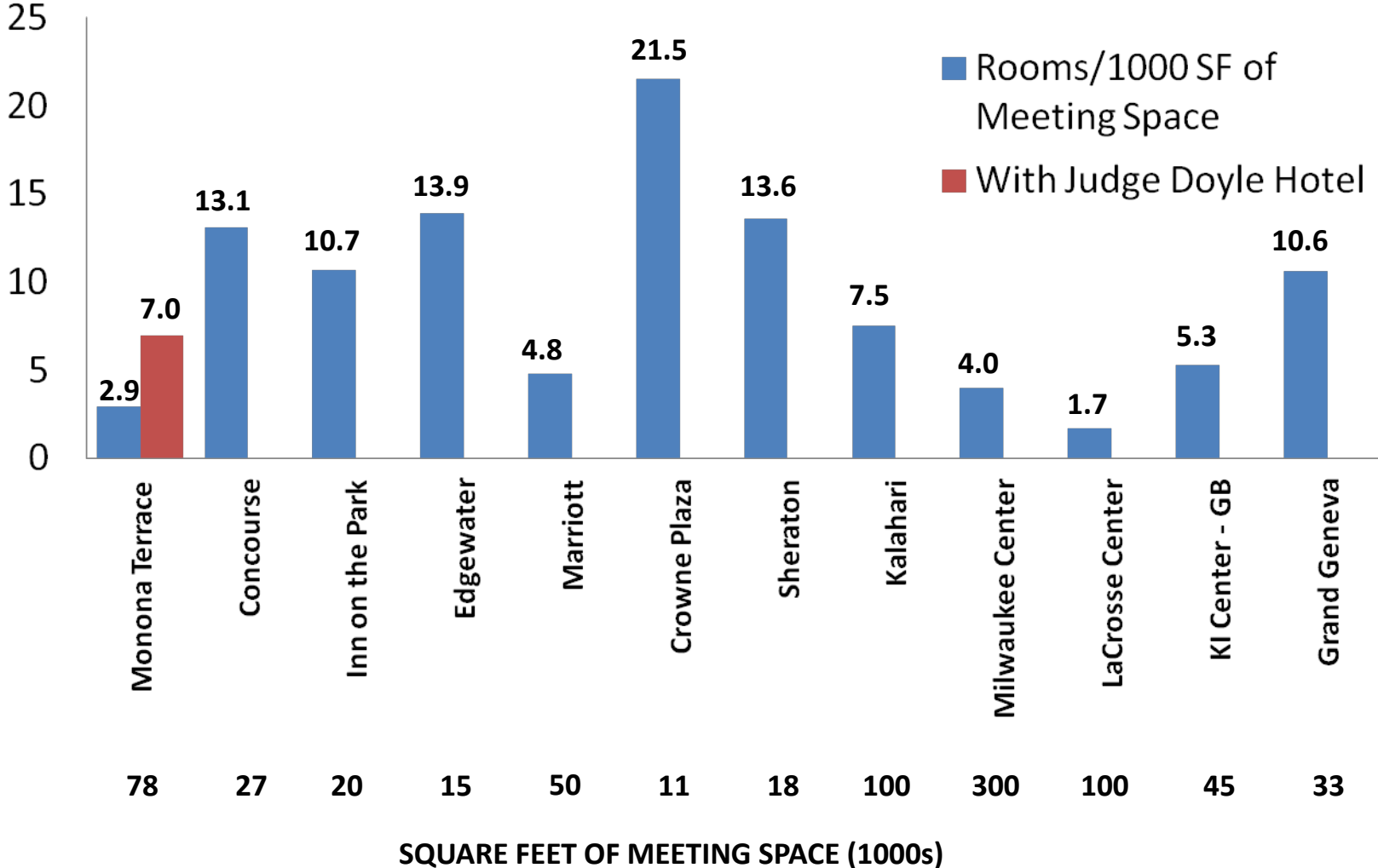


**A 400 Room Block will expand the market Monona Terrace can chase by 31% measured by number of events and 214% as measured by total number of room nights**

Sources: EmpowerMINT database, analysis

# Monona Terrace has Comparatively Few Attached Rooms Relative to Meeting Space

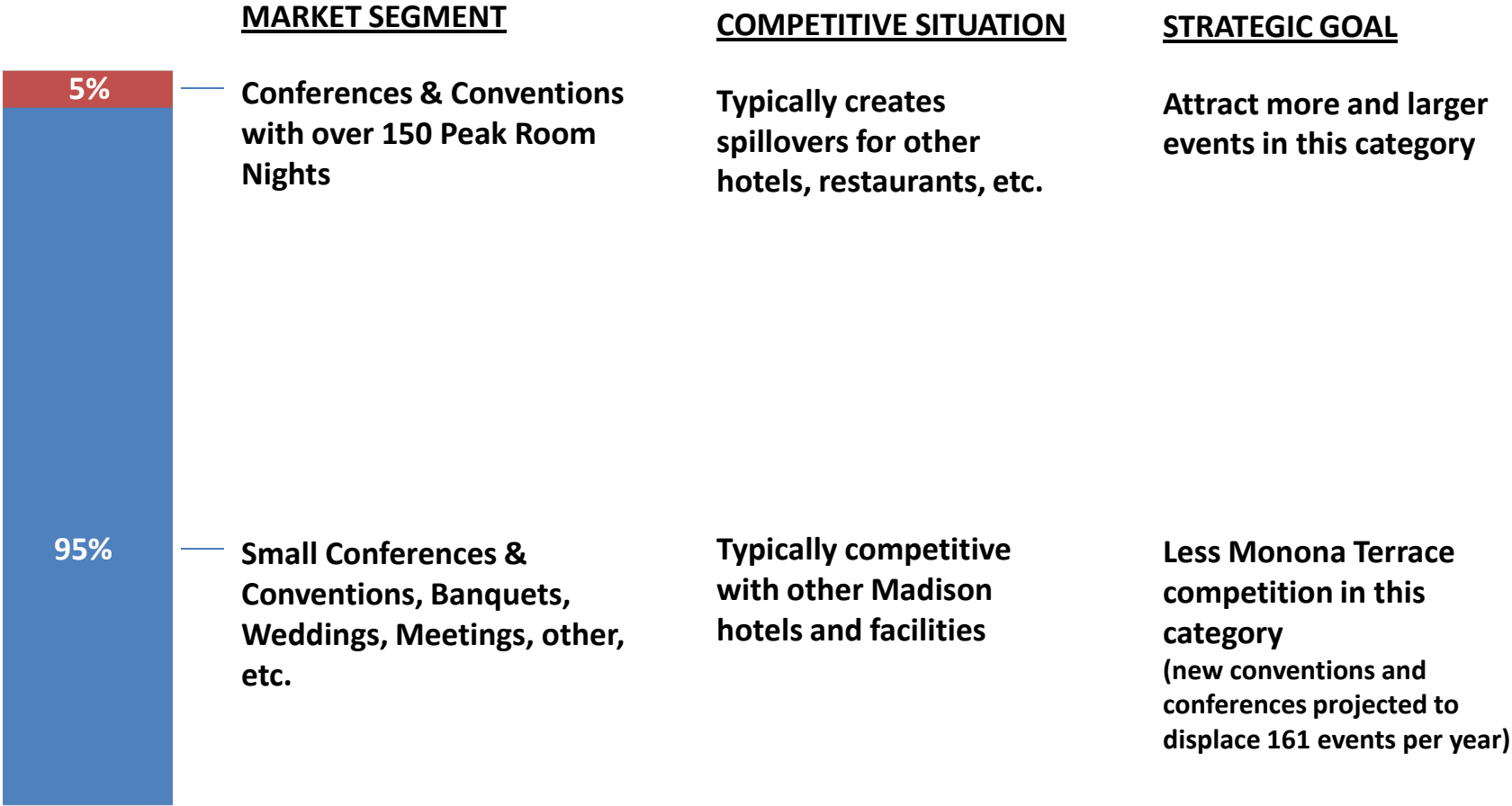
ATTACHED HOTEL ROOMS PER SQUARE FOOT OF MEETING SPACE



Source: Monona Terrace



# Goal is to Compete Less and Attract More of the Business that Helps Everyone



**Monona Terrace  
Business  
(by size of event)**

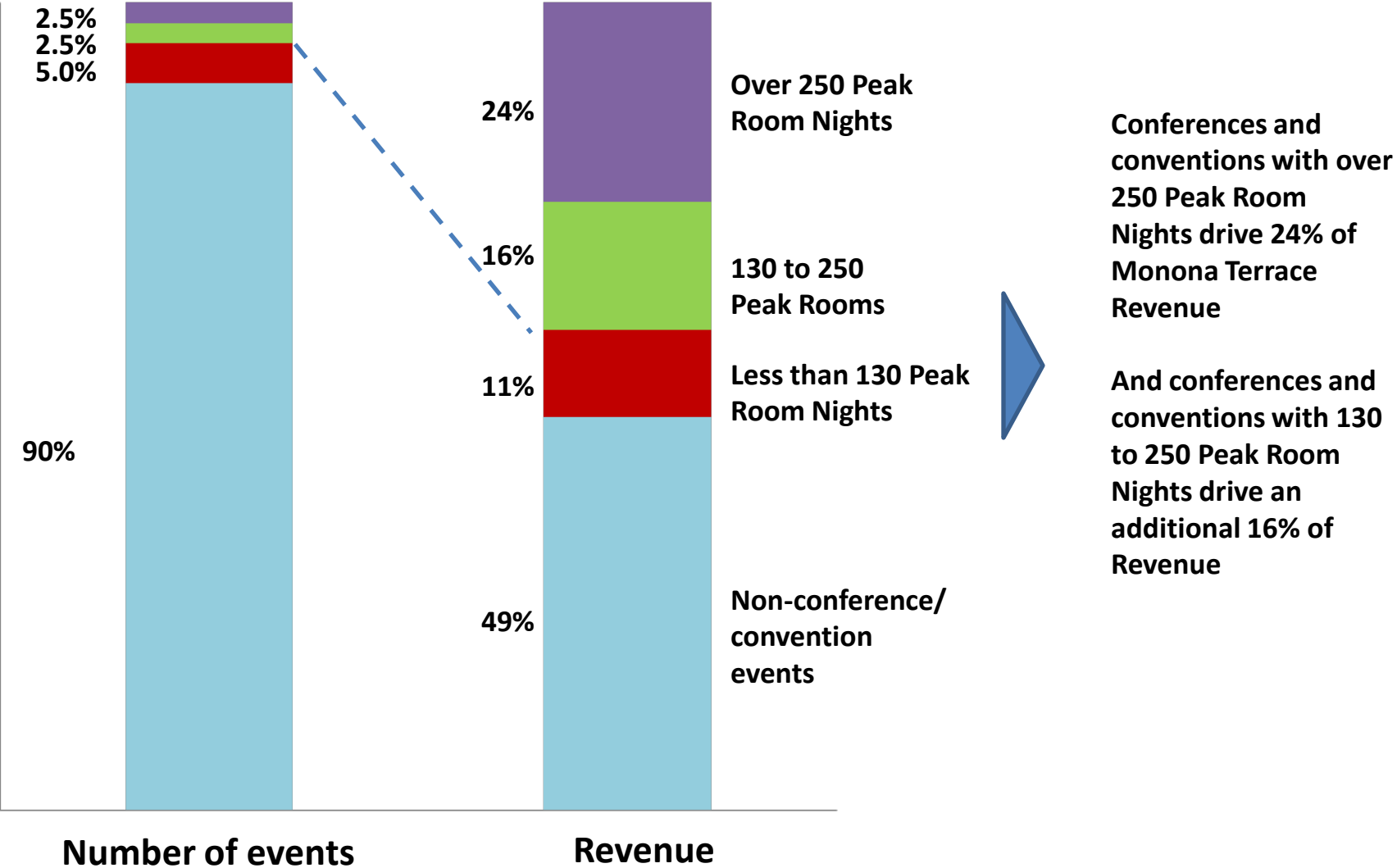
## **Conclusions from Monona Terrace Market Analysis**

- **Monona Terrace's business is predominantly smaller events with 52% of conferences and conventions demanding less than 150 peak room nights and 75% demanding less than 250 peak room nights.**
- **However, this business is highly mobile and more easily accommodated by other venues. And it accounts for only 42% of Monona Terrace's conference and convention revenue and 33% of its conference and convention economic impact (as measured by total room nights generated).**
- **Monona Terrace is currently most competitive trying to win business with 250 to 900 peak room nights. However, competitiveness is declining.**
- **Compared to other venues, Monona Terrace has comparatively few adjacent rooms relative to its meeting space capacity.**
- **Increasing the adjacent room block substantially expands both the number of events Monona Terrace can compete for and, more importantly, the number of room nights it can generate. This expanded impact will spillover to other hotels and will likely displace additional smaller events into the marketplace.**
- **Shifting Monona Terrace's business mix toward conferences and conventions will increase revenue in a cost-effective way and stabilize and/or improve their bottom-line.**
- **Analyzing the Monona Terrace impact with this new dataset largely reconfirms earlier analysis by Charlie Johnson.**

# **APPENDIX SLIDES & ADDITIONAL DETAIL**

# Moreover, the Biggest 5% of Monona Terrace Events Drive 40% of Revenue

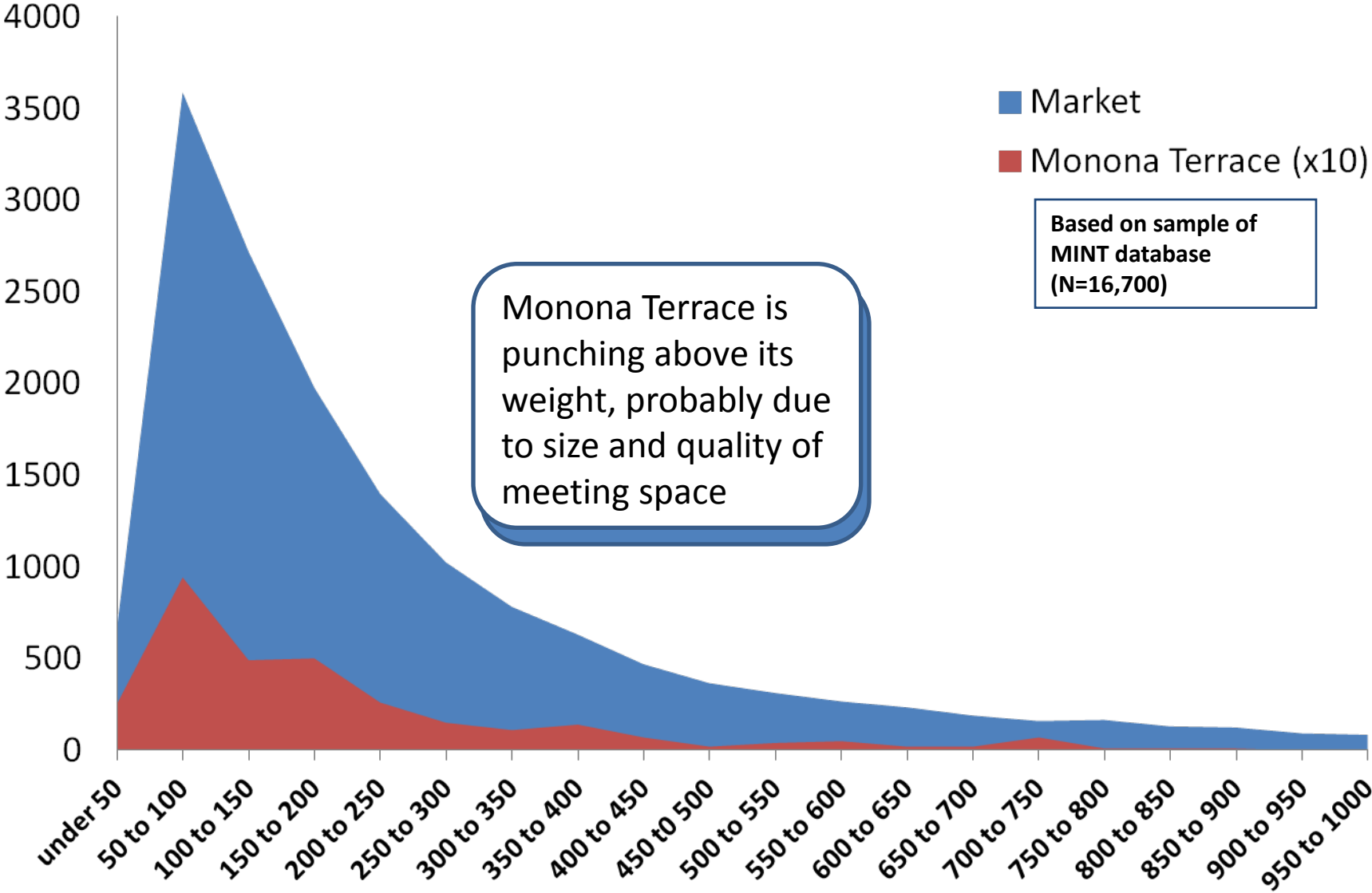
MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, ROOM NIGHT GENERATION, AND MONONA TERRACE REVENUE



Sources: Monona Terrace

# National Conference and Convention Market Composed of Small Events

NUMBER OF EVENTS BY PEAK ROOM NIGHT DEMAND

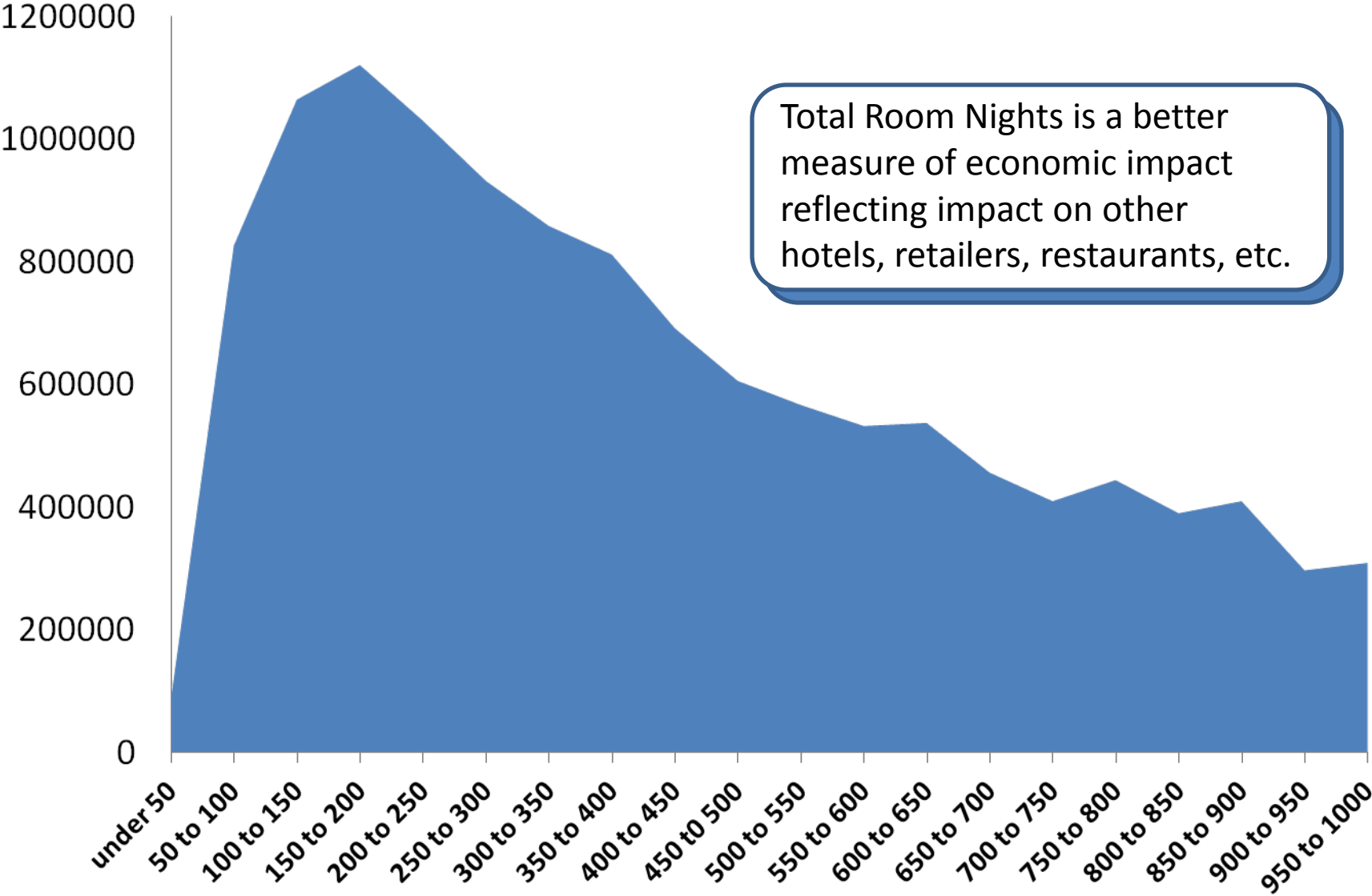


Note: Monona Terrace data scaled by factor of 10 in order to be visible

Sources: EmpowerMINT database, Monona Terrace, analysis

# However, Room Night Generation (and Economic Impact) Depends on Larger Events

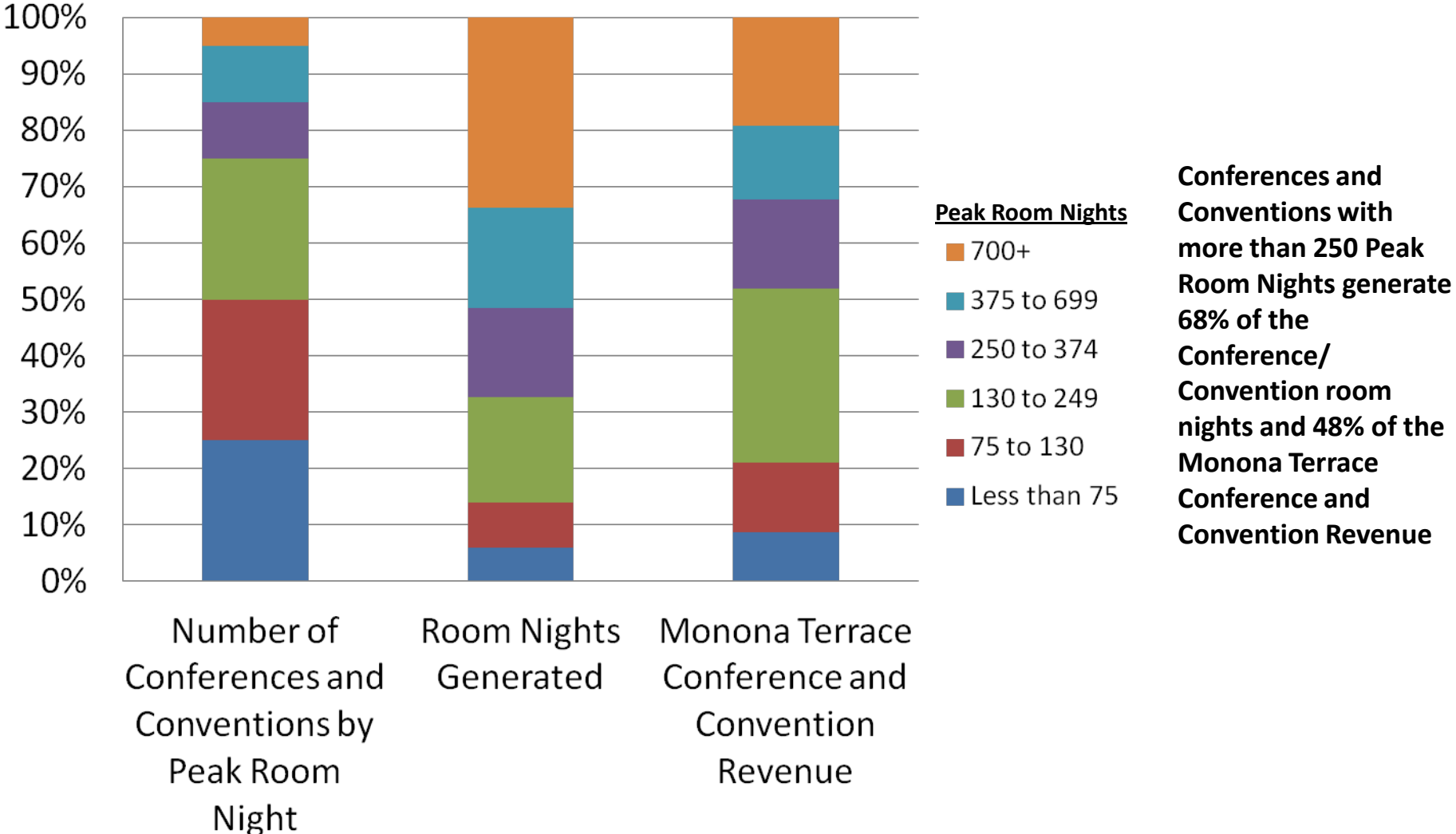
ROOM NIGHTS GENERATED BY SIZE OF EVENT AS MEASURED BY PEAK ROOM NIGHT DEMAND



Sources: EmpowerMINT database, Analysis

# Indeed, these 25% of Conferences and Conventions Drive Most of the Impact

MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, ROOM NIGHT GENERATION, AND MONONA TERRACE REVENUE

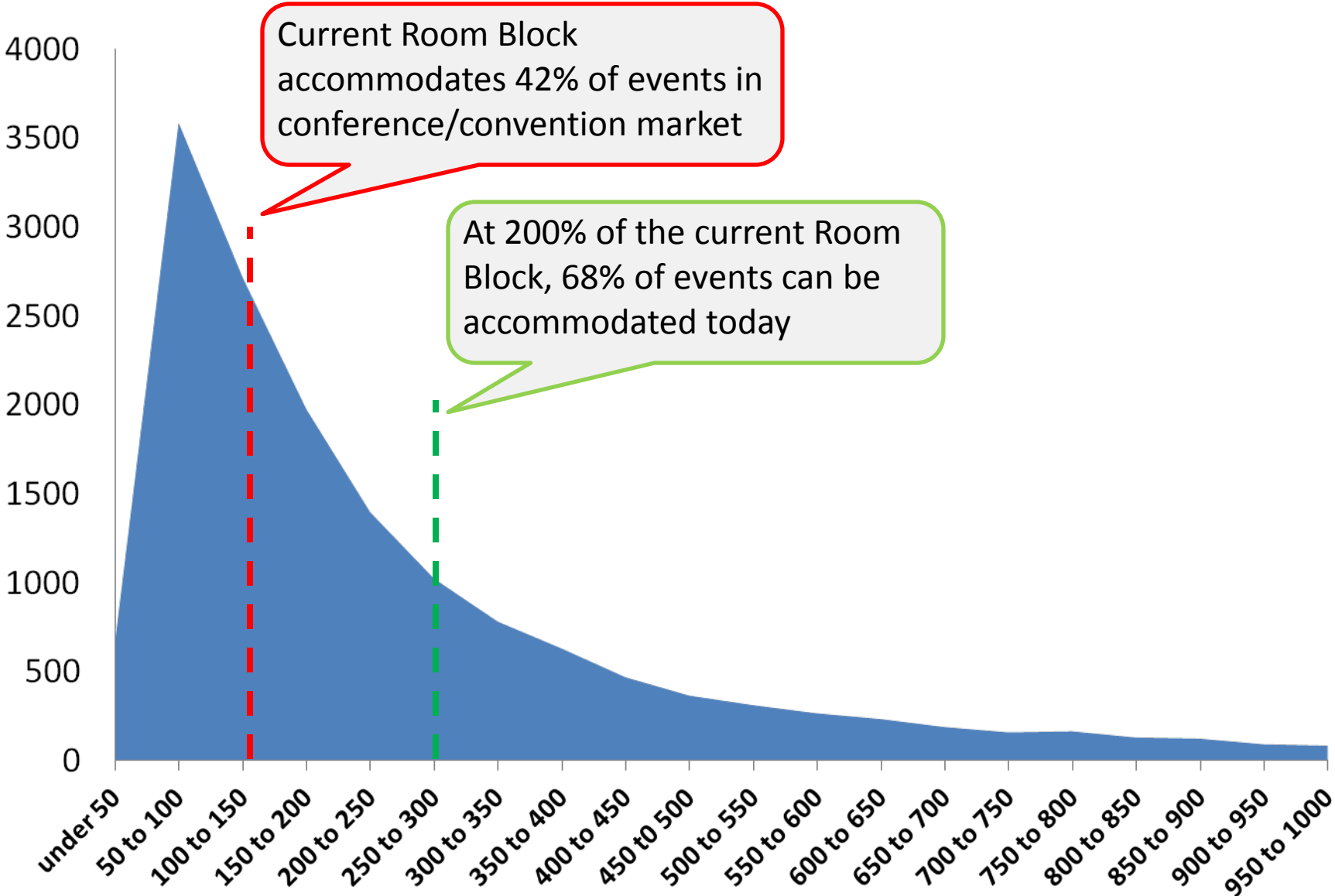


**Conferences and Conventions with more than 250 Peak Room Nights generate 68% of the Conference/ Convention room nights and 48% of the Monona Terrace Conference and Convention Revenue**

Sources: Monona Terrace

# Current Room Block Allows Madison to Address 42% to 68% of the Events in Market

NUMBER OF EVENTS BY PEAK ROOM NIGHT

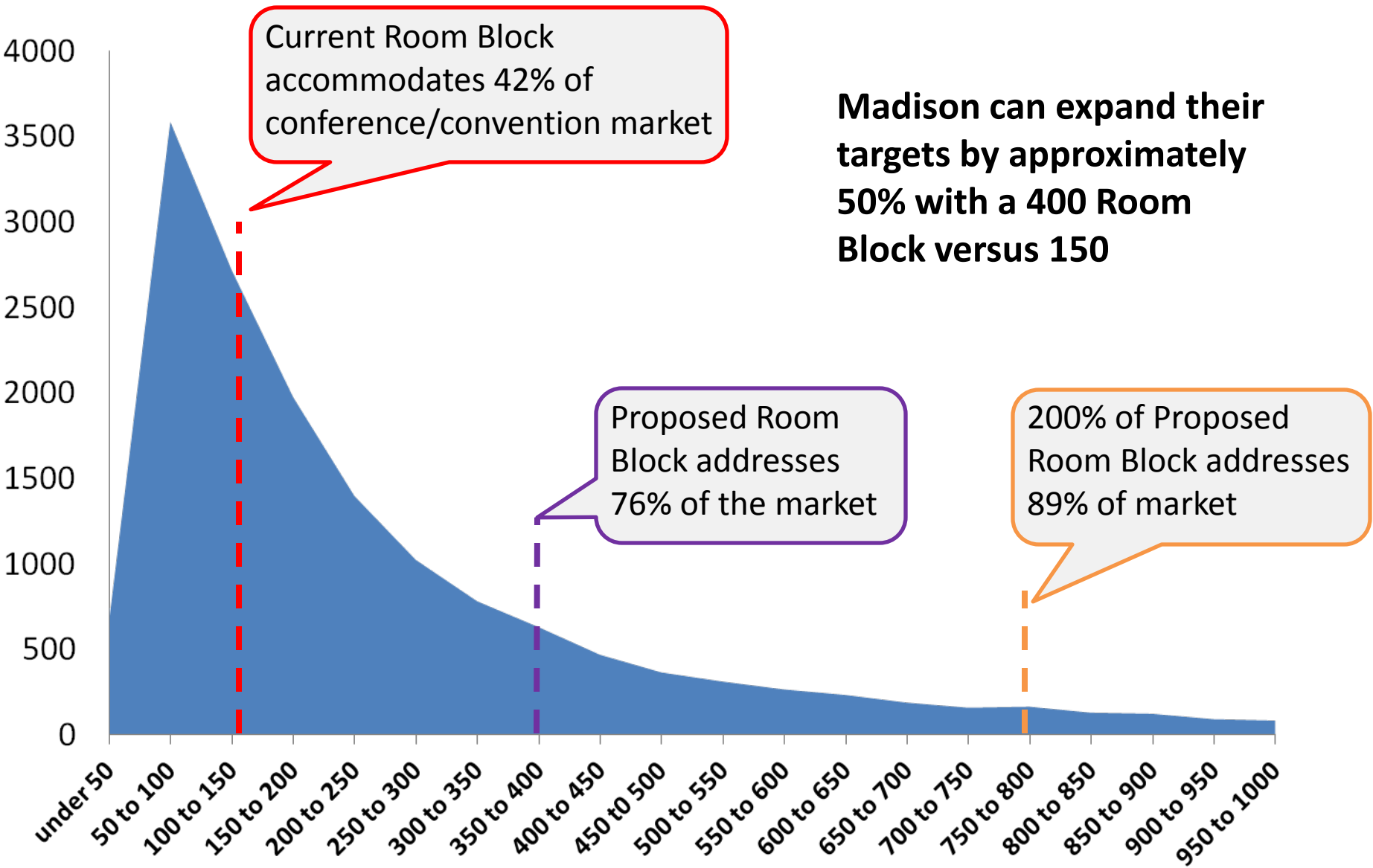


Sources: EmpowerMINT database, analysis



# Proposed Room Block Expands Reach to 76% to 89% of Events in Market

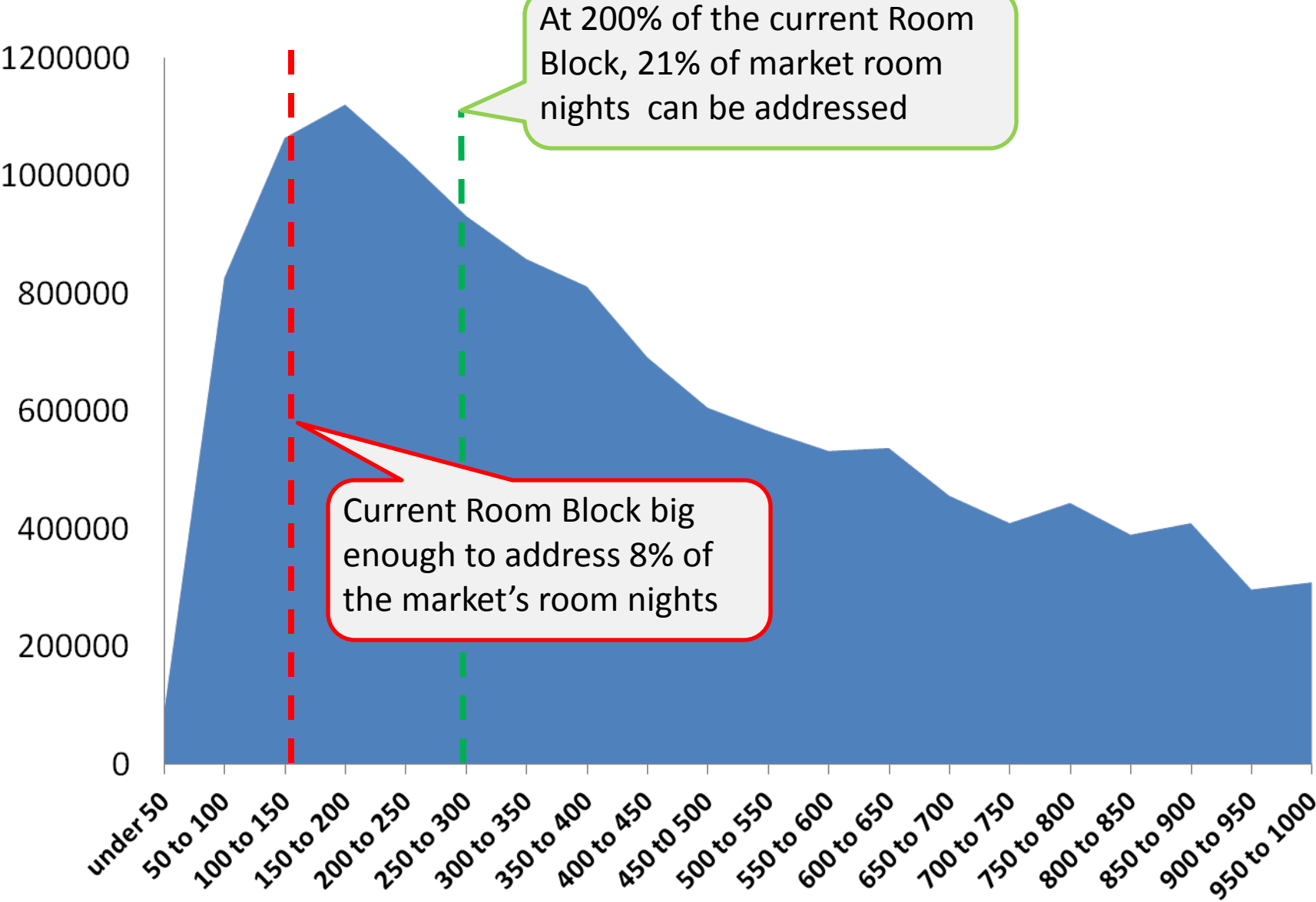
NUMBER OF EVENTS BY PEAK ROOM NIGHT



Sources: EmpowerMINT database, analysis

# Current Room Block Allows Madison to Address 8% to 21% of Room Nights

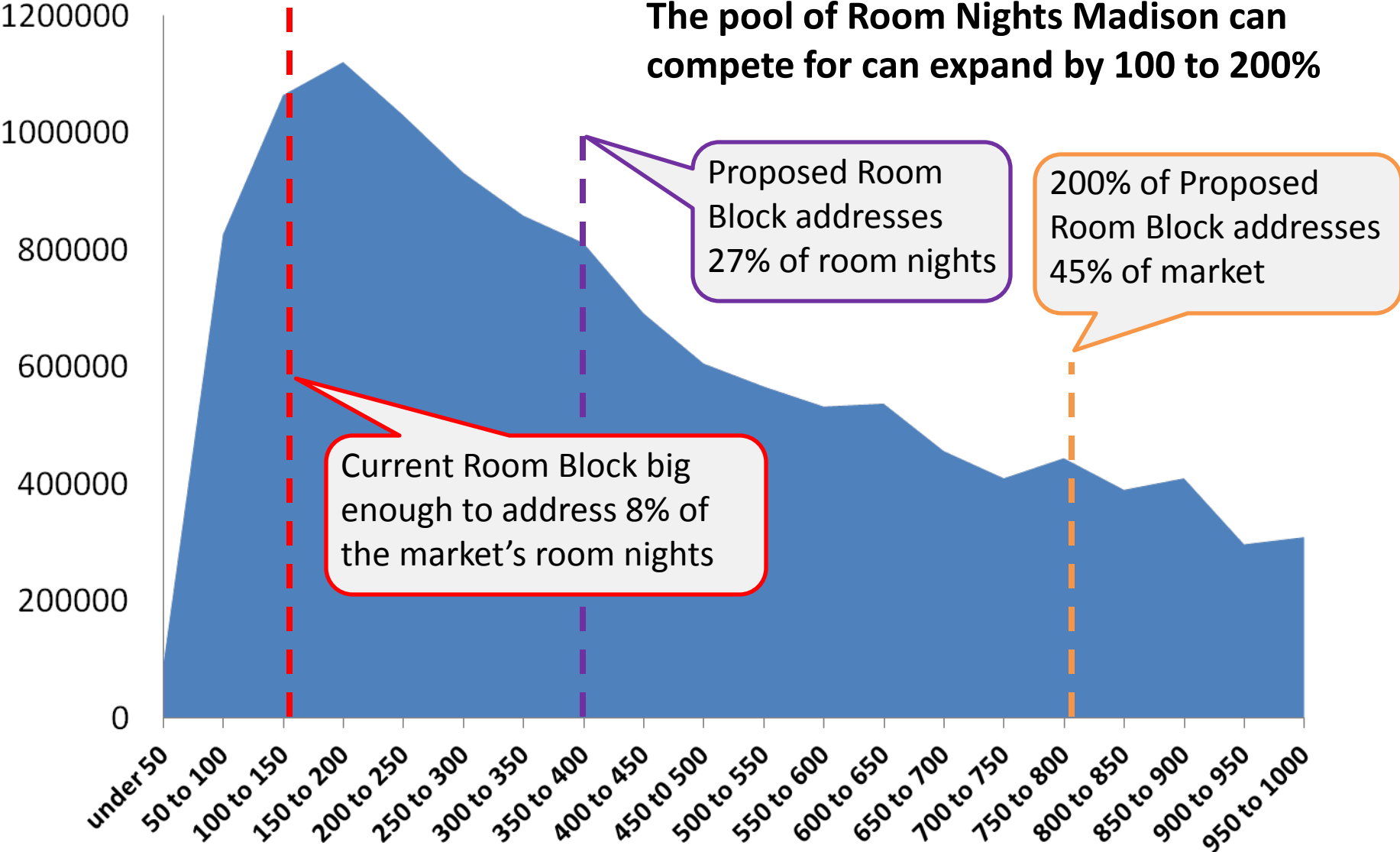
TOTAL ROOM NIGHTS BY PEAK ROOM NIGHT SIZE



Sources: EmpowerMINT database, analysis

# Current Room Block Allows Madison to Address 8% to 21% of Room Nights

TOTAL ROOM NIGHTS BY PEAK ROOM NIGHT SIZE



Sources: EmpowerMINT database, analysis

# Substantial Opportunity to Expand Madison’s Market but with Diminishing Returns

**MARKET ADDRESSED BY ROOM BLOCK (MEASURED BY NUMBER OF EVENTS)**

Available Room Block	150	200	250	300	350	400	450	500
Market addressed at Room Block size	42%	54%	62%	68%	73%	76%	79%	81%
Market addressed at 200% of Room Block	68%	76%	81%	85%	87%	89%	91%	92%

**MARKET ADDRESSED BY ROOM BLOCK (MEASURED BY ROOM NIGHTS)**

Available Room Block	150	200	250	300	350	400	450	500
Market addressed at Room Block size	8%	13%	17%	21%	24%	27%	30%	33%
Market addressed at 200% of Room Block	21%	27%	33%	37%	41%	45%	48%	50%

Sources: EmpowerMINT Database, analysis

# Substantial Opportunity to Expand Madison’s Market but with Diminishing Returns

PROJECTED ADDITIONAL EVENTS AT VARIOUS ROOM BLOCK SIZES & REVENUE IMPLICATIONS

Available Room Block	150	200	250	300	350	400	450	500
Projected Additional Conferences & Conventions	0	6	5	4	3	3	2	2
Cumulative Additional Conferences and Conventions	0	6	11	15	18	21	23	24
Monona Terrace Revenue Impact	0	\$193,638	\$355,003	\$484,095	\$580,914	\$677,733	\$742,279	\$774,552

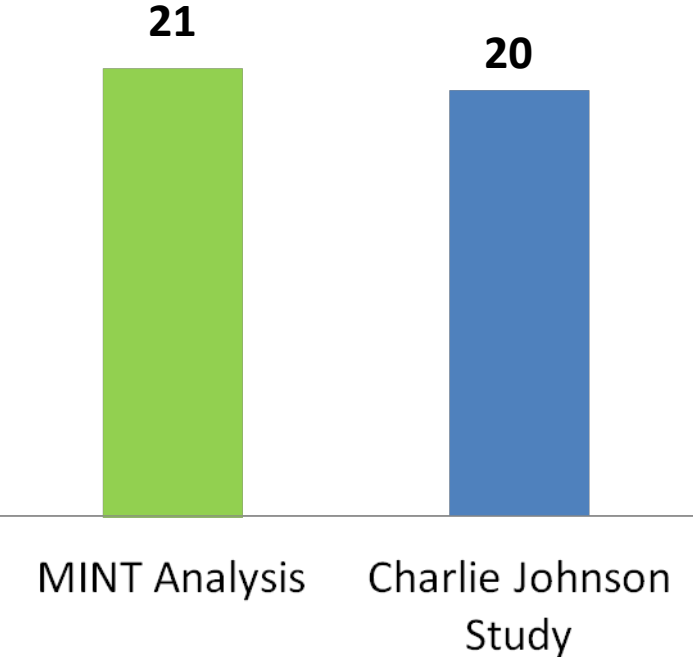
Analysis assumes current Monona Terrace market penetration remains constant (neither increasing nor decreasing relative to room block size); assumes capacity exists to accommodate additional events

Sources: EmpowerMINT Database, analysis

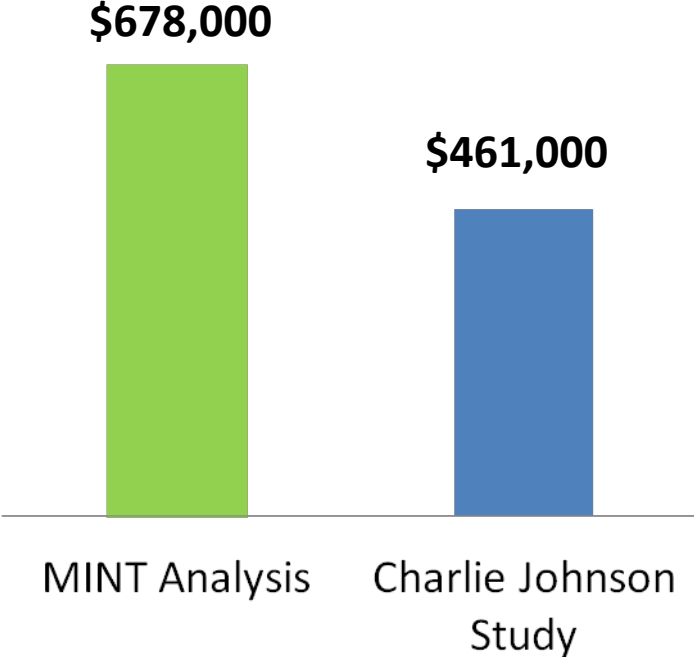
# Two Different Methods Produce Similar Estimates on Impact of 400 Room Block

COMPARISON OF MINT ANALYSIS WITH CHARLIE JOHNSON STUDY

## Additional Conferences and Conventions



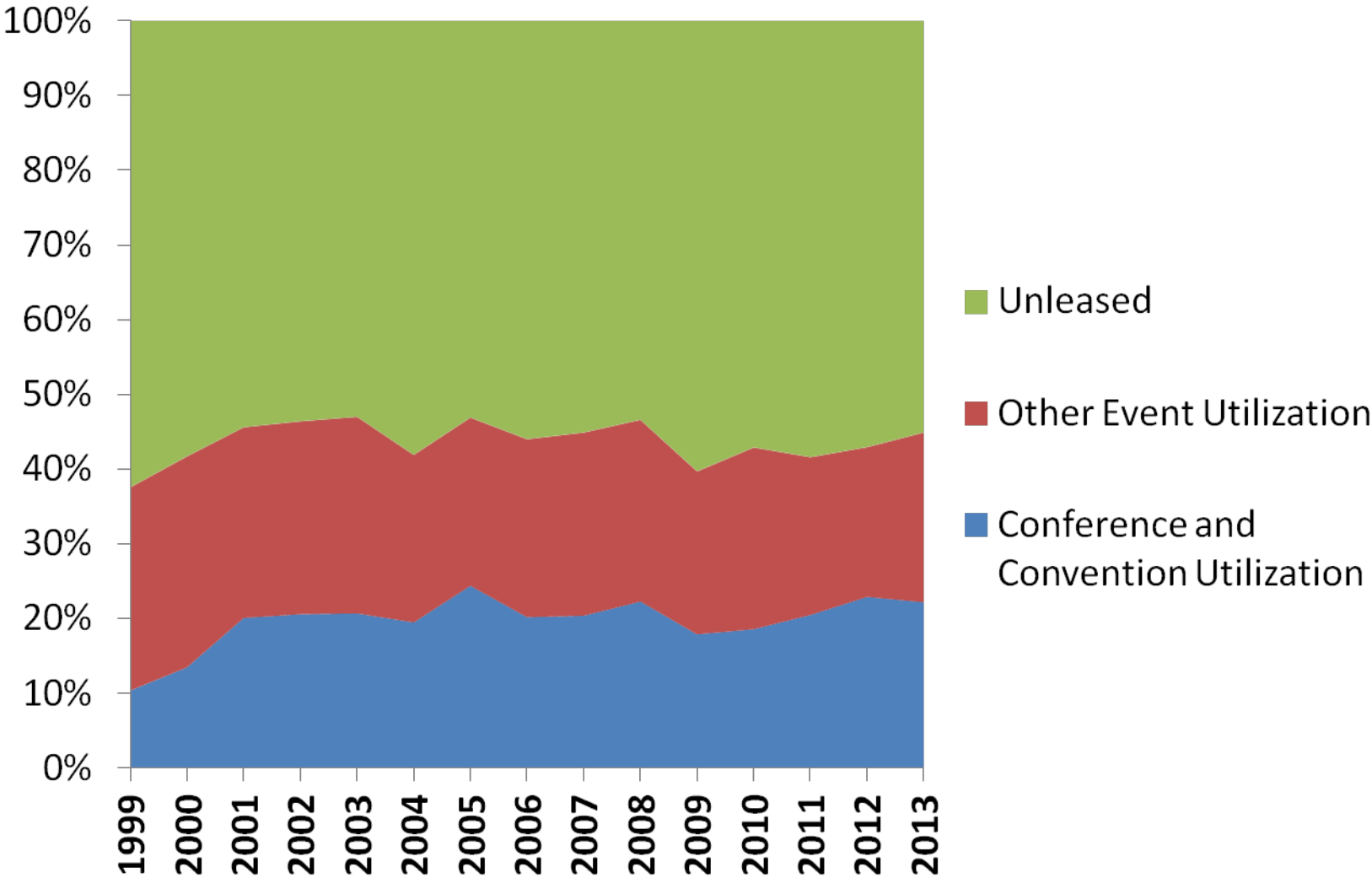
## Additional Monona Terrace Revenue



Sources: EmpowerMINT Database, Charlie Johnson Study, analysis

# Monona Terrace has Un-leased Capacity Available

PERCENT OF NON-ROOF SPACE LEASED BY EVENT TYPE




Source: Monona Terrace

# Monona Terrace Projects Displacing 161 Events to Other Venues with n Room Block

## PROJECTION OF LOST BUSINESS TO ACCOMMODATE LARGER CONFERENCES & CONVENTIONS

Event Type	Displaced Count based on 2013 Calendar
Banquet	51
Meetings	86
Conference	11
Consumer Show	12
Entertainment	1
<b>TOTAL</b>	<b>161</b>

**Monona Terrace’s Conferences and Conventions average 214 Peak Room Nights (with an average of 370 Peak Room Nights for Conventions alone) served by the existing 150 Room Block**


**At the same ratios, a 400 Room Block could allow Madison to average 571 Room Nights (and 987 for Conventions). The Hilton and Judge Doyle Hotel could provide no more than 550 of these (and less in practice)**

**In addition, smaller events, meetings, weddings, etc. would likely be displaced**

**NOTE: This is a counter-factual analysis of the 2013 calendar assuming a 400 room block was available; assumes Saturdays remain available for booking; assumes first and last day of conventions lasting 5 or more days are available for booking**

**NOTE: Monona Terrace currently turns away \$400,000 to \$500,000 of business in a typical year making it available to other venues**

Sources: Monona Terrace Projection