SHARE MORE...

U.S. TRAVEL ASSOCIATION

July 6, 2011

Contact: Cathy Keefe
(202) 408-2183
ckeefe@ustravel.org

New Study Proves Tourism Promotion Campaigns Increase Visitation

Comprehensive Analysis of Michigan and Philadelphia Programs Reveal Increases in Jobs; State and Local Tax Revenue

WASHINGTON, DC – Reducing state and local tourism marketing programs in the name of saving taxpayer dollars impedes economic growth, according to new research conducted by Longwoods International and commissioned by the U.S. Travel Association. A comprehensive analysis of recent campaigns by the State of Michigan and the Greater Philadelphia Tourism Marketing Corporation (GPTMC) reveals that marketing programs drive greater visitation, generate new tax dollars and create jobs for states and local communities.

"There's a reason that America's most prominent brands continue to increase their marketing budgets: it works," said Roger Dow, president and CEO of the U.S. Travel Association. "This study proves that destinations must operate like Nike, Apple and similar businesses that have followed the marketing path to success. Substantial cuts to destination marketing programs are counterproductive and will have long-term negative economic consequences."

The research proves that destination marketing programs generate more tax revenue than they cost by driving substantial increases in visitation and spending in local communities.

"Legislators are ignoring basic economics if they slash destination marketing programs," said the report's author, Bill Siegel, founder and CEO of Longwoods International. "The return on investment of destination marketing programs is significant and nearly immediate."

After inconsistent promotion efforts for decades, the Pure Michigan® state promotion campaign began regionally in 2006 and went national in 2009. The powerful and non-traditional storytelling of Pure Michigan® has stimulated 7.2 million trips to Michigan by out-of-state visitors. Those visitors spent $2 billion at Michigan businesses and generated $138 million in *new* tax revenue for Michigan – more than three times the cost of the advertising itself.

In 2010, the second year of national Pure Michigan® advertising, spending by out-of-state leisure visitors jumped 21%, from 2009 to $6.4 billion. At the same time, Michigan tourism-related employment rose by 10,000 jobs. While facing a large deficit and forcing significant cuts to entitlement programs, Michigan Governor Rick Snyder nonetheless added $10 million in additional funding to the Pure Michigan® campaign in 2011, stating: "It brought in more tax revenue than it has cost our state."

In Philadelphia, a 1995 report by The Pew Charitable Trusts identified leisure travel as a potential replacement industry for lost manufacturing jobs. This led to the creation of the Greater Philadelphia Tourism Marketing Corporation in 1996 by Pew, the City of Philadelphia and the Commonwealth of Pennsylvania to promote the region to leisure travelers. Through a sustained marketing program over the last 15 years, Philadelphia's image has transformed and

visitation has surged, delivering returns to the city and state.

"Fifteen years ago, Philadelphia was considered a two-hour stop," said Meryl Levitz, founding president and CEO of GPTMC. "Then we became on overnight sensation, and now we are a premier destination where visitors stay for multiple days and come back several times a year."

Since 1997, overnight visitation to Greater Philadelphia has grown 66 percent, six times faster than the national growth rate of 11 percent. GPTMC's most recent campaign began in 2009 in the midst of the deepest and longest economic downturn since the Great Depression. With a budget of just $4.3 million in 2009/2010, With Love, Philadelphia XOXO® generated 3.7 million incremental trips to the Philadelphia region, injecting $432 million in visitor spending and $24 million in new state tax revenue and $22 million to local governments. The marketing program also generated over 7,000 additional jobs for Greater Philadelphia at a reasonable cost of $600 in advertising for each job created.

According to the U.S. Travel Association's 2009 annual *Survey of State Tourism Office Budgets*, 31 states cut funding for tourism advertising and marketing by 13 percent, or $52.7 million, between 2008 and 2009.

The state of Washington closed its tourism office in June 2011, harkening back to Colorado's decision to abolish its marketing program in 1993 due to budget constraints.

According to a landmark study by Longwoods International, Colorado eventually lost more than 30 percent of its share of domestic visitors and more than $2 billion annually in visitor spending. With funding for Colorado's marketing program now restored, the state treasury sees a 12:1 return on marketing investment, and trips to Colorado have rebounded to record levels.

Download the complete study: *The Power of Destination Marketing*.

###

The U.S. Travel Association is the national, non-profit organization representing all components of the travel industry that generates $1.8 trillion in economic output and supports 14.1 million jobs. U.S. Travel's mission is to increase travel to and within the United States. Visit www.ustravel.org.

Join us @ustravelpr.

1100 New York Avenue, NW, Suite 450 Washington, DC 20005-3934 USTravel.org

U.S. TRAVEL ASSOCIATION

U.S. Travel Association
1100 New York Avenue, NW | Suite 450 | Washington, DC 20005
P: (202) 408-8422 | F: (202) 408-1255 | pressoffice@ustravel.org