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DESTINATION CLEVELAND PARTICIPATES IN LANDMARK NATIONAL STUDY

**FINDINGS SHOW DESTINATION MARKETING AS UNEXPECTED CATALYST FOR EMPLOYMENT,
ECONOMIC DEVELOPMENT AND QUALITY OF LIFE**

CLEVELAND (Nov. 13, 2014) – [Destination Cleveland](#), along with six other destination marketing organizations (DMOs) participated in what is being called a landmark study. Conducted by leading tourism economic analysis firm Oxford Economics and released by the Destination & Travel Foundation of the Destination Marketing Association International (DMAI), the study shows the broad economic development affects fostered by destination marketing. [The study](#), released on Nov. 10, found destination marketing to be an unexpected catalyst for employment, economic development and quality of life within local communities.

The study looked at destination marketing organizations of [Asheville](#), [California](#), [Chicago](#), [Denver](#), [Louisiana](#) and [Phoenix](#) to compile the research and these organizations also helped in-part to fund the study along with DMAI. In addition to Destination Cleveland, the [Cleveland Department of Economic Development](#) and [TeamNEO](#) also shared case studies and participated in interviews for the research.

“We were proud to have been a part of this landmark study for the travel and tourism industry as a whole,” said David Gilbert, President and CEO of Destination Cleveland. “Traditionally the economic impact of the travel and tourism industry has been measured by direct spending by visitors and job creation within the sector. What this study proves is that destinations that place a high priority on marketing their brands and amenities realize significantly greater employment and economic growth as a whole, well beyond just the travel and tourism sector.”

The statistical analysis utilized case studies, interviews and literature reviews from more than 200 cities over the span of more than 20 years. The [key findings](#) reveal the broad economic benefits reaped by US destinations who spent an estimated \$2 billion on promotion and marketing to encourage leisure and convention travel.

The study showed that the travel and tourism has a great influence on the site selection process. It was found that 13% of executives with site selection responsibilities state their perceptions of an area’s business climate were influenced by leisure travel and 37% reported influence by business travel.

“With the gap in perception of what people think about Cleveland before and after visiting being so wide, this is where Cleveland stands to gain so much more than other cities through travel and tourism promotion,” added Gilbert. “We know we don’t have a product gap, we have a communications gap, and changing that perception through travel and tourism promotion will ultimately change the narrative on Cleveland and drive economic development within the region.”

A correlation analysis between the importance of a metro area’s visitor economy and subsequent job growth shows destinations with a higher concentration of visitor-related activities and employment have historically grown faster. Specifically each 1.0 percentage point increase in the share of visitor economy jobs corresponds to total job growth over a nine year period that is 3.0 percentage points stronger. Currently the tourism industry in Cuyahoga County supports more than 63,000 jobs.

Some of the initiatives for which Cleveland was cited in the study include:

- With roughly half of all passenger demand for Cleveland being generated by visitors, according to OAG bookings data for 2013, city and community leaders worked with Frontier Airlines, a low-cost carrier which recently entered Cleveland, to continue to expand its schedule from the city. Frontier is now building on leisure business and offering direct flights on routes that are key for business travelers, such as Dallas Ft. Worth.
- The alignment of strategy and shared content by the City of Cleveland’s Department of Economic Development and Destination Cleveland which results in unified messaging on the brand promise and assets of Cleveland being pushed out to potential visitors and business investors alike.
- The financing and incentives put forth by the City of Cleveland to help spur investment in six hotel projects within the city.
- The building of the Global Center for Health Innovation and its connectivity to the Cleveland Convention Center helping to spur medical and bio-science related meetings, conventions and tradeshows in Cleveland and growing the destination’s perception as a hot bed for creativity and innovations within these sectors.
- A citywide wayfinding initiative, led by Destination Cleveland will benefit residents, business and leisure travelers alike.

“Tourism has always been a top driver of jobs and taxes,” said [Destination Marketing Association International](#) President and CEO Michael Gehrish. “And, as an industry, we are setting our sights on understanding how and why destinations with devoted visitor economies – who treat tourism as a locally-produced export – realize even greater economic and social benefits, job growth, investments, workforce development and quality of life.”

The visitor economy was found to drive broader economic growth through [four primary channels](#):

- 1. Transportation Infrastructure Development** - Destination promotion supports development of transportation infrastructure, providing greater accessibility and supply logistics that are important in attracting investment to other sectors.

- A study on the role of airline traffic in urban economic development analyzed 91 metro areas in the US and estimated that a 10 percent increase in passenger enplanements leads to a 1 percent increase in employment in service-related industries.

2. Attracting New Investments and Residents - Destination promotion builds awareness, familiarity, and relationships in commercial networks (institutional, companies, individuals) that are critical in attracting investment. Similarly, destination promotion raises the destination profile among potential new residents, supporting skilled workforce growth that is critical to economic development.

- In a 2011 survey by Development Counsellors International, 13 percent of executives with site selection responsibilities state that their perceptions of an area's business climate were influenced by leisure travel and 37 percent reported influence by business travel.
- By securing meetings, conventions and trade shows for local facilities, destination marketing organizations (DMOs) create valuable exposure among business decision makers and opportunities to deepen connections with attendees.

3. Creating Awareness Amongst Business Professionals – By securing meetings, conventions and trade shows for local facilities, destination marketing organizations (DMOs) create valuable exposure among business decision makers and opportunities to deepen connections with attendees.

4. Enhanced Quality of Life and Amenities – Destination promotion supports amenities and a quality of life that are integral to attracting investment in other sectors in the form of human capital, corporate relocations and expansion.

“The data substantiates the link between destination marketing and economic growth and why today’s visitor economy warrants investment,” says Destination & Travel Foundation Chair and Executive Vice President of the Louisville Convention & Visitors Bureau Cleo Battle. “What this study continues to demonstrate is that those markets which coordinate destination marketing and economic development realize even greater gains as a result.”

One-on-one interviews with DMOs and economic development agencies revealed opportunities for economic development agencies and destination marketers to work in concert to promote a place to national and international markets. Best practices include coordinating efforts on new investments bids, jointly leveraging trade shows and conferences, and building a consistent destination brand to appeal to both investment and travel audiences.

“Statistical analysis over the past two decades shows that destinations with substantial and growing visitor economies have outperformed their peers in the general economy,” said Adam Sacks, Director, Oxford Economics. “Cities and states that coordinate destination marketing and economic development are generally better positioned to compete for new investments and corporate relocations.”

KEY JOBS DATA:

- A 10 percent increase in a destination’s visitor-related employment (relative to the US average) causes a 1.5 percent rise in broader employment through catalytic channels.

- Since 1998, hospitality and tourism employment has expanded nearly 10 percent, while aggregate employment in all other traded clusters shrank 1 percent.
- As the visitor economy has recovered, it has contributed job growth since the end of the recession at a faster rate than the US average. As of July 2014, employment in key sectors of the visitor economy was 7.9 percent ahead of its June 2009 level, compared to a 6.1 percent gain for the broader economy.
- There were a total of 2.5 million jobs in the sub-sectors that make up the hospitality and tourism traded cluster in 2012, representing 7.2% of total employment in traded clusters in the US. On a national basis, 1- in-14 jobs in traded clusters are in the hospitality and tourism sector.

KEY VISITOR ECONOMY DATA:

The research also demonstrates that across the US, economic trends have supported above average growth in the visitor economy. As income levels rise, consumers are dedicating a greater share of spending to travel and tourism. Specifically:

- As incomes have risen over the past three decades, consumer spending on travel has grown at an even faster rate.
- As income levels rise, consumers are dedicating a greater share of spending to travel and tourism. For example, in the span of slightly more than a generation, per capita consumer spending on hotel stays in the US has increased 200 percent since 1980, even as per capita GDP – as a measure of income levels – has increased only 75 percent.
- Destination marketing plays an integral and indispensable role in the competitiveness of the visitor economy by pooling resources to provide the scale and marketing infrastructure to promote a place to national and international markets.

“Looking ahead, destinations are poised to capitalize on future growth even more, as consumer spending on travel continues to outpace other sectors,” said Gehrish.

ABOUT THE DESTINATION & TRAVEL FOUNDATION:

The Destination & Travel Foundation is a complementary organization to Destination Marketing Association International. The foundation’s mission is to enhance the destination marketing and travel professions through research, education, visioning and development of resources and partnerships for those efforts. As a 501 (c)(3), the Destination & Travel Foundation engages industry leaders and experts in various fields to determine innovative and creative strategies to prepare the DMO industry for the rapidly changing business environment.

ABOUT THE STUDY:

States and cities across the US recognize the importance of the visitor economy and collectively invested nearly \$2 billion in destination promotion last year. The massive value of the US visitor economy warrants these investments, which enable destinations to compete effectively in both leisure and group meetings markets. Indeed, destination promotion has been consistently proven to yield significant returns in the form of incremental visitor spending driven by sales and marketing campaigns.

However, the dividends of destination promotion extend far beyond the benefits accruing to visitor-related industries and their suppliers. This Oxford Economics study on behalf of the Destination & Travel Foundation, is based on a combination of case studies, interviews, literature review and statistical analysis. It finds that destination promotion fuels economic development across the entire economic spectrum. The study was funded in part by destination marketing organizations of California, Chicago, Cleveland, Denver, Louisiana and Phoenix.

ABOUT DESTINATION CLEVELAND:

Destination Cleveland is Cleveland's convention and visitors bureau. This private non-profit organization's mission is to drive economic impact and stimulate community vitality for Greater Cleveland through leisure and business travel. Cleveland welcomes more than 16 million visitors annually. For more information, visit ThisisCleveland.com.

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