



**DESTINATIONS**  
INTERNATIONAL

# DESTINATION PROMOTION: A CATALYST FOR COMMUNITY VITALITY

**Executive Summary**



# Introduction: It Starts with a Visit

Destination organizations —referred to as destination management organizations, destination marketing organizations, regional tourism organizations, convention and visitor bureaus, or tourism boards — create community value through various activities and channels. Their foundational activity of attracting visitors sets off a chain reaction of economic benefits. Destination promotion builds awareness, burnishes the destination brand, and drives incremental visitor spending that generates businesses, jobs, and taxes. Likewise, destination organizations promote their destinations to organizers of conventions, trade shows, sports, and other events—generating substantial economic benefits.

Destination organizations, by promoting the destination to leisure visitors and business events also spark a chain reaction of economic development. As described by Maura Gast, Executive Director at Irving Convention and Visitors Bureau: “If you build a place people want to visit, you build a place where people want to

live. If you build a place where people want to live, you'll build a place where people want to work. If you build a place where people want to work, you build a place where business needs to be. If you build a place where business has to be, you'll build a place where people have to visit. It all starts with the visit and that visit doesn't happen without us (destination organizations).” It is through repeating this process over and over, that a destination organization achieves its purpose to help the community achieve its goals by leveraging the power of destination promotion.

The findings presented in this study show that visitors to a destination are more likely to choose the destination as a place to live, work, play, and invest. This stands to reason; the amenities and experiences supported by visitors appeal to residents as well.

The diagram below depicts this chain reaction as the promotion of a destination acts as a catalyst for broader community benefits and economic development.

## The Work of a Destination Organization

### 1. Visit

If you built a place where people want to visit, then you have built a place where people want to live.

### 4. Invest

And if you built a place where business and residents will invest, then you have built a place where people will want to visit



### 2. Live

And if you built a place where people want to live, then you have built a place where people want to work.

### 3. Work

And if you built a place where people want to work, then you have built a place where business and residents want to invest.

The virtuous cycle of destination promotion improves resident quality of life, supports government services, encourages workforce development, and builds a broad economic base. The study includes seven chapters that describe and confirm the nature of these benefits.

### **Chapter 1: Direct Impact of Destination Promotion**

The measurable benefits of destination promotion and group sales

### **Chapter 2: Impact on Connected Industries**

The measurable benefits of visitor activity realized through the supply chain and earned incomes that are spent locally

### **Chapter 3: Benefits to Culture and Quality of Life**

How destination promotion fosters the development of assets enjoyed by residents

### **Chapter 4: Benefits of the Destination Brand**

How destination promotion creates and burnishes an overarching destination brand

### **Chapter 5: Impact on Workforce**

The role of destination organizations in workforce training, career development, and diversity

### **Chapter 6: Benefits to Government and Community Services**

How important government services are sustained through destination organizations

### **Chapter 7: Impacts on Economic Development**

How destination promotion opens the door for economic development



## Executive Summary

Destination organizations have long measured success using key performance indicators directly connected with the hospitality sector. This is consistent with the funding model for most convention and visitor bureaus, which is based on lodging taxes and assessments.

However, an exclusive focus on the hospitality sector sells the benefits of destination promotion short. As highlighted in the landmark study, *Destination Promotion: An Engine of Economic Development*, the entire economy is lifted through concerted destination programs.

For this reason, Destinations International commissioned Tourism Economics, an Oxford Economics company, along with Longwoods International, Clarity of Place, and MMGY NextFactor, to provide updated and sharpened insights on the broad, catalytic economic benefits of destination promotion. The study provides examples from 10 North American destinations that were examined in depth throughout

the course of the project: Champaign, IL, Chattanooga, TN, Fort Myers, FL, Great Lakes, MI, Houston, TX, Mesa, AZ, Ottawa, ON, Puerto Rico, Seattle, WA, and Victoria, BC.

The following points represent the key findings from the study:

### **The impacts of the visitor economy warrant investments in destination promotion.**

- Research consistently demonstrates the measurable benefits of destination programs as they reach potential visitors, influence their choices, and drive additional visits and spending. The average spending return on media spending is \$85 and the average return on taxes is \$9, for every \$1 invested.
- Increases in media spending have led to greater investment returns over the past decade, fueled by gains in marketing effectiveness.

### **The dividends of destination promotion extend far beyond the benefits accruing to visitor-related industries and their suppliers.**

- Visitor spending significantly impacts industries outside of the leisure and hospitality sector, especially in other services-producing sectors.
- On average, visitor spending produces additional sales in the destination that are almost 60% of that direct spending.

### **Tourism developments have proven to influence quality of life and overall well-being of the community.**

- Most residents value tourism as a direct contributor to their quality-of-life amenities.
- Destination organizations act as cultural custodians or stewards through intentional initiatives and programs.
- Destination organizations contribute to quality of life through event promotion, thoughtful placemaking, and attracting investment in additional amenities.
- Community stakeholders acknowledge the role of destination organizations in driving economic growth and boosting the overall community.

### **Destination brands can be leveraged across the economic development spectrum.**

- Tourism advertising not only attracts visitors; it also lifts the destination's image for economic development.
- Destination organizations play a leading role in ensuring consistent messaging is delivered about the destination.
- The creative assets produced by destination organizations are extremely useful to both public and private sector partners.

### **Amenities and lifestyles play an important role in attracting new residents to a community.**

- Talent is attracted to destinations that offer a good quality of life. Hence, talent attraction initiatives led by or in collaboration with destination organizations tend to have the greatest impact.
- Destination organizations contribute to workforce development through specialized programs.
- Workforce diversity is highly correlated with the size of the leisure and hospitality sector in a destination.

### **Revenues generated by visitors either directly or indirectly support government services.**

- Government services and community programs are impacted by tax revenues supported by visitor spending and the advocacy role played by destination organizations that are attentive to the long-term needs of the destination.
- A significant share of residents appreciate that the taxes paid by visitors help offset their own tax bill.

### **Growth in the visitor economy drives growth in other areas of a community's economy.**

- Destinations with a higher concentration of visitor-related industries have tended to grow faster than average over the past decade.
- Econometric tests show that employment shifts in the visitor economy are followed in subsequent years by sustained changes in growth in other parts of the economy.
- A 10% increase in a destination's visitor-related employment relative to the U.S. average tends to be followed by a 2.5% rise in broader employment in the short run.

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