

Destination Promotion: An Engine of Economic Development

How investments in the visitor economy drive broader economic growth



Presented to the Dane County Board of Supervisors

18 February 2016

Who we are. What we do.

The Greater Madison Convention & Visitors Bureau and Madison Area Sports Commission mission is to drive economic impact through tourism.

We do this by:

- Securing Conventions and Events
- Servicing existing events
- Providing visitor information
- Promoting Madison and Dane County



Why should you care?

\$61.4 MILLION

**Every dollar invested in our work
generates \$12.77 in return**



Key findings

- The dividends of destination promotion extend far beyond the visitor economy.
- Why? Destination marketing drives broader economic growth by building air service, creating familiarity, attracting decision makers, and improving the quality of life.
- Cities and states that prioritize and coordinate destination marketing efforts with economic development initiatives have experienced significant site relocations and new investments.
- Destinations that outperform their peers in attracting visitors tend to outperform in the overall economy.

The four channels of DMO catalytic impact



#1 – Building transport networks

- Destination promotion develops inbound travel, supporting expanded service, with greater frequency of connections to a greater number of destinations
- Airlift is one of the top criteria for site selectors
- Air passenger volumes are a strong predictor of future population growth and employment growth.

“Air service is profoundly important to corporate location decisions...the levels of air service at New Orleans far exceed what local demand could support.”

Stephen Moret, Secretary, Louisiana Economic Development

#2 – Raising the destination profile

- Destination promotion strongly supports economic development through brand development, raising awareness, and building familiarity
- Denver, Cleveland, Louisiana, and Phoenix are all coordinating brand development and messaging across various platforms.
- Asheville, NC recently attracted New Belgium, the Colorado-based brewer - a \$175 million local investment. New Belgium's leadership saw benefits of associating its brand with a destination known for its year-round activities and familiarity among visitors.

“Every tourist that comes through here is a potential business lead.”

Jeff Malehorn, President & CEO, World Business Chicago

#3 – Targeted conventions and trade shows

- By securing events for local facilities, DMOs attract the very prospects that economic development agencies target.
- World Business Chicago has an assigned staff member who focuses on trade shows and conventions, recognizing that each visiting delegate presents the potential of a new headquarters or distribution center.
- Conventions generate idea sharing and innovation, helping to establish a destination's position within a particular industry cluster.

***“Economic clusters and conventions have
become synergistic”***

Tom Clark, Metro Denver Economic
Development Corporation

#4 – Raising the quality of life

The visitor economy supports amenities and a quality of life that attract investment in other sectors.

- Boeing's decision to relocate its headquarters to Chicago was heavily influenced by the cultural assets and vibrancy of the city.
- The Denver Economic Development Corporation (EDC) works with Visit Denver to develop attractions. The development of leisure attractions in lower downtown Denver has been instrumental in the relocation of 20,000 residents to the area.

“Traveler attractions are the same reason that CEOs choose a place.”

Jeff Malehorn, President & CEO,
World Business Chicago

Conclusions

- **Destination promotion fuels economic development**
- **Destination promotion should be upheld as a vital component of economic development strategy**
- **Coordinate economic development and destination promotion, especially in areas of:**
 - Air Service Development
 - Brand Messaging
 - Inter-Organizational Communication
 - Collaboration on Event and Business Site Selection Bids
 - Target Conventions

Thank You & Questions



Deb Archer, President & CEO - Greater Madison Convention & Visitors Bureau and Madison Area Sports Commission

archer@visitmadison.com

Diane Morgenthaler, Executive Vice President - Greater Madison Convention & Visitors Bureau

morgenthaler@visitmadison.com