

The Value of IPW to the U.S. Economy & International Inbound Tourism Market

Full Report – December 2018



About IPW

IPW is an annual convention where U.S. destinations and travel suppliers meet with international travel buyers from all over the world. For many delegates, IPW is the business networking event of the year. In 2018, IPW was held in Denver and was attended by over 6,000 delegates from more than 70 different countries. In total, there were 1,188 delegates classified as buyers and another 3,669 classified as suppliers. The event is set up for buyers and suppliers to engage in a full calendar of 20-minute meetings over the 3-day event period. In total, over 100,000 appointments are held per year.

Study Overview

The Value & Economic Impact of IPW 2018 was commissioned by the US Travel Association. The research was conducted by Rockport Analytics, an independent market research & consulting company. The goal of the study was to understand the full economic contribution made by future IPW-initiated visitation to the U.S. economy. Separately, Rockport has conducted a study on the economic impact IPW on Denver, the host city of IPW 2018. This is the second time Rockport has conducted the full U.S. study and the 6th consecutive year the host city analysis has been conducted.

About Rockport Analytics

Rockport Analytics is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. We provide fast, nimble service in a transparent environment.

Capabilities include:

- Market Analysis and Forecasting
- Visitor Research
- Market Modeling and Decision Support Tools
- Primary and Secondary Research Synthesis
- Stakeholder Surveys – internal & external
- Economic Impact Assessment

IPW is the travel industry's premier international marketplace, bringing more than 6,000 travel buyers, media and suppliers from 70+ countries to participate in three days of intensive, pre-scheduled business appointments. The show creates tremendous value to stakeholders in the travel and tourism marketplace and, broadly, to the U.S. economy.

- *IPW exposes travel buyers to new markets and ideas. Nearly two-thirds (64%) of IPW buyers claim that their time at IPW 2018 in Denver will lead them to book into markets that they would not have otherwise considered.*
- *IPW creates an efficient environment where business gets done. More than 100,000, 20-minute business appointments are held over the three-day event.*
- *Suppliers and destinations benefit by having face-to-face time to communicate their offerings to a large set of qualified buyers. At IPW, the entire international marketplace comes to the U.S. —all under one roof.*

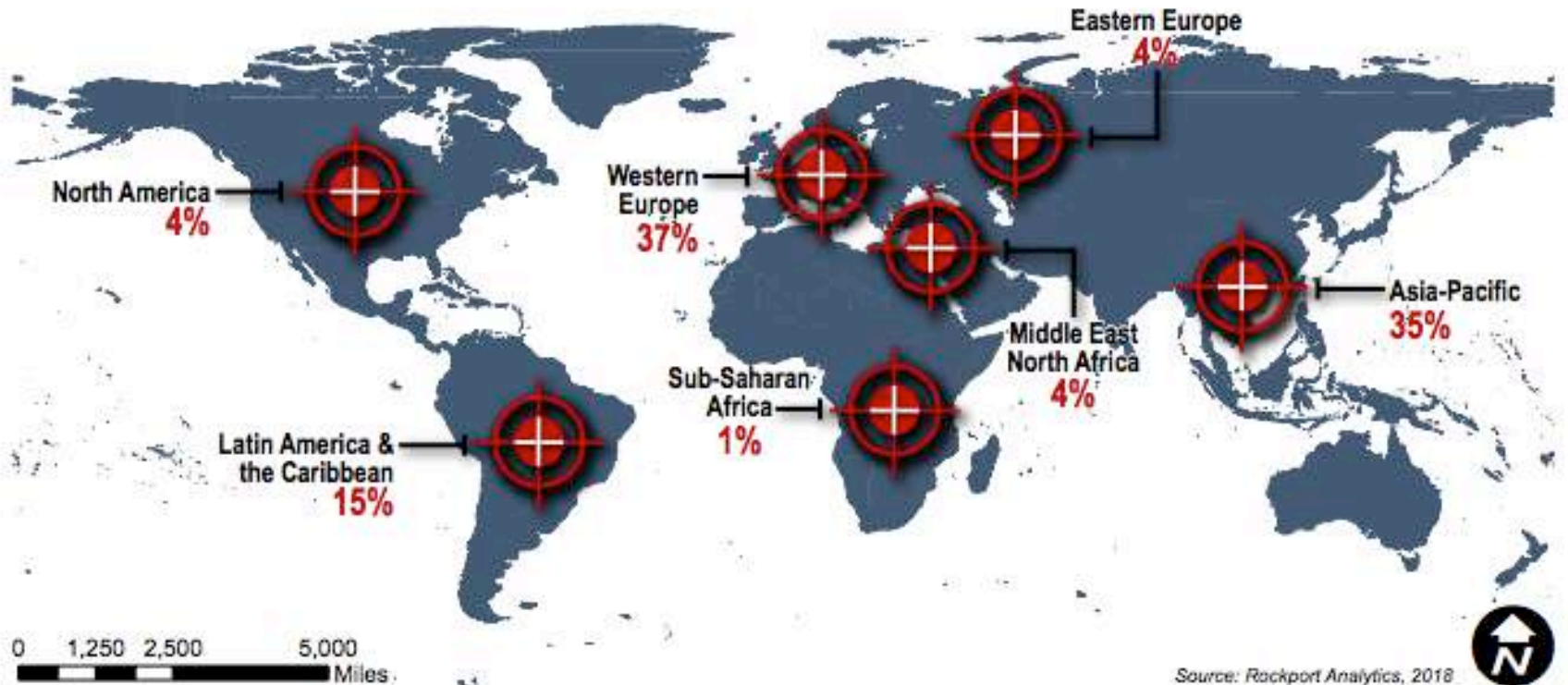
Travel initiated by the 2018 IPW in Denver will bring over 11.6 million international visitors to the United States, \$29 billion in total spending, and nearly \$5.5 billion in direct bookings to U.S. destinations over the next three years.

- *Given the sales cycle that typically exists when U.S. suppliers meet with international buyers at IPW, much of this volume and spending will be pushed out to the future, with \$7.4 billion of the IPW-initiated spending projected for 2019, \$9.7 billion for 2020 and \$11.8 billion for 2021.*
- *Of the \$28.9 billion in spending, \$5.5 billion will be generated directly from bookings contracted via IPW. The remaining \$23.4 billion will be the result of additional spending that will take place by the 11.6 million international visitors. For example, IPW buyers may contract a block of rooms at IPW, which will generate additional visitation spending on things like transportation, shopping, entertainment, and F&B.*
- *The \$28.9 billion in IPW-initiated spending will include an estimated \$6.2 billion on food and beverage, \$7.3 billion on retail, \$8.3 billion on accommodations, \$4.5 billion on recreation and entertainment, and \$1.8 billion on transportation and \$1.0 billion on other spending. Additionally, we estimate there would be another \$11.9 billion will be spent on passenger airfares.*

The \$28.9 billion in spending will generate a direct contribution to GDP (value-added) of \$12.9 billion, support over 83,000 direct annual U.S. jobs, pay \$8.1 billion in direct U.S. wages, and directly contribute more than \$3.7 billion to state, local and federal tax revenues.

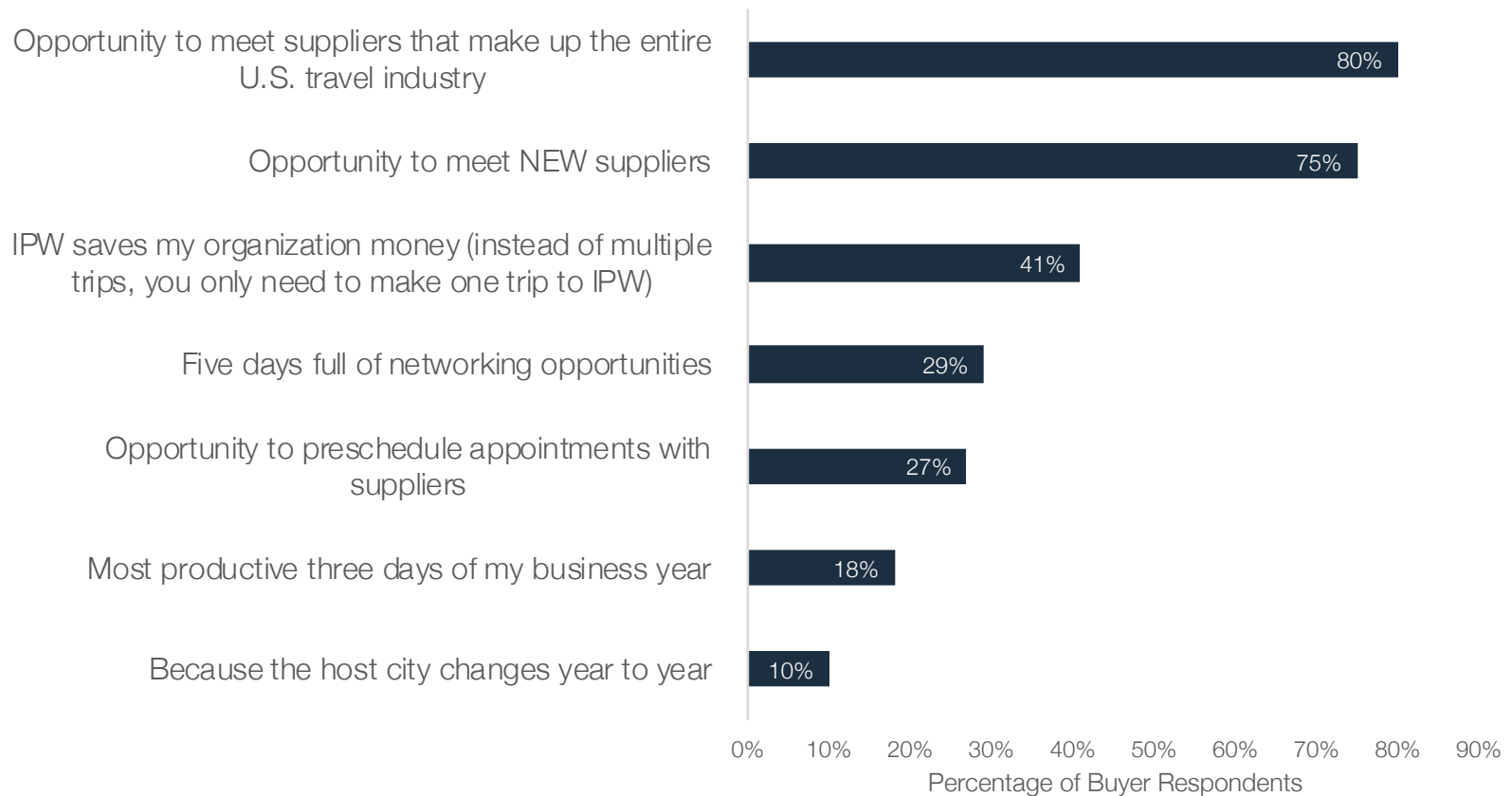
- *These figures include only the benefit to those businesses that directly serve these new visitors such as hotels, restaurants and shopping venues. Downstream benefits (indirect and induced) that would accrue to supply chain businesses and workers, while also significant, were not included in our estimates in an effort to remain conservative.*
- *We estimate federal taxes, dominated by personal and corporate income receipts, will total \$1.7 billion. Meanwhile, state taxes will total over \$1 billion and local taxes another \$978.9 million. State and local taxes will mostly come from sales, property, travel-related excise (e.g. hotel, rental car, admission, etc.), and income tax levies.*
- *After 2018 IPW in Denver, 61% of buyers stated that they are more likely to book travel to Denver than before IPW took place.*

Distribution of 2018 International Travel Buyer Delegates by Region



Source: Rockport Analytics, US Travel Association, IPW Post-Event Buyer Survey, 2018

Which of the following reasons reflect why you or your organization attends IPW (select top 3)?



Source: Rockport Analytics, US Travel Association, IPW Post-Event Buyer Survey, 2018

64% of Buyers Expect to Book into New Destinations (Besides Denver) Following IPW 2018

Which of the following destinations (that you had never booked to before) are you booking or planning to book trips to as a result of your activity at IPW in Denver (percentage of Buyers)?

3% – 5.9%

- Charlotte, NC
- Oklahoma City, OK
- Atlantic City, NJ
- Long Island, NY
- Los Angeles, CA
- Richmond, VA
- Cleveland, OH
- Indianapolis, IN
- Las Vegas, NV
- Birmingham, AL
- Cincinnati, OH
- Jacksonville, FL
- New York City, NY
- Pittsburgh, PA

6% – 9.9%

- Detroit, MI
- San Francisco, CA
- Myrtle Beach, SC
- Minneapolis, MN
- Baltimore, MD
- Jersey Shore, NJ
- Kansas City, MO
- Washington, DC

10% – 14.9%

- Nashville, TN
- Tampa-St. Petersburg, FL
- Chicago, IL
- New Orleans, LA
- Ft. Lauderdale, FL
- Memphis, TN
- San Antonio, TX
- Charleston, SC
- Houston, TX
- Phoenix, AZ
- Savannah, GA
- St. Louis, MO

15%+

- Boston, MA
- Seattle, WA
- Austin, TX
- Portland, OR
- Dallas, TX
- Atlanta, GA
- Anaheim/Orange County, CA
- Miami, FL
- Philadelphia, PA
- San Diego, CA

Source: Rockport Analytics, 2018 IPW Post-Event Buyer Survey

Base: All buyers who plan to book into new destinations (besides Denver) following IPW 2018

What are the primary reasons why you attend IPW?

Patrick Kaler, Visit Buffalo Niagara- *The value is being able to continue the relationship building. It's a good opportunity for us to partner with other destinations. It allows us to get creative too with our product marketing and how we can advance our own messaging. But it's just a very important place for us to be, as far as relationships are concerned.*

Does the location where IPW is hosted impact your booking to those destinations?

Fabio Negro, FTI Touristik- *Yes, it's totally different when you have the chance to actually experience a city instead of just reading or hearing about it. The program with IPW is great because you see a wide variety of destinations.*

Has the IPW changed your product side and the destinations you do business in?

Nancy Jeronimo, Air Canada- *It gives you the opportunity to meet with partners that maybe you don't think about. It's seeing the attractions or hotels that you have done business with for many years, but then you can also run into somebody new. It definitely opens up the networking on expanding our portfolio.*

Does IPW impact the markets where you are sourcing business?

Kathy Smits, LA Tourism- *It helps us focus our efforts and keep a pulse on the market. I think that for IPW, especially in markets where we don't have staff, it's a huge opportunity to fine tune our business and figure out next steps.*

Kristen Esposito, Simon Shopping Destinations- *We are a very small team, and we have agencies that are based in these countries that have the day-to-day contact. But as the key stakeholders and the team that is running the global tourism department, we don't have the ability to get in countries all the time. So this is a way for us to have the face-to-face interaction with our buyers and our shopping partners so that we can talk about promotions that we've been delving through the entire year.*

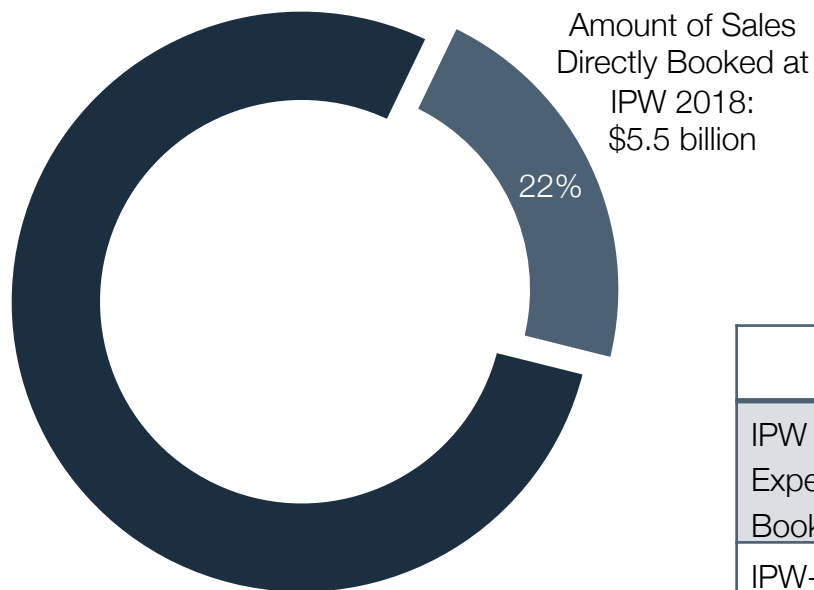
Does IPW give you access to buyers in certain regions that you wouldn't otherwise have?

Kathy Smits, LA Tourism- *100%. I think the huge opportunity here is identifying opportunities that we wouldn't otherwise know were even there.*

Gary Schluter, Rocky Mountain Holiday Tours- *Definitely because we've talked to a lot of more secondary markets [like in] eastern Europe this year. We've talked to more Australian operators this year and we've never really done any marketing at all in Australia so it's great to be able to come to this show and meet with those people.*

IPW Bookings Represent a Large Proportion of Buyers' Total Business

Total Expected Sales in the U.S. Over the Next Three Years Represented by IPW Buyers: \$19.7 Billion



- Buyers Attending IPW 2018 in Denver Expect to Book nearly \$20 Billion in sales to the U.S. over the next three years
- An estimated 22% (\$5.5 billion) of those bookings were directly contracted through meetings at IPW 2018

	2019	2020	2021	Total
IPW Buyers' Total Expected US Bookings	\$5,615	\$6,507	\$7,594	\$19,716
IPW-Initiated Direct Bookings (millions USD)	\$1,496	\$1,823	\$2,161	\$5,480

Source: Rockport Analytics, U.S. Travel Association

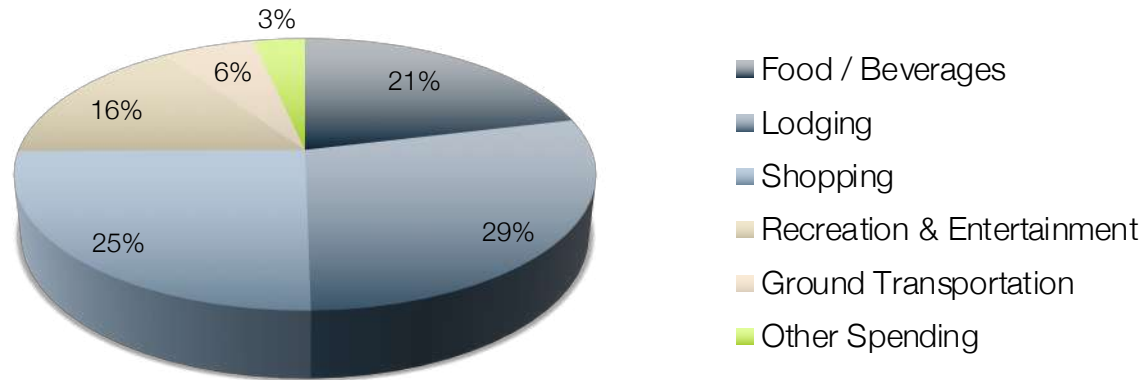
IPW 2018 Will Drive Bookings, Spending & Visitation to the United States over the Next Three Years



	2019	2020	2021	Total
IPW-Initiated Expected Visitation (millions)	3.05	3.93	4.67	11.66
IPW-Initiated Direct Bookings (millions USD)	\$1,496	\$1,823	\$2,161	\$5,480
Expected Average Spend in the U.S. per IPW Visitor	\$2,429	\$2,476	\$2,530	\$2,429
IPW-Initiated Expected Total Spending (millions USD)	\$7,419	\$9,733	\$11,827	\$28,979

Source: Rockport Analytics, U.S. Travel Association, National Travel & Tourism Office

Estimated Distribution of Visitor Spending by Category



Annual 3-Year Spending Projections By Category (Millions \$)

	2019	2020	2021	Total
Food / Beverages	\$1,575.21	\$2,066.67	\$2,511.22	\$6,153.11
Lodging	\$2,113.84	\$2,773.33	\$3,369.90	\$8,257.07
Shopping	\$1,864.85	\$2,446.67	\$2,972.97	\$7,284.48
Recreation & Entertainment	\$1,158.54	\$1,520.00	\$1,846.96	\$4,525.51
Ground Transportation	\$452.24	\$593.33	\$720.96	\$1,766.54
Other Spending	\$254.07	\$333.33	\$405.04	\$992.44
Total	\$7,418.75	\$9,733.34	\$11,827.05	\$28,979.14

Source: Rockport Analytics, U.S. Travel Association, National Travel & Tourism Office

IPW-Initiated Future U.S. Visitation Impact

	2019 – 2021 Direct Impact
IPW Hosting International Visitation “Lift” (millions of new visitors)	11.66
IPW-Initiated Spending in the U.S. (mils \$USD)	\$28,979
Direct Economic Impact / Value-Added of IPW Visitor Lift (mils \$USD)	\$12,939
Total Direct Wages from Lift (mils \$USD)	\$8,149
Direct Jobs Supported by Lift (in Annual Full & Part-Time Jobs)	83,193
Total Tax Receipts from Lift (mils \$USD)	\$3,722
Federal Taxes	\$1,706
State Taxes	\$1,037
Local Taxes	\$978.9

- Total IPW-induced future visitor spending will reach nearly \$29 billion across the 3-year period
- An additional \$13.2* million was spent by delegates attending IPW 2018 in Denver
- This activity will support over 80,000 annual full and part-time jobs across an array of industries
- These international visitors will help to generate \$8.1 billion in direct U.S. wages
- IPW-induced future visitors will generate over \$3.7 billion in federal, state & local tax receipts

IPW's Expected 3-Year Economic Impact in the U.S.: By the Numbers

**11.66
Million**
Visitors

83,193
Full & Part-Time
Jobs

**\$3.7
Billion**
Federal, State & Local Tax
Collections

\$2,485
Average Spend
per International
Visitor

**\$8.1
Billion**
Wages & Salaries

**\$12.9
Billion**
Direct Economic Impact
(Value Added)

Source: Rockport Analytics, IMPLAN, US Travel Association, Various Tax Sources



How Does IPW Benefit the U.S.?



By Promoting a Healthy Job Market

Every 140 international visitors to the supports a new job (annual full and part-time) in the U.S.

By Contributing to the Health of the Public Education System

Every 35 international visitors generate enough state & local tax revenue to support one public school student* in the U.S.



By Directly Benefiting U.S. Businesses

We expect each IPW-initiated international visitor will spend nearly \$2,500 in the U.S.

By Providing Tax Revenue to Support Federal, State & Local Government

About \$319 per visitor will be collected in tax receipts, \$174 of which will go to state & local authorities

By Helping to Relieve the Tax Burden of U.S. Households

Direct taxes generated from IPW-initiated visitation to the U.S. is enough to relieve each U.S. household of \$30 in local taxes over the next three years

By Capturing and Retaining the Expenditures Made By Visitors

45 cents of each dollar spent by IPW-initiated visitors will stay in the U.S. as direct economic impact



Source: Rockport Analytics, IMPLAN, U.S. Travel Association

*U.S. Census Bureau annual survey of school systems