THE POWER OF
Travel Promotion

LOCAL INVESTMENT. LOCAL RETURN.

U.S. TRAVEL ASSOCIATION
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Executive Summary

Not all budget cuts are smart cuts. During these tough economic times, elected officials face the challenge of balancing strategic investments with budget reductions that cause the least harm. The state of our current economy amplifies the need for informed decisions that maximize revenue opportunities and minimize harm to taxpayers.

This report proves travel promotion is one of the best budget investments a state or local government can make. Travel promotion increases visitation, drives tax revenues and creates new jobs.

Among the key facts:

- Travel and tourism is a cash-generating machine for state and local governments. In 2010, travel generated $118 billion in tax revenue to government at all levels, $53 billion of it to state and local governments.

- Investing taxpayer dollars in the effective travel promotion of a state, city or town leverages this cash machine by increasing traveler visits, delivering more traveler spending within local communities, driving local job creation and generating tax revenues that far outperform the initial investment.

- In today’s highly competitive travel market, states that maintain or even increase funding for their destination seize market share, while those that cut programs suffer immediate revenue shortfalls and other negative economic consequences.

- While reducing travel promotion funding during difficult economic times may seem to offer quick budget savings, travel promotion must be understood as a strategic investment. Focusing on the supposed short-term benefits of reducing travel promotion budgets will have lasting, damaging repercussions for a destination.

Government officials should not only welcome programs with a proven record of boosting revenues, generating tax dollars and creating jobs, but operate like leading forward-looking businesses and make investments in the future of these programs. Travel promotion is a solid return on investment.
Travel is a High-Reward Opportunity for State and Local Economies

The travel industry’s role in the American economy runs wide and deep. In 2010, domestic and international travelers logged 2 billion trips to destinations in all 50 states and Washington, D.C., and directly spent $759 billion on goods and services at local businesses.

Nationwide, the economic activity sustained by travel:

- Supported 7.4 million direct travel jobs;
- Generated $188.4 billion in wages; and
- Directly contributed $118 billion in tax revenue to government at all levels.¹

“Last year [2010], visitors spent nearly $90 billion in our local communities. This money has an enormous impact on employment and can serve as a catalyst to grow our economy.”

— GOVERNOR EDMUND G. BROWN, JR., CALIFORNIA²

Creating Jobs Amid High Unemployment

The most important contribution that the travel industry provides to the U.S. economy is the ability to create jobs. In fact, the travel industry creates more than twice as many jobs compared to the rest of the private sector for any given increase in sales. Today, the travel industry is one of the top ten employers in 49 states, plus the District of Columbia, benefiting every state and locality.³

Even in the current sluggish economy, with stubbornly high unemployment and weak job growth, travel and tourism has proven itself to be one of the most efficient job-creating industries. Between March 2010 and July 2011, job growth in the travel industry was 84 percent faster than the rest of the economy. So far in 2011, the travel industry is responsible for 1 out of every 10 new jobs that have been created in the United States.⁴

In contrast to an industrial facility or a construction site that is readily identifiable, the travel industry has a much broader footprint in states and towns because it is composed of a diverse group of businesses. Among these are airlines, hotels, restaurants, amusement parks, car rental companies and retailers.
Fueling Desperately Needed Revenue for State and Local Governments

Travel and tourism produces much-needed tax revenues for state and local governments, which have seen tax receipts decline by nearly 5 percent from 2008 to 2009. In 2010, the travel industry generated $53 billion in revenues for state and local governments, accounting for 4 percent of their tax receipts.

In a time of severe budget constraints, tax revenues generated by travel are critical to financing essential public services. In fact, in 2010 the state and local tax revenue generated by travel and tourism more than fully covered all wages paid to police officers and firefighters nationally — or almost half of all wages paid to all elementary and middle school teachers across the country. Furthermore, according to 2008 data, the travel industry spun off enough tax revenue in many states to cover at least half of critical needs such as education, highways, hospitals and veterans’ affairs.

Nationally, without federal, state and local tax revenues generated by travel, each U.S. household would face an additional $1,000 tax bill.

“Teachers, police officers, firefighters… are no more than one degree of separation from the tourism industry…. Tax revenues generated from the industry go toward our schools, public safety, libraries, pools, parks and streets.”

— MAYOR PHIL GORDON, PHOENIX, ARIZONA

“Missouri tourism creates thousands of jobs, which are the lifeblood of our economy. Even as state government continues to look for ways to tighten its belt, it’s essential that we continue to make investments in industries like tourism that can help turn our economy around.”

— GOVERNOR JAY NIXON, MISSOURI
Marketing, Advertising and Promotion Build Brand Awareness and Market Share

Underlying many of the economic benefits derived from travel and tourism is promotion. Destinations — whether a state, a city, a town or a specific site — are no different than other brands that battle in the marketplace to capture consumer attention and loyalty.

Iconic brands like Apple, McDonald’s or Coca-Cola do not just offer outstanding products and hope customers beat a path to their doors. Each of these companies invests billions in marketing, promotion and other brand-building efforts — and each has continued to do so long after their brands became household names. As the following case examples make clear, corporate leaders know that effective promotion campaigns boost the sales of even the most well-known products, including during challenging economic times.

LESSONS FROM COCA-COLA: Never Rest on Your Laurels

Coca-Cola owns half of the world’s soft-drink market and is ranked as the most valuable global brand.13 But in the early 2000s, the corporate icon was struggling. Profits had stalled, earnings growth was the worst in decades and industry analysts described the company’s promotion efforts as “lackluster” and “bland.”14 In response, Coca-Cola retooled its corporate planning and overhauled its strategy, focusing on re-engaging and re-connecting with consumers.15

The lesson Coca-Cola learned? “We have to remain very humble and very hungry,” says Joe Tripodi, Coca-Cola’s current executive vice president and chief marketing and commercial officer. “We’re not resting on our laurels for even one minute.”

Coca-Cola is putting those words into action. Despite a weak global economy, the company invested $3 billion in an aggressive promotion effort in 2010. It’s paying off. Coca-Cola recently reported strong worldwide volume growth of six percent, a 47 percent jump in net revenue growth and an 18 percent increase in earnings per share.16 And not only is Coca-Cola today’s best-selling soft drink, Diet Coke recently passed Pepsi and moved into second place.17 Even Coca-Cola at the height of success, maintains strong promotion efforts to stay competitive.
LESSONS FROM GOT MILK?:
The Importance of Promoting the Well-Known

In the late 1980s and early 1990s, milk producers were steadily losing market share to new, trendy beverages backed by strong promotional campaigns.

“Milk was boring,” recalled Jeff Manning, former executive director of the California Milk Processor Board (CMPB). “What could you say about milk? It was white and came in gallons. People felt they knew all there was to know about it.”

After years of watching sales sag the CMPB agreed to contribute three cents from every gallon of milk processed to a new promotion strategy. The off-beat and memorable Got Milk? campaign was born.

It was an immediate success. After just one year of the promotional effort, California’s milk sales increased for the first time in more than a decade.

The Got Milk? campaign offers a straightforward lesson: no matter how common or well-known a product may be, effective promotion pays dividends.

“What could you say about milk? It was white and came in gallons. People felt they knew all there was to know about it.”

— JEFF MANNING, former executive director, California Milk Processor Board
LESSONS FROM HYUNDAI:
Marketing During the Downturn

During challenging economic times, companies often cut back on their promotion budgets. A wealth of research shows this is a big mistake.

A case in point: Hyundai, the auto manufacturer. In January 2009, the global recession gripped the auto industry and sales were down between 25 and 40 percent across the industry. Most manufacturers pulled back on their marketing plans and slashed advertising budgets. Not Hyundai. The company instead increased its promotional budget and launched its “Hyundai Assurance” campaign.

The campaign included bold plays. Hyundai invested $3 million in Super Bowl advertising that year. And when General Motors, chastened by the recession, gave up its decades-long exclusive sponsorship of the Academy Awards, Hyundai jumped at the opportunity.

The strategy delivered for Hyundai. Sales of its Sonata full-size sedan shot up 85 percent. Immediately after launching the campaign, as the rest of the industry suffered a 37% drop in sales, Hyundai’s market share nearly doubled and its sales increased 14 percent. By the end of the year Hyundai had sold 435,000 vehicles, boosting sales by 8% while almost all other automakers posted steep declines. As Hyundai shows: promotion in a down economy, pays high dividends.

“This is not the time to cut advertising. It is well documented that brands that increase advertising during a recession when competitors are cutting back, can improve market share and return on investment at lower cost than during good economic times.”

— JOHN A. QUELCH, professor of Business Administration, Harvard Business School

The Power of Travel Promotion

Local Investment. Local Return.
Like Other Industries, Travel Relies on Promotion

Make no mistake: The market for travelers is every bit as fierce and competitive as the beverage business or the market for new cars. The lessons learned by corporate brand leaders apply equally to states and cities faced with challenging budgets, a slow economy and a well-known offering. Like the previous case examples, there is a price to pay for destinations that sit on the sidelines and do not invest in promotion.

As *The New York Times* recently reported, shortly after the state of Washington legislature zeroed out funding for travel promotion and decided to close the state tourism office, billboards began appearing on state of Washington roadsides displaying gorgeous mountain scenery, with a single word super-imposed: “Montana.”

**Travel Promotion**

Travel promotion efforts are often led by state and local tourism offices and are aimed at showcasing a destination’s history, scenery, popular attractions, landscape, beauty, or other appealing features. Tourism offices research and execute promotional campaigns, represent the destination at domestic and international trade shows, engage and interact with key media and journalists, meet with group travel buyers and meeting planners and maintain an interactive presence through websites, social media and other means to communicate daily with all stakeholders. The ultimate goal, of course, is growing market share; not as traditional brands do by increasing the number of iPad, Big Mac, or Nike Air buyers, but in drawing more visitors — and the spending and tax revenue they generate — to the destination.

Wisconsin’s tourism industry “has been placed on the back burner during the past eight years. While neighboring states invested millions to draw new visitors, [Wisconsin] cut funding for tourism promotion. In the last two years alone, traveler expenditures in Wisconsin have shrunk by nearly $700 million, causing a tourism-related job loss of over 15,000 jobs.”

— GOVERNOR SCOTT WALKER, WISCONSIN 28
In 2009, state tourism offices spent a combined $352 million to market their destinations to domestic and international travelers. Sounds like a big investment — but it is actually less than half of one percent of the $90 billion spent by the top 100 U.S. companies on advertising. Of the top 100 companies, only 26 boosted advertising spending: a lucrative decision. Of those, 70 percent realized an increase in sales despite the deepest downturn since the Great Depression — double the success rate of the companies that cut (see chart). In good times or in bad, promotion delivers a strong return on investment, whether you are selling soap or Salt Lake City.

In an era when global travel is booming, states, regions, cities and towns have other competition besides other U.S. destinations and attractions. They are also competing against international markets spending billions to lure lucrative American travelers. And many of these international destinations have ramped up travel promotion efforts to try to seize market share from the U.S. The state of Washington’s Canadian neighbor, British Columbia, will spend about $50 million promoting itself this year.

Destinations that neglect travel promotion risk falling behind in the competition for travelers and travel dollars. Numerous economic studies provide clear, compelling evidence that travel promotion drives greater traveler visits, generates tax revenues for states and local communities and creates jobs. Destination marketing budgets are not a sunk cost; they are a hard-headed investment that offers the opportunity for a significant, positive return on investment.

**Chart:** Companies that increased ad spending were twice as likely to see an increase in sales.

*The state of Washington’s Canadian neighbor, British Columbia, will spend about $50 million promoting itself this year.*
Destination Marketing Programs Deliver Proven Results

Given the current fiscal environment, every government department must justify its budget — and destination marketing organizations and state tourism offices are no exception. With funding for all priorities under pressure, it is crucial that states and localities invest in travel promotion to generate returns, which fund essential programs.

Many destinations have conducted ROI studies to determine the effectiveness and results of various destination marketing initiatives. While each state uses slightly different methods for calculating ROI, the data all point in one direction: States that invest in travel promotion reap significant economic benefits in terms of increased traveler visits, greater travel spending, more jobs created and higher tax revenues that repay the initial investment by as much as 31:1.

Destination Marketing vs. Tax Incentives: The Contest for Efficient Job Creation and Revenue Generation

While marketing budgets are often seen as easy targets during lean budget times, less scrutiny is often paid to efforts to lure businesses into states through tax incentives. However, the evidence suggests that the economic benefits do not always live up to the hype.

In the mid-1990s, a state offered Motorola $85.6 million as an enticement to bring a proposed new plant to the state. Production was slated to start in 1996 and state officials believed the project would pay for itself within three years. After many fits and starts, the plans were scrapped. Net result: zero jobs, zero tax revenues. Compare this experience to the same state’s $2.5 million investment in travel promotion in 2006. According to an ROI study, that effort brought in $70.80 of visitor spending and $5.00 in state and local tax revenue for every dollar invested.
Based on dozens of budget decisions — some of which increased tourism funding, some of which either reduced or eliminated them altogether — we have a clear picture of what works and what does not work.

**TABLE:** Destinations that invest in travel promotion reap strong returns

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<tr>
<th>TOURISM OFFICE</th>
<th>ADVERTISING CAMPAIGN</th>
<th>MEASURE</th>
<th>ROI</th>
<th>SOURCE/VENDOR</th>
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<tr>
<td>CALIFORNIA</td>
<td>2009-10 winter</td>
<td>State/local tax revenue per ad dollar</td>
<td>$20.00</td>
<td>Strategic Marketing &amp; Research, Inc.</td>
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<td>MISSOURI</td>
<td>2009 advertising</td>
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<td>$2.54</td>
<td>Strategic Marketing &amp; Research, Inc.</td>
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<td>OREGON</td>
<td>2008 short-term</td>
<td>State/local tax revenue per ad dollar</td>
<td>$5.00</td>
<td>Longwoods Int’l</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>Out-of-state marketing</td>
<td>Incremental trip spending per ad dollar</td>
<td>$5.48</td>
<td>Destination Analysts</td>
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<td>NORTH CAROLINA</td>
<td>2010 spring/fall paid media</td>
<td>Incremental state/local tax revenue per ad dollar</td>
<td>$17.00</td>
<td>Longwoods Int’l</td>
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<tr>
<td>NEVADA</td>
<td>Winter &amp; summer</td>
<td>State/local tax revenue per ad dollar</td>
<td>$31.00</td>
<td>TNS</td>
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<tr>
<td>NEBRASKA</td>
<td>2010 marketing</td>
<td>State/local tax revenue per ad dollar</td>
<td>$26.21</td>
<td>Ebrains; Dept. of Recreation, Parks &amp; Tourism Sciences, Texas A&amp;M University</td>
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<td>INDIANA</td>
<td>2008 spring</td>
<td>Incremental state/local tax revenue per ad dollar spent</td>
<td>$16.00</td>
<td>Strategic Marketing &amp; Research, Inc.</td>
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<td>ALEXANDRIA, VA</td>
<td>2010 fall out-of-area</td>
<td>Incremental local tax revenue per ad dollar spent</td>
<td>$4.00</td>
<td>Strategic Marketing &amp; Research, Inc.</td>
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“Every dollar we invest in attracting tourists is a dollar that comes back to us five-fold…”

— VIRGINIA GOVERNOR BOB MCDONNELL

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What Happens Without Promotion

CASE STUDY: United States

The competition for travelers is taking place not only at the state and local level, but at the national level as well. Until recently, the U.S. has remained on the sidelines — at a significant economic cost. As a recent U.S. Travel Association report, Ready for Takeoff, documents, despite a global boom in travel over the past decade, the U.S. experienced virtually zero growth in overseas travelers.

Just the failure to keep pace with global long-haul travel cost the U.S. 78 million lost visitors; $606 billion in lost total travel and tourism output that could have supported 467,000 jobs annually; and $37 billion in lost direct travel-generated tax revenues. Imagine the economic benefits that might have accrued had the U.S. actually fought to increase market share, just as our travel competitors in Canada, Mexico, Australia and other nations did.

A NATIONAL LOSS

International travel and tourism to the United States is also impacted by promotion. Between 2000 and 2010, as global travel grew at unprecedented rates, the U.S. saw virtually zero growth in overseas arrivals. This resulted in:

- $606 billion in lost spending;
- $37 billion in lost tax revenues; and
- 467,000 lost jobs.

Fortunately, the U.S. has decided to join the competition. In 2010, Congress passed, and President Obama signed into law, the Travel Promotion Act. This law resulted in the creation of the Corporation for Travel Promotion — a public-private partnership authorized to spend up to $200 million annually to promote travel to the United States.

Losing Visitors Quickly Wipes Out Any Budget Savings

Cutting investments in travel promotion may appear to be an easy path to budget savings. But research by IHS Global Insight & D.K. Shifflet & Associates demonstrates that these budget savings are illusory because the subsequent decrease in travelers — and the tax revenues generated by their spending — wipes out any savings and leaves state and local governments further in the hole.

In fact, losing just a small fraction of visitors quickly negates the temporary savings that come from even as radical a step as eliminating travel promotion budgets. For example, in Delaware, a reduction of just 0.8 percent in leisure trips would cancel out all the savings from shutting down promotional efforts. In North Carolina, a loss of just 0.5 percent of visitors would result in a net loss of tax revenues. In Utah, losing just 1.5 percent of visitors would undo every penny of savings achieved from eliminating the travel promotion budget for the state.
What Happens When States Stop Marketing

CASE STUDY: Colorado

After the state of Washington took the drastic step of eliminating all tourism promotion efforts, Al White, the current head of the Colorado Tourism Office had a simple message:

“Our lesson to [the state of] Washington is that it’s been 18 years since we went dark in 1993, and we still haven’t gotten back to the national market share we had.”

Colorado offers a vivid example of how even the most dramatic, well-known destinations — and travel brands — can suffer when they fail to promote themselves. According to a 2009 report, The Rise and Fall of Colorado Tourism, when Colorado shut down its travel promotion program in 1993 by cutting the state’s promotion budget from $12 million to zero almost overnight, the consequences were immediate and dramatic:

- Within one year, Colorado slipped from first place to 17th place in the summer resort category;
- By 1997, Colorado’s overall share of the U.S. leisure travel market plummeted by 30 percent;
- Visitor spending fell dramatically, creating an immediate loss in total revenues of $1.4 billion, which increased to $2.4 billion annually by the late 1990s;
- As a consequence, state and local tax receipts dropped by $134 million between 1993 and 1997.

Even Colorado has gotten back in the game. In 2000, the state opened the Colorado Tourism Office with a $5 million annual budget. In 2006, citing demonstrated return on investment to the state treasury of more than 12:1, Governor Bill Owens increased funding to $19 million.

Colorado’s experience proves that even a state blessed with an abundance of natural attractions and one of the nation’s strongest travel brands will quickly lose visitors — and tax revenues — without a vigorous travel promotion effort. On the other hand, states and cities that commit resources to travel promotion, even during difficult budget times, are realizing the economic benefits of the power of promotion.

What Colorado lost when it eliminated its tourism marketing program

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<th>30% loss</th>
<th>market share in overnight leisure trips</th>
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<td>$1.4 billion lost</td>
<td>traveler spending within one year of closing</td>
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<td>$2.4 billion lost</td>
<td>traveler spending per year within four years of closing</td>
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<tr>
<td>17th</td>
<td>From 1st to 17th in summer resort destination visitation</td>
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Unleashing the Power of Promotion

CASE STUDY: Michigan

Michigan’s economic struggles have been well-documented in the national media — from rising unemployment to falling tax revenue to the bankruptcy of General Motors and Chrysler. Yet, amid all the negative economic news, one Michigan industry is thriving: travel and tourism.

In 2006, Michigan launched a regional campaign called, “Pure Michigan.” The success of the program at attracting travelers from the Midwest led Democratic Governor Jennifer Granholm to take Pure Michigan nationwide. In 2009, amidst severe budget constraints and a recession-wracked economy, Governor Granholm made the bold decision to double the Pure Michigan budget to around $30 million.

Pure Michigan quickly became one of the most successful travel promotion campaigns in history — with an immediate, positive, tangible impact on the state’s economy. According to a July 2011 study by Bill Siegel, PhD, Pure Michigan resulted in:

- More than 1.5 million additional visitors;
- A $622 million increase in visitor spending;
- An immediate infusion of $43.5 million in tax revenues (enough to pay 839 additional state troopers or 844 new teachers);
- 10,000 additional jobs; and
- An ROI of $5.56 for every $1 spent.

In 2010, Republican Rick Snyder was elected governor on a platform of fiscal responsibility. A successful businessman, Governor Snyder proposed reductions in spending on education, correctional services, mental health care and other essential public services to close the $1.5 billion budget shortfall he inherited. Despite these cuts, Siegel points out, “one of the first bills signed by Governor Snyder added $10 million” to the Pure Michigan campaign.

“Last year, the national and regional Pure Michigan advertising campaigns motivated two million trips to Michigan from out-of-state. Those visitors spent more than $500 million at Michigan businesses…[The Pure Michigan Campaign] also inspired and uplifted the people who call Michigan home, renewing faith in our great state and our future.”
— FORMER MICHIGAN GOVERNOR JENNIFER GRANHOLM

“It [Pure Michigan] brought in more tax revenue than it has cost our state. We expanded our ‘Pure Michigan’ branding efforts early in my administration because they successfully tell the important story of Michigan, attracting visitors and investments to our state.”
— GOVERNOR RICK SNYDER, MICHIGAN
Another story of success in travel promotion comes from Philadelphia — a city rich in culture and history, but one that competes with other exclusive destinations throughout the region. Few attractions have greater brand awareness than Philadelphia’s Liberty Bell or Independence Hall. Rather than resting assured that these powerful icons would naturally draw visitors, in the teeth of the deep national recession Philadelphia launched its With Love campaign.

With Love was aimed at persuading regional visitors that Philadelphia was worth an overnight stay, not just a day trip, by highlighting fine dining, entertainment and shopping in addition to world-class attractions. The results speak for themselves; an investment of $4.3 million in promotion generated:

- An additional 3.7 million overnight stays at a time when overnight trips were down in the U.S.;
- $432 million in additional direct spending at local businesses or about $100 in spending for every $1 invested in promotion and marketing;
- $46.1 million in additional taxes — $24 million to the state and $22 million locally;
- An ROI of 11:1; and
- 7,000 additional jobs.51

In 2010, Philadelphia welcomed 37 million visitors — a record for the region.52 In addition to the economic benefits, the campaign also helped rebuild civic pride and a spirit of community. In January 2011, residents of Philadelphia were asked to submit their own ideas for With Love billboards. They received more than 2,700 submissions.53

“With Love Philadelphia… has taken over the walls, the floors, the steps, the pillars, the platforms, the curb billboards of the Amtrak level of the station. No other destination has ever done that in New York.”

— MERYL LEVITZ, GREATER PHILADELPHIA TOURISM MARKETING CORPORATION54
Additional Case Examples

*Pure Michigan* and Philadelphia’s *With Love* campaigns are just two of the most closely studied examples of how travel promotion delivers greater traveler spending, increased tax revenues and a tangible, significant ROI for states and localities. Many other states report similar results, including:

- **INDIANA**: According to a recent study every $1 spent on travel promotion returns $15 to state and local treasuries. Overall, the state’s investment generates $285 million in economic benefits. In fact, tourism-generated revenues reduce the tax obligation on every Indiana household by an average of $448.

- **VIRGINIA**: In Virginia, the Governor’s Commission on Economic Development and Job Creation recently reported that tourism spending supported 210,000 jobs and provided $1.28 billion in state and local tax revenues. Every $1 invested in travel promotion returns $5 in state and local taxes.

- **NEW HAMPSHIRE**: Promotional investments of $5.6 million by the New Hampshire Department of Travel and Tourism spurred an estimated $408.5 million in traveler spending. In terms of revenues, New Hampshire’s ROI is 8:1. A report by Professor Laurence E. Gross of Plymouth State University found that a $500,000 reduction in the state’s marketing/promotion budget would result in a loss of more than $4 million in state and local tax revenues.

- **NORTH DAKOTA**: North Dakota ran its *Legendary* multimedia and public relations campaign from April through August of 2010. The campaign delivered strong return on investment $91 to $1. Visitor spending increased by $176.9 million; an additional 686,000 visits and reached 45% of the target audience (4.4 million).

- **MARYLAND**: *Mary “land of”* campaign launched in 2010. Since the launch of the campaign, tourism-related tax revenues have risen 5 percent, outperforming the overall tax collection growth of 4.3 percent.

- **FLORIDA**: Florida strategically targeted *Freedom Seekers*, who put time into researching their vacation, but also want to be spontaneous during the winter of 2010. The effort generated more than 180,000 visits, more than $417 million in spending and generated $25 million in new state sales tax revenue; a return of up to $9 for every dollar spent.

- **OHIO**: Travel promotion resulted in a 13 to 1 return on investment for Ohio. Tried and true, 2010 followed a $12 to $1 return on investment in 2008 and $13 to $1 in 2009. Total taxes received as a result of Ohio’s travel promotion were estimated at $19 million for 2010 with $8 million in local taxes and $11 million to the State of Ohio. Moreover, additional research conducted on behalf of the Ohio Tourism Division revealed that the Division’s 2010 paid-consumer marketing efforts generated approximately $275 million in new visitor spending.
Travel Promotion: A Virtuous Cycle

The evidence is clear: wise investments in effective travel and tourism promotion feed a virtuous cycle of economic benefits. Promotional campaigns stimulate interest among potential visitors. New interest translates into more trips to America’s destinations. Additional visitors spur more travel spending at local attractions, hotels, restaurants, retail stores and other businesses. Travel spending supports new jobs and generates additional tax revenue which more than pays for the initial investment many times over.

Even as a weak economy stretches state budgets to the limit, a bipartisan consensus has emerged among many state and local leaders that investment in travel promotion is an essential strategy for encouraging economic growth and one of the only sources of new revenues. As policymakers search for innovative solutions to their budget dilemma, travel promotion delivers proven results.
Endnotes

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