

# Destination Marketing Organizations

## Tourism and Destination Marketing: Smart investments for immediate returns

As municipalities struggle with lagging revenues, budget deficits and ongoing demands to provide citizens vital services, destination marketing and tourism investment may be perceived as frivolous. Nothing could be further from the truth.

As its community's primary tourism marketing body, a destination marketing organization (DMO), occasionally called a convention and visitors bureau, masterminds the marketing of its locale to business and leisure travelers. Through their focus on tourism marketing, sales and servicing, and the resulting dollars brought in by those efforts, DMOs play a significant role in the long-term economic development of their destinations.

At the end of the day, DMOs are investment accounts for com-

**Every \$1 spent on advertising for the With Love campaign generates \$100 in direct visitor spending in Greater Philadelphia—plus \$11 in state and local taxes.**

Tourism Economics,  
Longwoods International

munities — not a cost to communities — and their efforts deliver real dividends to local governments, businesses and residents. Destination marketing efforts don't compete

with public service programs; they actually bring new revenue into local areas to help pay for them.

Think about it this way — every new traveler that the DMO attracts to your county spends money in local businesses including hotels, restaurants, shops and attractions, and becomes a temporary taxpayer contributing to the county tax base.

New visitors pump cash into local businesses and public coffers, enhance the lifestyle of residents, and importantly in this economy, create jobs. In fact, the job creation from the travel and tourism industry continues to be one of the few bright spots in U.S. employment figures. The U.S. Labor Department's latest figures show while overall employment

grew at a slower pace in March, the travel industry still added 6,000 new jobs, bringing the industry's total direct employment to 7,564,000. Since February 2011, travel employment has increased by 131,300.

Tourism marketing is one of the smartest, most efficient and immediate returns for generating new community revenues. Both the positive impacts of marketing and the negative effects of eliminating marketing are well-documented. When Colorado cut tourism investment to zero, its share of U.S. travel plummeted 30 percent within two years, creating a revenue loss of more than \$2 billion annually. On the flip side, when the Greater Philadelphia Tourism Marketing Corporation

(representing a five-county region in eastern Pennsylvania) invested \$4 million in its "With Love" tourism marketing campaign, it generated \$432 million in visitor spending, \$24 million in new state tax revenue, \$22 million in tax revenue to local governments and over 7,000 new jobs.

The passion that destination-marketing professionals bring to their communities and the power of their marketing and sales efforts are now being realized as real revenue generators. Community leaders looking for solutions to generate new spending, revenues and jobs for their counties would be wise to support and even further invest in marketing their destinations to attract visitors.

### Tourism supports 61,000 jobs in Cuyahoga County, Ohio

An economic development organization dedicated to advancing and advocating for Cleveland, Ohio's travel and tourism industry, Positively Cleveland supports 61,000 small business jobs and \$5.9 billion of economic impact (generating \$225 million in local taxes) from the tourism industry in Cuyahoga County.

Promoting Northeast Ohio to

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## Poconos uses live video to inspire visitors

People today are highly engaged with real-time updates such as weather reports and traffic cams, because they are useful and credible when presented by recognized media and talent.

The Pocono Mountains Visitors Bureau partnered with regional television stations to bring the Pocono Mountains into the homes and hands of millions. This innovative marketing partnership uses 15 high-quality, Web-based video cameras showing viewers why life's greater in this 2,400-square-mile region. From Lakes Wallenpaupack to Bushkill Falls, these real-time videos can be seen by anyone interested in what is happening in the Pocono Mountains.

Shown by NBC Philadelphia and New York, WPIX-TV New

York, WFMZ-TV Allentown, WBAL-TV Baltimore and WGAL-TV in Harrisburg, the video feeds give Pocono Mountains the reach of mass-media TV, with a message that is more believable and less expensive. The video content is also streamed via *800poconos.com*, mobile devices and WPIX, WFMZ and partner websites.

The first destination to market itself with this kind of live video integration, Pocono Mountains has seen irrefutable results with 23 percent more Web traffic from New York, Pennsylvania and New Jersey, as well as, \$157,000 increase in room tax revenue from September 2010 to September 2011. In addition, countless visitors reference the video-cams.

Ultimately, these images provide a real-time reason to for visitors to escape to the Pocono Mountains. Follow PoconoTourism on Facebook and Twitter to stay current with up-to-date information.

Pocono Mountains Visitors Bureau, established in 1934, is the official destination marketing organization for the four counties of Carbon, Monroe, Pike and Wayne in northeastern Pennsylvania, striving to promote, educate and attract visitors to the beautiful Pocono Mountains.



**POCONO MOUNTAINS**<sup>SM</sup>



Bushkill Falls

Photo courtesy of Pocono Mountains, 800poconos.com



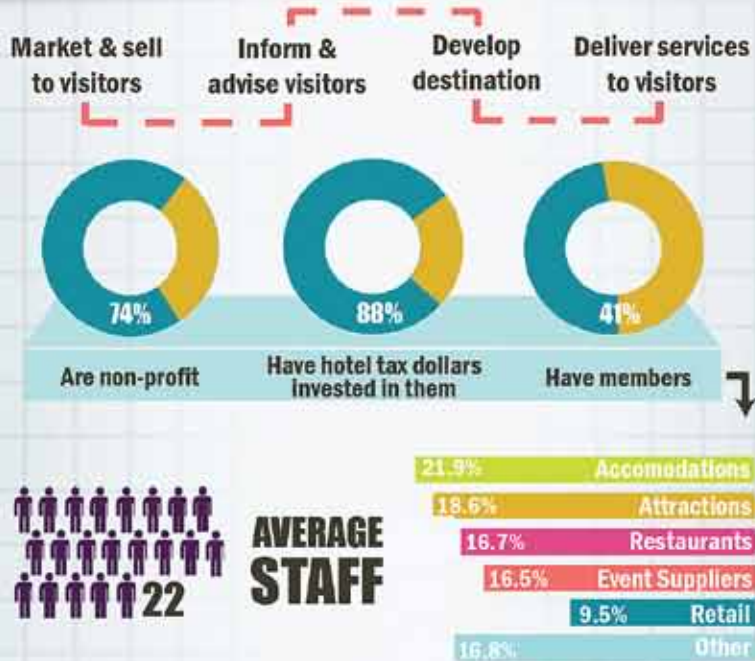
This report is sponsored by the Destination & Travel Foundation and the Destination Marketing Association International (DMAI), two organizations that advocate for the professionalism, effectiveness, and significance of official destination marketing organizations (DMOs), representing over 3500 professionals and 600 DMOs in over 20 countries.

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# DESTINATION MARKETING ORGANIZATIONS (DMOs)

BUILDING COMMUNITIES & CREATING JOBS THROUGH TOURISM

## WHAT DMOs DO



## WHAT THEY CREATE

DMOs have a major impact on a **\$704 BILLION TRAVEL & TOURISM INDUSTRY**



Without tax revenue generated by travel & tourism, U.S. households would pay **\$1000 MORE IN TAXES**



Source: 2011 DMO Compensation & Benefits Survey; 2011 DMO Organizational & Financial Profile; Economic Department of Meetings to the US Economy; 2008 Pulse Study; 2011 National Travel & Tourism Week Toolkit

# Meetings mean business

Face-to-face meetings have gotten a bad rap recently, but the fact is that responsible meetings mean business for both companies and communities.

### For Companies

Successful businesses utilize meetings to educate, collaborate, innovate and secure business.

**Travel and sales are inextricably linked:** Business travelers estimate that 50 percent of prospects become customers when an in-person meeting takes place. Additionally, trade shows and exhibitions represent an important source of sales for participating companies. U.S. businesses estimate these events generate an average of 20 percent of their company's annual revenue (that can often make the difference between a successful or failing company).

**Spurs innovation:** Even digital giants like Facebook and Google hold face-to-face meetings to launch new products. Over two-thirds of executive travelers (70 percent) believe that business travel is "extremely" or "very" important to innovation and to "added productivity/efficiency."

**Cutting back travel is risky business:** Furthermore, cutting back on business travel is seen as a significant business risk. Nearly 40 percent of respondents estimate that between 25 percent and 49 percent of their current customers would switch to a competitor without in-person meetings.

All in all, business travel improves corporate productivity, yielding a return on investment of 10 to 1. These details are from the World Travel & Tourism Council's 2011 report, "Business Travel: A Catalyst for Economic Performance," conducted by Oxford Economics.

### For Communities

Throughout the nation, business travel and meetings generate spending and create local jobs. Annually, 1.8 million meetings directly support 1.7 million U.S. jobs — more than the U.S. auto industry. Additionally, these meetings generate \$263 billion in direct spending, \$14.3 billion in federal tax revenue and \$11.3 billion in state and local tax revenue.

"Investing in your official destination marketing organization (DMO) to attract meetings to your destination can provide great returns for your community," said Michael D. Gehrisch, president and CEO, Destination Marketing Association International (DMAI).



Michael Gehrisch, DMAI: "Meetings mean spending ... the economic benefits of events and meetings ripple through local communities."

## Positively Cleveland's efforts show 100-fold return on investment



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convention and meeting planners, as well as leisure travelers, in 2009 the work produced by Positively Cleveland contributed to the generation of \$1.7 billion in tourism employment wages for Cuyahoga County workers.

Positively Cleveland books more than 250 meetings and conventions each year into various venues, accounting for more than 200,000 room nights for local hotels. For every \$1 Positively Cleveland spends selling conventions and meetings, the organization returns \$105 to the community.

Beyond meetings and conventions, the region currently welcomes more than 13 million visitors every year who come to visit Northeast Ohio's world-class museums, restaurants, music and

theater, parks and waterways, sports teams, arts and culture, historical significance, business centers of excellence, health care, retail, nightlife and business location advantages.

Of the 34.8 million overnight trips to Ohio in 2010, more were made to the Northeast Ohio region than any region in the state.

In the next five years, Cleveland will invest more than \$2 billion in visitor-related infrastructure development. Positively Cleveland is looking forward to seeing tourism numbers grow with the wealth of infrastructure development on the horizon.

# U.S. looks to attract more international travelers

Between 2000 and 2010, as global travel grew at unprecedented rates, the U.S. saw virtually zero growth in overseas travel. However, the travel industry and U.S. federal agencies are working to make the United States a top destination for international travelers once again.

As America's number one service export, travel is critical to economies all across the nation, and attracting international travelers is a key component of how the travel sector can drive job creation and spur economic growth.

## Brand USA launches first global marketing campaign

Brand USA, the new tourism marketing entity promoting the United States to world visitors, launched the USA's first-ever comprehensive marketing campaign in the United Kingdom, Japan and Canada on May 1. With a budget of \$12.3 million for the first three months, a second wave will follow in Brazil and South Korea, with several other markets to follow.

"Our goal is nothing short of rekindling the world's love affair with the USA — the place, the spirit and the dream," said Brand

**On average, an overseas visitor to the United States spends \$4,000 per trip and 35 incremental overseas visitors support one new U.S. job.**



USA CEO Jim Evans. "We want to spread America's message of welcome around the world and invite travelers to experience the limitless possibilities the United States has to offer."

Rosanne Cash, daughter of music legend Johnny Cash and Grammy award-winning singer-songwriter, composed an original song, "Land of Dreams," to serve as the heart of the campaign (free download: *DiscoverAmerica.com*).

## President calls for a National Travel and Tourism strategy

Responding to President Obama's executive order for a National Travel and Tourism Strategy, federal agencies are also making it easier for people to visit the thousands of premier tourist destinations across the United States.

The Department of State is meeting the growing demand for tourist visas in places like Brazil and China by increasing staff and expanding hours, and the Department of Homeland Security is expanding programs like Global Entry, which expedites clearance for preapproved, low-risk travelers through dedicated lanes and kiosks.

Promoting America's iconic destinations (i.e. national parks, cultural monuments, etc.) to international visitors is also a focus. In an address made on April 23, U.S. Secretary of Commerce John Bryson and U.S. Secretary of the Interior Ken Salazar, indicated that the administration is putting the final touches on the new National Travel & Tourism Strategy.

# Calculating ROI on Events

DMOs can utilize Destination Marketing Association International's new Event Impact Calculator to better articulate and understand the substantial economic impacts events have on their communities.

"Return on investment metrics are crucial to understanding the value of attracting and host-

ing particular events," commented Gehrish. DMAI's calculator outputs direct and indirect spending, jobs supported, wages earned, and state and local tax impacts. This comprehensive, flexible and localized data provides DMOs and their community stakeholders real insight into the significance of a meeting's fiscal impact.

## Event Impact Example:

## DMAI Annual Convention, New Orleans (2011)

Overnight Attendees	1,000
Event Timeframe	2.5 days
Direct Spending Impact	\$1,396,300
Attendee Spending (lodging, transportation, food, retail, recreation)	\$732,217
Meeting Organizer Spending	\$485,523
Exhibitor Spending	\$178,560
Jobs Supported	763 jobs
Local Taxes Generated	\$132,403

# DMO accreditation marks excellence for destination marketing

Since 2007, the Destination Marketing Accreditation Program (DMAP) has accredited 138 official destination marketing organizations (DMO) showing a commitment to industry excellence by adhering to industry best practices.

"The DMAP process is a comprehensive review of a DMO's business procedures and accountability," remarked Michael D. Gehrish, president and CEO of DMAI. "All county managers should strongly encourage their DMO to go through the accreditation process to ensure that public monies are being spent properly and industry best practices are in place."

The accreditation application, which can take about 80 hours



to complete, requires DMOs to provide evidence of compliance with 58 mandatory standards and 30 voluntary standards including topics such as finance, technology, sales, brand management, destination development, research and stakeholder relationships. Details: [www.destinationmarketing.org](http://www.destinationmarketing.org).

# Resources for county tourism organizations

- Destination Marketing Association International (DMAI), the trade association for official destination marketing organizations (DMO), has several tools listed below to help DMOs and their communities develop and market their city as tourism destinations.
- A report called *The Future of Destination Marketing* provides a framework to help a DMO plan for the future of its destination and identifies "super trends" currently shaping the destination marketing environment.
- DMAI's *Recommended Standard DMO Performance Reporting: A Handbook for DMOs* provides recognized benchmarks to monitor and report on internal operations. Available at no cost, the handbook includes standards, definitions, productivity metrics and ROI formulas.
- *How the Visitor Industry Contributes to the Local Economy: An Analysis of Phoenix Hotels' Property and Visitor-Related Taxes*, a case study of how hotel tax contributions in Phoenix infuse the local economy with US\$166 million annually. Free.
- A report called *The Future of Destination Marketing* provides a framework to help a DMO plan for the future.
- The *DMAI & Americans for the Arts Toolkit* fosters working relationships between official DMOs and community cultural and heritage organizations, museums, festivals, historic sites, etc. Free.
- The *DMO Advocacy Toolkit* provides useful tips for building relationships with and communicating to local stakeholders about the impact of destination marketing. Free to members.

**Details: [www.destinationmarketing.org](http://www.destinationmarketing.org)**