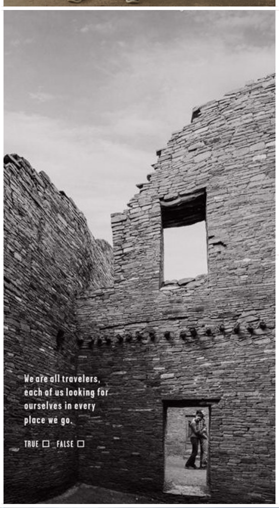
The POWER of TRAVEL PROMOTION

What Destination Marketing Means to Communities Nationwide










U.S. TRAVEL
ASSOCIATION

EXECUTIVE SUMMARY

In today's highly competitive global marketplace, travel destinations require investment in their brand to remain relevant. And by investing in effective travel promotion, states and cities attract new visitors, create significant local economic activity and generate crucial tax revenue to support essential services. Without effective promotion, states and cities cede these benefits to competing destinations.

Case studies from states, regions and cities illustrate the power of promotion and the strong benefits from those who invest in it. For instance, every dollar New Mexico spent in its new marketing campaign led to $72 in visitor spending in the state. New Mexico's promotional campaign also boosted perceptions of the state as a good place to start a career, build a business, attend college or purchase a vacation home.

Similarly, Nashville's investments in travel promotion, including a new convention center, have generated tens of millions of dollars in tax revenue and over $1 billion in new economic development. Increased demand to visit Nashville from leisure and business travelers has brought additional air routes and new airlines to the city. Today, Nashville is the fifth fastest-growing airport in North America, serving more than 390 flights daily to 50 nonstop markets.[1] Further north, a new convention center in Cleveland and a grassroots travel marketing campaign has also helped stimulate a new renaissance there.

At the same time, cutting travel promotion carries serious risks. As some states, such as Pennsylvania, have cut funding, they have lost ground to regional competitors, losing visitors and tax revenues ($3.60 for every $1 cut) in the process. Destinations affected by state or city-wide budget cuts, such as Philadelphia and San Diego, have responded with renewed aggressive marketing campaigns and partnerships of their own.

Destinations are also investing in marketing and promotional campaigns to aggressively compete for international travelers. International travel already supports more than one million U.S. jobs and generates more than $20 billion in tax revenues.[2] In fact, international travel is America's second largest export industry and accounts for 11 percent of total U.S. exports of goods and services.[3] But there is still a great deal of untapped potential in the international travel market.

In 2015, more than 1.2 billion people traveled internationally, spending $1.5 trillion.[4] The U.S. share of this market remains at about 14 percent, down from 17 percent in 2000.[5] Through a public-private partnership, Brand USA invests marketing dollars to promote the U.S. abroad and compete with other countries and international destinations vying for global visitors.

Some U.S. regions, cities and destinations may believe they lack the resources to compete for international travelers. But by partnering with Brand USA, destinations across the U.S., regardless of size, can engage in cooperative marketing programs, which raise visibility and engagement among potential travelers, increase international visitors and leverage additional funding.

This report highlights several key facts, including:

- Travel provides essential support to state and local governments. **Travel generated $148 billion in total tax revenue in 2015.[6] Without this impact, each U.S. household would pay $1,200 more in taxes every year.[7]**

- Investing in travel promotion generates a virtuous cycle of economic benefits. Travelers visiting a destination spend money at local attractions, hotels, retail, restaurants and transportation. **Promotion also improves the quality of life for residents, offering a positive "halo effect" on perceptions of a destination for residents and visitors alike.[8]**

- Investing in destination marketing drives broad economic growth. In fact, destinations with a higher concentration of visitor-related industries tend to grow faster than other regions.[9] And **growth in travel and tourism employment in a destination tends to be followed by a 1.5-percent rise in broader employment.[10]**