



OHIO TOURISM WORKS

FUELS THE ECONOMY, JOBS AND COMMUNITIES





Introduction



1. A family of four from Lexington spends its summer vacation touring Ohio's zoos and going to King's Island

2. Five 20-somethings make a long weekend out of hiking in the Wayne National Forest and Hocking Hills, zip-lining, trying out local foods and brews, and stopping by the world's only pencil sharpener museum

3. Five hundred people gather in Dayton to attend a professional conference after the visitors bureau successfully presented to the organizers and secured the business for its hometown

4. Eighteen members of a bike club from Canton load up bikes and travel to Cincinnati to ride the 330 miles of trails in Ohio's Miami Valley

5. A businessman attends a convention in Toledo and decides to tour a few lighthouses along Lake Erie before heading home to Missouri

6. A couple celebrating 35 years of marriage spends the night in one of Ohio's cities, catching a touring Broadway show and going to dinner

7. After a long week of work, a woman from Columbus spends the day touring Amish Country and checking out local farm markets and shops

Whether traveling 50 or 500 miles, these real travelers share a common thread – each spent money in Ohio, supporting local businesses, jobs and tax coffers at all levels. Last year alone, travelers contributed \$42 billion to Ohio's economy.¹

Part of what's driving our urge to travel is our unending thirst for experiences. According to the Bureau of Labor Statistics, Americans are spending more on experiences, and spending less on cars and household. In 2015, Americans spent 20.4% of their discretionary spending on travel, recreation and eating out.² This trend will likely continue, as research shows that 73% of consumers prefer to spend more money on experiences than on material things, and the demand for live experiences is growing among all generations.³

Given Ohio's location within an easy drive for 60% of Americans and our incredible diversity of quality experiences, it is no wonder Ohio nationally ranks 7th in the number of jobs supported by travel.⁴

Yet, many still undervalue the role travel plays in supporting businesses, jobs and communities in the state. This report provides facts and case studies to give us the true picture of travel's role in supporting Ohio residents, businesses, communities and the state as a whole.

More people are traveling. Ohio is in the perfect spot to capture their dollars, and we have the products to exceed their expectations. How, then, do we let people know what Ohio has to offer?



About this Report

This report outlines research gathered by Ohio's travel industry businesses over a three-year period that shows travel's impact on the Ohio economy. Using research and case studies, the report demonstrates the following:

- the economic impact of travel
- the importance of all levels of travel-related jobs to Ohio's workforce development agenda
- the role travel plays in creating a high quality of life in Ohio communities
- how travel promotion changes the perception of Ohio as a good place to work, go to school and live
- why promoting Ohio and its travel experiences is vital for keeping the economic engine running
- the effectiveness of TourismOhio efforts in the last few years
- how to increase Ohio's competitiveness in an increasingly crowded marketplace



Ohio Experiences Are Competitive on a National and International Level

 Cedar Point is a 16-time winner of the Golden Ticket Award by *Amusement Today* (goldenticketawards.com)

 The Welsh Hills Inn in Licking County was rated the best B&B/Inn in the U.S., and no. 4 in the entire world, by the TripAdvisor Traveler's Choice Awards

 *USA Today* voted three Ohio zoos in their top 10 list: 1. Toledo Zoo, 3. Cincinnati Zoo, 5. Columbus Zoo and Aquarium (10best.com)

 Cleveland ranks in the top five U.S. cities for business travel according to On Call International (Cleveland.com)

 Ohio restaurants landed nine of the 100 spots on OpenTable's list of Hot Spot Restaurants in America in 2017 (Cleveland.com)

 Eight Ohio beers are in national ranking by *Paste Magazine* (Cleveland.com)

 Hocking Hills is in *USA Today's* list for ten great places to bond on family vacations

 Ohio is one of the best states in the country for beer lovers. Both Cincinnati and Columbus ranked in the top 10 cities for beer drinkers, according to a new report from *SmartAsset* (daytondailynews.com)

 The Hilton Columbus Downtown won the prestigious Connie Award as best property across all Hilton brands for an unprecedented three years running

 Cincinnati made it into the 50 best places to travel in the world in 2017 list by the *Travel + Leisure* (journal-news.com)

 The Toledo Zoo's Light's Before Christmas were voted the best zoo light display in the *USA Today's* 10 Best Readers' Choice contest (toledoblade.com)

 Cleveland Museum of Art ranked 2nd best museum in the U.S. by *Business Insider Magazine* (clevescene.com)

 Gervasi Vineyard receives *USA Today* 10 Best Readers' Choice Awards for Best Wine Country Hotel and Best Winery Restaurant (tasteohiowines.com)

 Stan Hywet Hall & Gardens was named the #1 historic home tour in America for 2016, chosen by readers of *USA Today* and 10Best.com

 Rock and Roll Hall of Fame is featured in *USA Today's* best museums exhibits in the U.S. for spring 2017

 Ohio Earthworks are globally significant, recognized by UNESCO for consideration as a world heritage sight.



Ohio Tourism Works — a collaborative effort of the Ohio Travel Association, the Ohio Association of Convention and Visitors Bureaus, and the Ohio Hotel & Lodging Association — oversaw development of this report. Together, these associations represent more than 3,500 Ohio businesses and organizations. Leadership is provided by the following:

Gregg Mervis, Akron/Summit Convention & Visitors Bureau
Jim Mahon, Akron/Summit Convention & Visitors Bureau
Bill Reed, Aloft Cleveland Downtown
Stephanie Siegel, Ashtabula County Convention & Visitors Bureau
Paige Alost, Athens County Convention & Visitors Bureau
Donna Grube, Auglaize & Mercer Counties Convention & Visitors Bureau
Jessica Smith, Beachwood Convention & Visitors Bureau
Barb Ballint, Belmont County Tourism Council
Trish Ratliff, Bucyrus Tourism & Visitors Bureau
Mark Hecquet, Butler County Visitors Bureau
Debbie Robinson, Cambridge/Guernsey County Visitor & Convention Bureau
Amy Rutledge, Carroll County Convention & Visitors Bureau
Lee Alexakos, Cedar Fair
Kevin Claus, Cedar Grove Lodging
Dan Lincoln, Cincinnati USA Convention & Visitors Bureau
Randie Adam, Cincinnati USA Convention & Visitors Bureau
Chris Kerr, Clarivoy, Inc.
Mark Calitri, Clermont County Convention & Visitors Bureau
Tracy Daniels, Clinton County Convention & Visitors Bureau
Melissa Baker, Columbus Hospitality Management, Columbus
Mindy Brems, Coshocton County Convention & Visitors Bureau
Dirk Bengel, Crowne Plaza Columbus Downtown and The Lofts Hotel
Matt Staugler, Darke County Visitors Bureau
Jacquie Powell, Dayton/Montgomery County Convention & Visitors Bureau
Debbie Shatzer, Delaware County Convention & Visitors Bureau
David Gilbert, Destination Cleveland
Lee Tasseff, Destination Mansfield
Richard Nachazel, Destination Toledo
Scott Dring, Dublin Convention & Visitors Bureau
Brian Ross, Experience Columbus
Roger Dudley, Experience Columbus
Fran Tiburzio, Fairfield County Convention & Visitors Bureau
Greg Eyerman, Fairfield County Convention & Visitors Bureau
Laurie Jadwin, Gahanna Convention & Visitors Bureau
Nichole Cardinale, Gervasi
Tami Brown, Greater Cleveland Aquarium
Sue Graves, Greater Columbus Convention Center
Christopher Schutte, Greater Springfield Convention & Visitors Bureau
Kathleen Young, Greene County Convention & Visitors Bureau
Alissa Preston, Hancock County Convention & Visitors Bureau
Destiny Bryson, Highland County Visitors Bureau
Jodi Burroughs, Hocking Hills Canopy Tours
Karen Raymore, Hocking Hills Tourism Association
Peter Ainsworth-Johnson, Holiday Inn Cincinnati North - West Chester
Shasta Mast, Holmes County Chamber & Tourism Bureau
Eric Hansen, Hotel & Leisure Advisors
Geri Lombard, Hotel LeVeque Columbus
Holly Hollingsworth, Hotel LeVeque Columbus
Stephen Stewart, Hyatt Regency Columbus
Alan Assaf, Indus Hotels, Columbus
Andy Vasani, InnVite Hospitality

Nicole DeFreitas, Jet Express
 Brian Shanle, Kalahari Resort and Conference Center, Sandusky
 Patrick Crow, Knox County Convention & Visitors Bureau
 Bryan Edwards, Lake Erie Shores & Islands
 Larry Fletcher, Lake Erie Shores & Islands
 Dawn Weinhardt, Lake Erie Shores & Islands
 Christine Pleva, Lima/Allen County Convention & Visitors Bureau
 Brya Long, Long's Retreat Family Resort
 Georgia Kauffmann, Loudonville-Mohican Convention & Visitors Bureau
 Linda Macala, Mahoning County Convention & Visitors Bureau
 Jeri Knowlton, Marietta/Washington County Convention & Visitors Bureau
 Mark Holbrook, Marion Area Convention & Visitors Bureau
 Lisa Garner, Marriott and Residence Inn Columbus University Area
 Dan Hostetler, Medina County Convention & Visitors Bureau
 Diana Thompson, Miami County Visitors & Convention Bureau
 Leiann Stewart, Miami County Visitors & Convention Bureau
 Deidra Marshall, Middletown Hotel Management
 Mark Schutte, Middletown Visitors Bureau
 Laura Weirick, Mohican State Park Lodge and Conference Center
 Shayna Roberts, Morgan County Convention & Visitors Bureau
 Joel Miller, Napoleon/Henry County Chamber of Commerce
 Jason Fallon, Ohio Department of Natural Resources
 Jessica Greene, Oxford Visitor & Convention Bureau
 Sandy Latchem, Perrysburg Convention & Visitors Bureau
 Tim Wilson, Pickaway County Visitors Bureau
 Martin Pittman, Pivot Cincinnati
 Kim Bauer, Portsmouth-Scioto County Visitors Bureau
 Steve Groppe, Renaissance Toledo Downtown Hotel
 Sharrona Burns, Rock and Roll Hall of Fame
 Melody Young, Ross-Chillicothe Convention & Visitors Bureau
 Beth Genson, Rossford Convention & Visitors Bureau
 Peggy Courtney, Sandusky County Convention & Visitors Bureau
 Steve Van Sickle, Sauder Heritage Inn & Campground
 Steve Wolever, Signature Worldwide
 Chad Bortle, SJB Management, Inc.
 Buddy Butler, Stonewall Marketing Group
 Lisa Wild, Streetsboro Convention & Visitors Bureau
 Pete Fingerhut, The Columbus Zoo and Aquarium
 Tristan Haas, The Kimpton Schofield Hotel
 Josh Knights, The Nature Conservancy of Ohio
 Anne Turpin, The Ohio State University
 Richard Stegman, The Victorian Tudor Inn
 Leon Troyer, The Wallhouse Hotel/Walnut Creek
 Dee Grossman, Tuscarawas County Convention & Visitors Bureau
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 Tina Knotts, Union County Convention & Visitors Bureau
 Larry Lee, Van Wert Area Convention & Visitors Bureau
 Caleb Appleman, Vinton County Convention & Visitors Bureau
 Allyson Bussey, Visit Canton
 Amanda Davis, Visit Grove City
 Phil Smith, Warren County Convention & Visitors Bureau
 Marty Starkey, Wayne County Convention & Visitors Bureau
 Jeff Hartnell, Westerville Visitor & Convention Bureau
 Melinda Mace, Worthington Area Convention & Visitors Bureau
 Sara Lou Brown-Binau, Wyandot County Visitor & Convention Bureau



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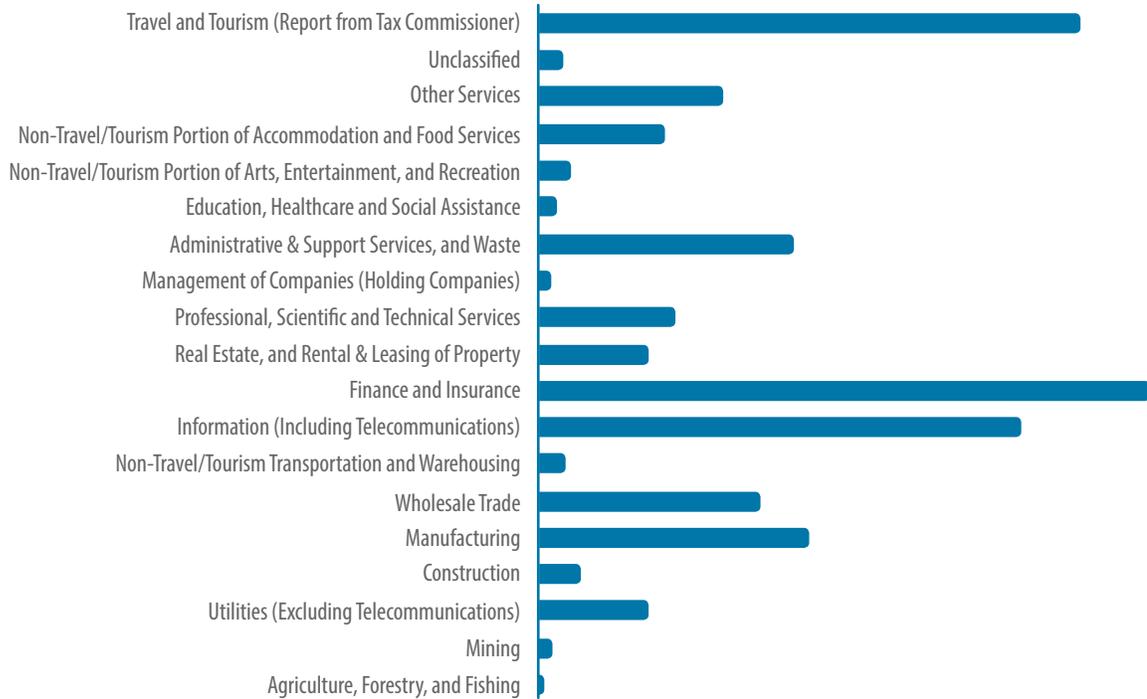


Executive Summary

Ohio's travel economy is strong, growing and significant, generating nearly 11 percent of sales tax collected by the state. Proven to be a tax generator, the travel economy has contributed \$4.1 billion in sales tax since 2012, representing a 24% growth.

In fact, without the travel economy, each Ohio household would pay \$690 in additional taxes just to provide the same level of government services and programs.

NON-RETAIL STATE SALES COLLECTIONS FY16 (MILLIONS)

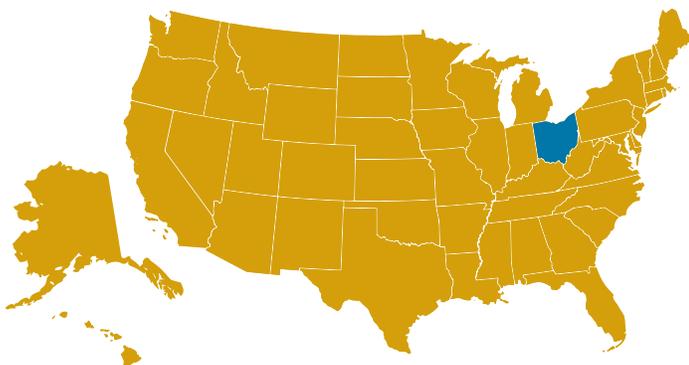


Source: Ohio Department of Taxation

Travel is a growth industry for Ohio. Overall state tax revenues grew 0% in FY16, with an average expansion of 1.1% among Ohio industries. Sales tax collected by the travel industry, on the other hand, expanded by 2.6 percent generating \$915.7 million in tax receipts.

This is one of the only programs in the state that doesn't cost Ohioans additional tax dollars, as the travel industry itself generates additional tax dollars for the state.

OHIO NATIONALLY RANKS 7TH IN THE NUMBER OF JOBS SUPPORTED BY TRAVEL.



Ohio ranks 7th in the nation in the number of jobs supported by travel, yet drops to 42nd when looking at state investments to support these jobs. Travels impact on Ohio are already substantial, however, economic benefits are far below potential. TourismOhio funding has been studied numerous times over the years, including a Legislative Services Commission report in 1998 that recommended increasing funding for the Ohio Division of Travel and Tourism. "Given the level of tourism promotion in other states and the very competitive quest for tourists' dollars, it seems doubtful that Ohio can continue to successfully compete for tourists without additional dollars," said the LSC report. The Management Improvement Commission (2000) also identified a need for increased funding for the Ohio Division of Travel and Tourism.



Ohio Tourism Works by Moving the Economy

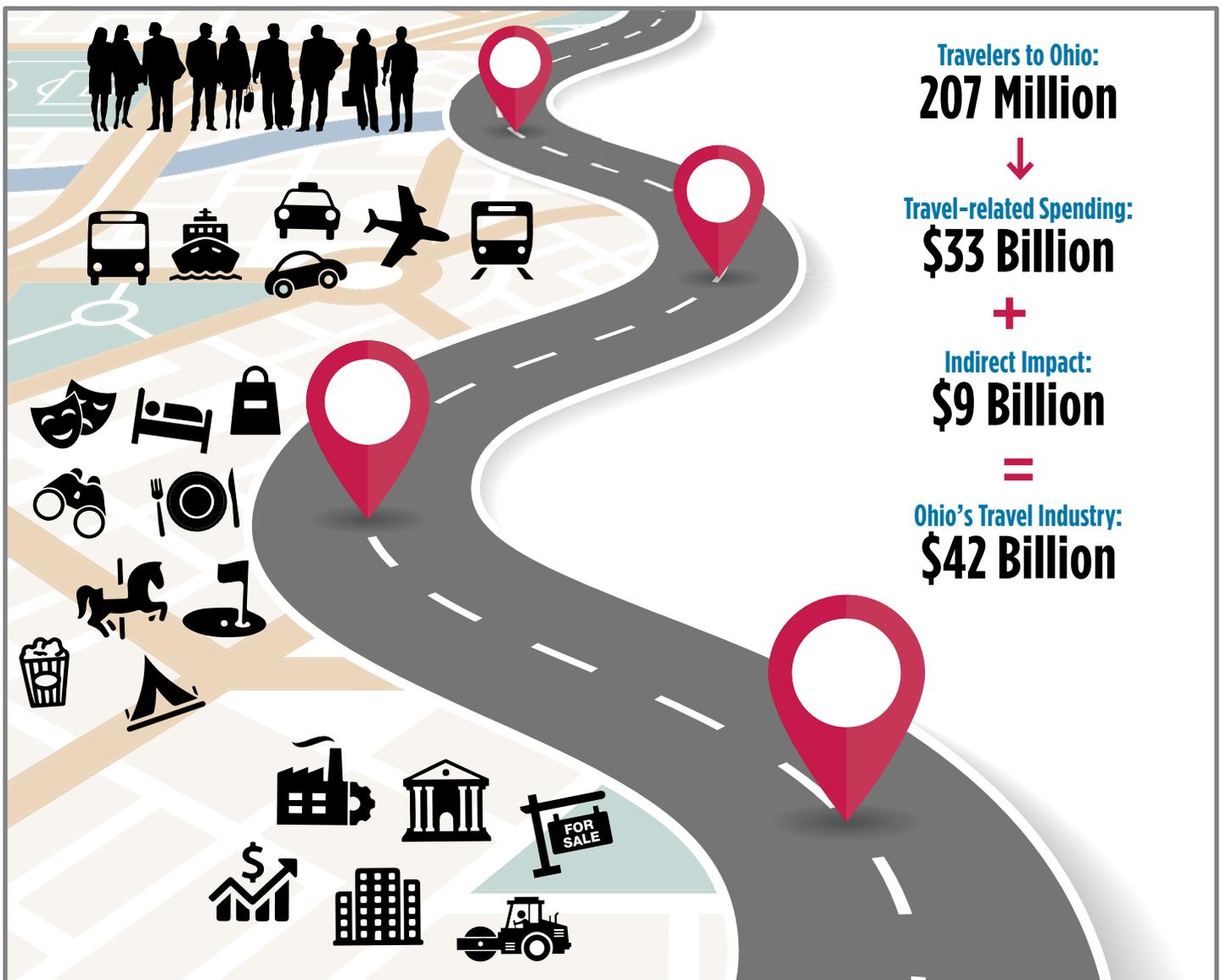
Travelers Support Ohio Businesses

In 2015, 207 million travelers spent \$33 billion at Ohio hotels, attractions, restaurants, retail shops, museums, craft breweries, wineries, ferryboats and other travel-related businesses. Overnight visitors to Ohio spend more than three times what day visitors spend; the longer we keep people traveling in Ohio, the better it is for our economy.¹

Ohio Tax Commissioner Joe Testa shared the significant power of the travel economy during a State of the State Panel held in April 2017, “It is vibrant and contributing.” He went on to say that travel is a significant contributor to Ohio. Travel-related income taxes have increased by 19% over the last four years. “Relative to different industries, travel and tourism is a significant one,” he said.

Who benefits when travelers come to town? More businesses than you might imagine. When hotels, theme parks, museums, restaurants and shops purchase goods and services in order to do business, an additional \$9 billion is spent in Ohio businesses as indirect impact.¹

The indirect spending of travel accounts for almost one-third of the total economic impact and consists of two components: investment spending and supply-chain effects. Examples of investment spending are the creation of a new museum exhibit or the construction of new hotels.⁵ Investment impacts on Ohio are described in the next section of the report.



The second component of indirect visitor spending — the supply-chain effect — describes the domestic purchases of goods and services by the sectors dealing directly with visitors. As an example, when a hotel purchases agricultural products to feed its guests, cleaning supplies, accounting services, furniture, office supplies, etc., these purchases are only made when the demand for hotel services is high enough to support the expenditures.⁵ Fewer guests booking into Ohio hotels or traveling its roadways means less business for local wholesalers, farms, retailers, accountants, lawyers and others.

Combining the direct and indirect impact of spending makes Ohio's travel economy a \$42 billion travel industry in Ohio.¹



Ohio's Travel Industry Invests in Ohio

Tourism-related construction in Ohio was \$3 billion between 2008 and 2012, led by the recreation sector, followed by lodging, retail and restaurants. Tourism-related capital investment in Ohio has outpaced the overall investment in the state.⁶ These investments in new attractions, trails, museums, hotels, restaurants, shops, breweries, wineries, distilleries and sports complexes create construction jobs, produce sales for Ohio's manufacturing, electric, plumbing, engineering and construction sectors and add to the quality of life for Ohio residents.



OHIO BUSINESSES SPEAK UP

"Only located one block away from the aquarium is Catanese Classic Seafood, a local seafood company which supplies the aquarium with their products to feed the marine animals. The list of goods and services purchased from local businesses is long, ranging from office supply businesses to companies servicing the pumps and filtration systems." **Tami Brown, Greater Cleveland Aquarium General Manager**



"Mason Excavating is amazing, and all year long, he is taking care of our trails. As we grow, so does his business with us." **Jodi Burroughs, Hocking Hills Canopy Tours Owner**



"Ohio's favorable business climate and strong travel economy made it a winning proposition to invest \$27 million to restore a historic and architectural treasure which will be the new home of the Hotel LeVeque — itself a \$39 million project and one of only 100 prestigious Autograph Collection hotels in the nation. This project employed hundreds of skilled laborers from the construction trades, and we will source items from uniforms to personal care products for guests from local businesses. Our company ranked in the top 30 of best mid-sized employers, because we provide our associates a path to success that includes fair wages, good benefits, and the opportunity to rise within the operation from entry-level to management and executive roles." **Geri Lombard, General Manager, Hotel LeVeque, Columbus**



"Conventions, meetings and events generate more than \$7 billion in spending in Central Ohio, and the travel economy supports 1 in every 12 jobs in Franklin County. Because of effective collaboration with state, regional and local entities in Ohio, we have been able to elevate our profile and bring in bigger events with greater spending. For this reason, we invested \$140 million in expanding and renovating the Greater Columbus Convention Center. Most of that amount was contracted with local firms, including 18 percent with disadvantaged businesses. The lasting economic impact can be seen in the growth of new hotels, restaurants, retail shops and other businesses in the Convention Center district, serving more than 875,000 visitors to the Center annually. It provides an economic engine for our entire region." — **Don Brown, Executive Director, Franklin County Convention Facilities Authority**



OHIO BUSINESSES SPEAK UP

Cedar Fair CEO Matt Ouimet said recently, "Cedar Fair believes in Ohio. We've invested more than \$250 million over the last few years." A recent example of investment spending in Ohio is the construction of Cedar Point's roller coaster, ValRavn, which opened in 2016. Cedar Point spent \$10.3 million with 31 local Ohio companies for the construction of this new roller coaster. This investment supported businesses in industries such as manufacturing, construction, finance and legal.⁷



Ohio Tourism Works by Creating Jobs and Developing Our Workforce

Travel Creates Jobs in Ohio

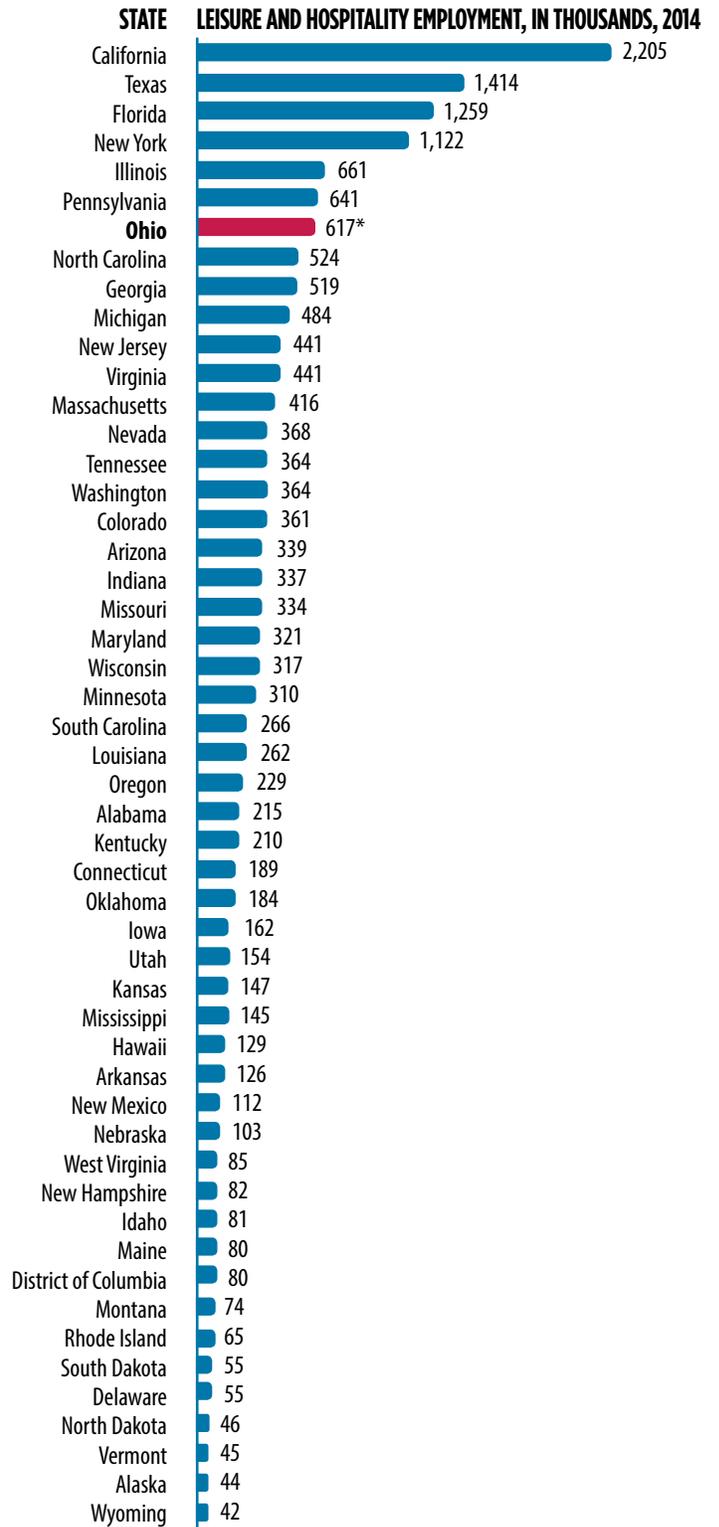
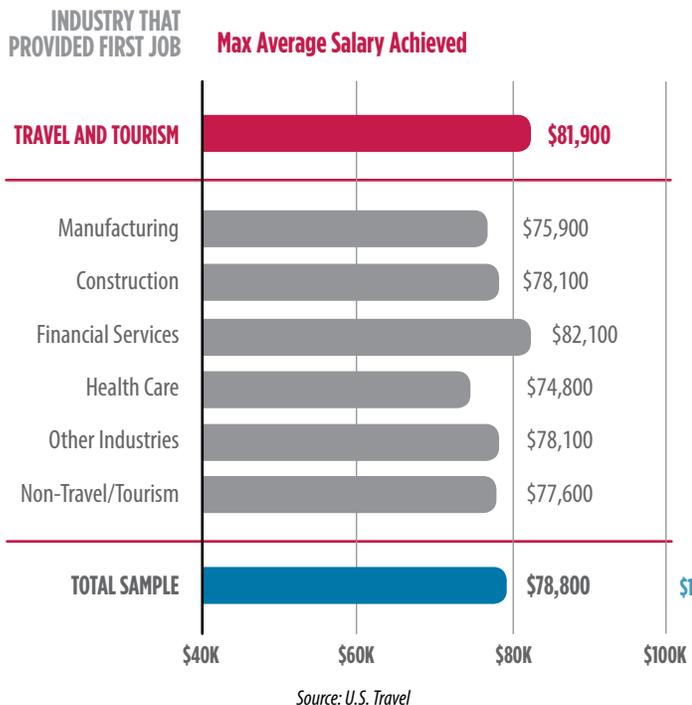
Travel and tourism supported 420,000 jobs in Ohio in 2015. In general, Ohio travel-related employment grew 2.2% in 2015, compared to the overall employment growth of only 1.4%.¹ Of all Ohio jobs, 8.7% are supported by travel.⁸

Looking at how Ohio stacks up with other states, one only has to look at the jobs supported by travel to understand the enormous impact travel makes in keeping Ohioans employed. Ohio ranks 7th in the nation in the number of jobs supported by the travel economy after California, Texas, Florida, New York, Illinois and Pennsylvania.⁹

These jobs generate \$12.6 billion in personal income (total earnings from wages, investment enterprises, and other ventures for individuals) for Ohio residents.¹

Travel Jobs Make Ohioans Employable and Boost Potential Career Earnings

Travel jobs are a gateway to opportunity for thousands of Ohioans. Travel jobs build critical skills in customer service and develop strong work ethics, making those who hold jobs in the industry more employable by any industry. In a 30-year longitudinal study, the U.S. Travel Association discovered that those who begin working in the travel industry ultimately earn higher wages in their careers than those who begin in any other industry, except for financial services. Nearly 40% of workers who began their careers in travel earn at least \$100,000 – double the rate found in the healthcare industry.¹⁰



Source: BEA, Tourism Economics

(*)This number varies from the previously quoted employment figure from Tourism Economics due to different methodology, but it does allow us to make an accurate comparison with other states.

Other research supports this claim, particularly when looking at the benefits of summer and part-time work early in a person's career. Drs. Ruhm and Baum found "clear evidence that part-time work by young adults — both during senior year of high school and during the summer months — translates to future career benefits that include higher hourly wages, increased annual earnings and less time spent out of work."¹¹

Front-Line Travel Jobs are an Integral Piece of Workforce Development

Front-line jobs are workforce development training grounds. Experience on the front line is essential for learning the operational aspects of museums, attractions, hotels and restaurants, but skilled employees don't stay there long. Hospitality employees advance quickly, with 94% of U.S. hotels reporting that new-hire hourly employees are eligible for promotion within their first year of employment.¹²

These examples of advancement are not unusual in the travel industry. More than half of U.S. hotel department managers started in hourly entry-level positions.¹²

Travel Supports Professional Careers

The travel industry is all about creating experiences that look and feel effortless. Imagine how your next visit to a hotel would feel if you saw the CFO calculating P&Ls at the front desk, or an engineer working on her computer the next time you were strapped into a roller coaster seat. For this reason, many still believe travel jobs are low-wage and front-line. These are the only workers we see when traveling.

In reality, more than 53% of all U.S. travel industry workers earn middle-class wages or higher.¹⁰ Travel businesses employ human resource professionals, accountants, engineers, executive chefs, senior level sales managers, designers, landscapers, marketers, botanists, zoologists, general managers, nurses, security chiefs, biologists, archivists, IT experts and other professionals. These jobs depend on a strong travel economy in Ohio.

Travel Jobs Allow Ohioans to Further their Education

Nearly one-third of workers who are working part-time while furthering their education are employed in tourism-related jobs.¹⁰ Policy Analyst Thomas Dilworth said, "If education is the ticket to a rewarding career, the hospitality industry apparently helps pay the fare."¹³



OHIO BUSINESSES SPEAK UP

Brian Shanle, General Manager at Kalahari Resorts in Sandusky, said Kalahari promoted 21 employees into management positions in 2016.

"I think one of the most interesting facts about our business relates to hiring veterans. Most of our management served in the military. We offer flexibility being seasonal, allowing them to continue to develop safety/rescue and leadership skills, which then prepares them for a larger role within the organization, hence moving them into management as they work well with a diverse group of employees and customers, alike."

Jodi Burroughs, Hocking Hills Canopy Tours Owner



The hospitality industry is one of the most promising career paths for thousands of new employees. 98 percent of hotels offer benefits to full-time employees, 70 percent offer tuition reimbursements, and 90 percent pay more than minimum wage to starting employees. More than half of the managers in our industry started in hourly entry-level positions. This is why nearly 80 percent of hotel workers rate their job satisfaction as higher than average. I started out working at the front desk of a hotel, and was able to grow my career to my current position as COO of a highly respected management company. Dreams do happen here in the hospitality industry."

Kathryn Burton, Chief Operating Officer Columbus Hospitality Management



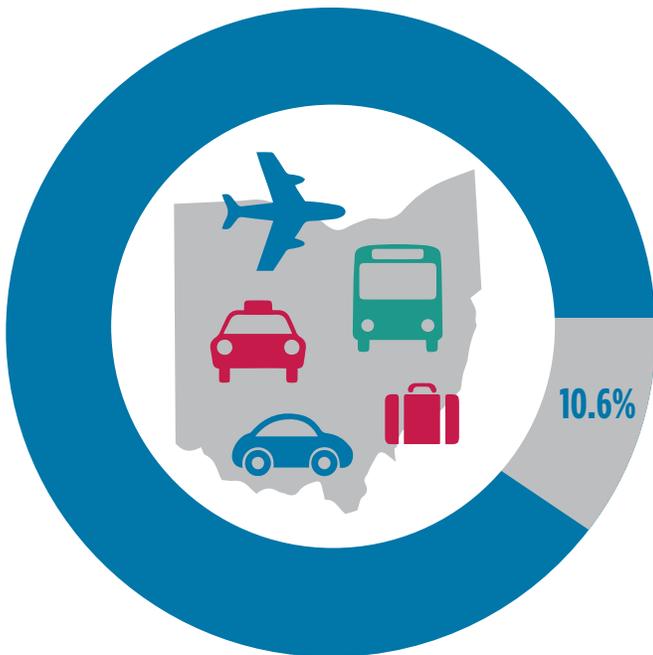
"Every department of the Greater Cleveland Aquarium has at least one person who moved up from an entry level position," **Tami Brown, Greater Cleveland Aquarium General Manager**



Ohio Tourism Works by Supporting the State and its Communities

Traveler Spending Supports Essential Services and Public Priorities through Tax Revenue

Travel helps pay for fire and police protection, schools, libraries, road improvements, social service programs, environmental protection and dozens of other publicly-funded services and programs. Of the more than \$11.4 billion in state tax revenue that funds the General Revenue Fund and government programs and services, more than 10.6% is attributable to the travel industry.¹⁴



In 2015, travelers paid \$6.25 billion in taxes at all levels, representing \$1.9 billion to the state, \$1.3 billion to local communities and \$3.1 billion in federal taxes. To replace these tourism taxes received by the state and local government, each Ohio household would have to pay an additional \$690 of taxes per year to just keep the same amount of government services.¹

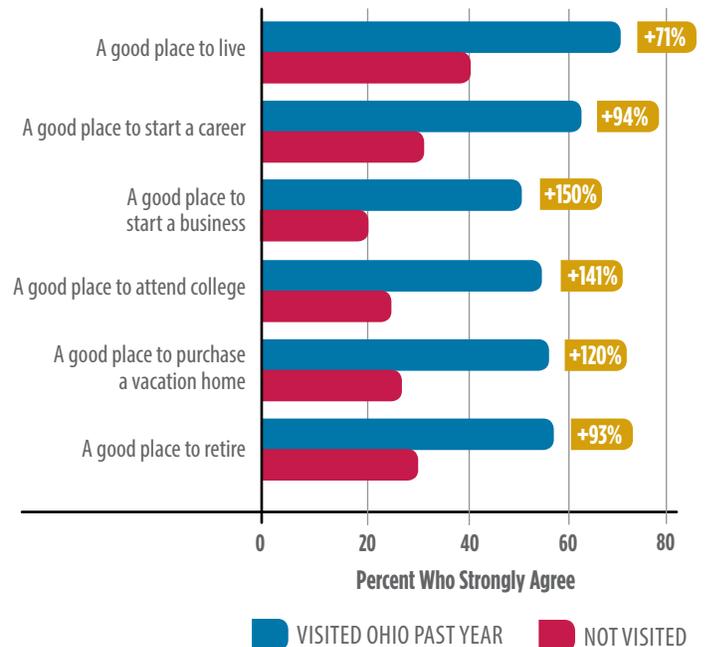
A Strong Travel Economy Boosts Overall Economic Development

When people travel to a state or community, they learn more about these places. Outdated perceptions shaped by news reports or word of mouth are replaced with reality. Research shows that cities that attract more leisure visitors grew on average 2% faster over a 10-year period in terms of population and employment, and they attract more college-educated residents.¹⁵

“Research shows that nearly one-third of new residents first visited their communities as tourists,” U.S. Travel Association

Ohio and its communities have a variety of economic development goals — increasing residents, attracting new businesses, enticing young professionals to live and work — many of which are positively influenced when someone visits. Recent research by Longwoods International said visiting Ohio increased the perception of Ohio as a good place to attend college, as a good place to live, as a good place to start a business, and as a good place to launch a career.¹⁶

Travelers Leave with Lasting Impressions



Source: Longwoods International. (2016). Destination Marketing and Economic Development: Creating a Singular Brand. Toronto.

OHIO BUSINESSES SPEAK UP

“If people stopped traveling, it would limit the number of experiences and knowledge people have, since traveling shows you a different perspective. It would also take away the opportunity from communities and cultures to grow and expand,” Eric Hansen, Hotel & Leisure Advisors Director of Development Services

Demand Created by Travelers Improves Quality of Life Amenities for Residents

From an economic perspective, travelers increase demand for local businesses, providing them with additional revenue beyond that which they may be able to secure through local resident spending. Without this increased sales generated by those visiting a state or community, new investments and existing businesses may not be sustainable.

Eric Wobser, City of Sandusky Manager, said recently that when communities invest in their assets, such as bike trails and attractions, they create drivers that attract both visitors and residents. Lake Erie Shores & Islands President Larry Fletcher agreed, “If not for visitors, your favorite restaurant or place to shop may not be there. Many places depend on visitors to your community to help sustain the quality of life that we all expect.”

“Tourism can improve the quality of life in an area by increasing the number of attractions, recreational opportunities and services,” said Sea Grant writer Glenn Kregg. In a report for Minnesota, Kregg mentions that because of travel, communities are better able to justify “investments in public utilities such as water, sewer, sidewalks, lighting, parking, public restrooms, litter control and landscaping. Such improvements benefit tourists and residents alike. Likewise, tourism encourages improvements in transport infrastructure resulting in upgraded roads, airports, public transportation and non-traditional transportation (e.g., trails).

Tourism encourages new elements to join the retail mix, increasing opportunities for shopping and adding healthy competitiveness.”¹⁷

Historic preservation and ecosystem conservation efforts are also enhanced, as travelers demand authenticity and a healthy environment, creating a better place for those who live and work in a community as well.

A Strong Traveler Base Builds Transportation Networks and Connects to New Markets

Airlines choose to expand service based on passenger demand. Leisure travelers add to the demand of business travelers and others, creating new opportunities for airline investment. These new services and investments connect Ohio businesses to new markets. “Arguably, the largest economic benefit of increased connectivity comes through its impact on the long-term performance of the wider economy through enhancing the overall level of productivity,” said Aviation Benefits Beyond Borders report by Air Transport Action Group.¹⁸

Destination Promotion: An Engine of Economic Development report said recently, “Roughly half of all passenger demand for Cleveland is generated by visitors, according to OAG bookings data.”¹⁹ Frontier Airlines thinks so much of Ohio’s potential that it recently named an Airbus A320 Orville the Cardinal to honor the carrier’s growth in Ohio. It has 17 routes out of Cincinnati and will soon have 11 routes out of Cleveland.²⁰





Tourism Promotion Leads to a Strong and Competitive Economy

Travel is a Public Good with Externalities that Need Public Sector Promotion to Operate Efficiently

Government intervention in the free economy should only occur where there is market failure such as provision of a public good, externalities and market power. When Ohio promotes travel to and through Ohio, people are inspired to visit, meaning more customers for a variety of travel and non-travel businesses. “If some businesses were to collectively advertise their destination, other businesses would be able to free-ride on this promotion and the original business would have no incentive to stay within such a voluntary scheme,” said Adam Blake and Thea Sinclair of University of Nottingham

recently in identifying the reasons why destination promotion is a public good and needs government involvement.

They go on to state, “The externalities from economic impact, which lead to spending on firms’ promotional activities that is below social optimum, combines with the public good nature of destination promotion, so that in the absence of public sector intervention, the levels of promotional activities in tourism would be considerably below the social optimum.”²¹

Promoting Travel is a Strategic Investment for States and Cities, Resulting in Returns of Additional Tax Revenues at all Levels of Government



1. TRAVEL MARKETING & PROMOTION → 2. INCREASED VISITOR TRIPS → 3. ADDITIONAL VISITOR SPENDING → 4. NEW JOBS & TAX REVENUES

Having just launched a new brand, TourismOhio has not yet revealed its ROI, however, it is our understanding that this study should be available soon. In lieu of providing exact local numbers, we are able to provide some competitive state examples that demonstrate the tax dollars returned from investing in travel promotion and marketing for a state. Additional expenditures to promote travel and increase awareness of the state lead to increased tax revenues.

Competitive State	ROI of Tax Dollars per Tax Dollar Spent to Market the State Tourism	Additional Visitor Spending Per \$1 of Public Investment
West Virginia	\$14	\$193
Michigan	\$7.67	\$169 for those reached by regional advertising \$97
Kentucky	\$15	\$150

Another way to understand the power of travel promotion to produce a positive ROI is to examine what happens when state investment is reduced or cut entirely. Here are some examples where state tourism budgets were reduced in hopes to balance budgets. The results were disastrous.

When Pennsylvania reduced its tourism budget as a cost-saving measure, the state lost more than \$600 million over a five-year period in state and local tax revenues. Every dollar cut to the tourism budget resulted in \$3.60 in lost tax revenue.²²

One year after eliminating its tourism budget, Connecticut's tourism-related tax revenue slowed to half the pace it saw even during the deep recession of 2009-2010.²³

When it cut its state tourism budget, Washington felt immediate impacts, including a state and local tourism-related tax collection that grew 26% slower than the national average.²³

Promoting Travel Leads to More Travel (and Traveler Spending)

“Destination marketing has proven to be particularly effective at inspiring and generating interest in a destination. Investing in tourism promotion is essential to develop an image and brand that resonates with potential visitors and residents. U.S. Travel Association, 2016.

People exposed to travel advertising regarding a place are 55% more likely to book travel to the advertised destination than consumers who don't see the ads. Not only are people more likely to book, but those who see travel advertising stay 81% longer and spend 41% more money. Longer stays mean more money spent.²⁴

Relying on individual single attractions or destinations to promote travel is not only inefficient as stated earlier, but it's also not as effective. Consumers are 147% more likely to visit and spend money when they are exposed to multiple sources of advertising and promotional messages.²⁴



OHIO BUSINESSES SPEAK UP



In 2014, the Erie County and Ottawa County Visitor's Bureau combined their resources and launched the tourism campaign "Lake Erie Love". The initial \$1 million marketing investment resulted in nearly two million additional trips to Lake Erie Shores & Islands. Today, nine million visitors travel to the region each year and spend \$151 million in local businesses, which helps generate \$4 million in local taxes. Local taxes saw an increase of 38% in the last ten years. Since travel promotion spending works like a virtuous cycle, the tourism campaign contributes substantially to the local economy. The destination's reputation grew significantly and encountered an enormous image lift as a good place to live, attend college, start a business or start a career. With the help of the additional travel and tax revenue, the local Lake Erie communities are reinvesting to improve the quality of life for visitors and residents alike.²²

Travel Promotion Strengthens Economic Vitality and Spurs Economic Development

Developing a place-focused brand, such as the *Ohio. Find it Here* brand created through extensive research and focused on values treasured by Ohioans and visitors alike, does far more than just encourage visitors and separate the state from its competitors. It also may attract like-minded companies to relocate and change perception of Ohio for the better for a variety of other economic development gains.

Indeed, research shows a 10% increase in visitor economy employment created by capturing a greater market share is followed by a 1.5% increase in employment in other industries. A greater market share is captured when Ohio wins over travelers who have previously traveled to other states.¹⁹ To capture greater market share means getting the word out in a crowded marketplace.

Companies with similar values are beginning to consider these factors when choosing sites for a relocation.¹⁹ New Belgium Brewery and Sierra Nevada, for example, recently selected Asheville, NC as sites for a corporate expansion because the community's cool, creative and inclusive brand reflects the same values as their corporate brand.²²

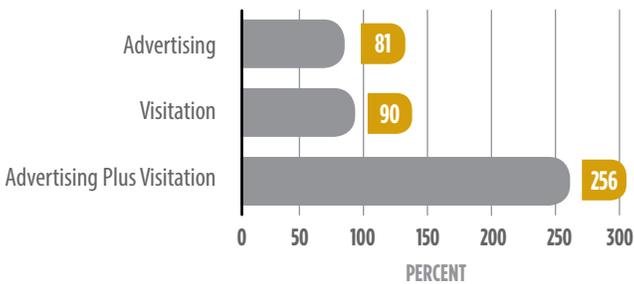
Research on Ohio's 2015 TourismOhio campaign discovered that out-of-state residents changed their perception of Ohio as a good place to live, start a career, start a business, attend college, purchase a vacation home and retire after viewing TourismOhio's messaging. When that advertising led to a visit, the lift in perception was even greater. Here are two examples of how TourismOhio advertising and visiting the state worked to change perception of Ohio by non-residents:

Viewing Ohio as a Good Place To Live

Those who had viewed TourismOhio advertising are 81% more likely to view Ohio as a good place to live. Those who visited are 90% more likely, while those who saw the advertising and then visited are 256% more likely.¹⁶



A GOOD PLACE TO LIVE

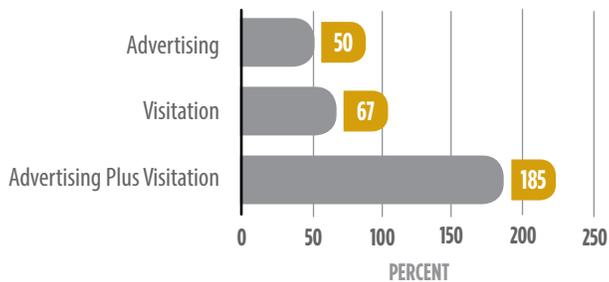


Viewing Ohio as a Good Place to Start a Business

Those who had viewed TourismOhio advertising are 50% more likely to view Ohio as a good place to start a business. Those who visited are 67% more likely, while those who saw advertising and then visited are 185% more likely.¹⁶



A GOOD PLACE TO START A BUSINESS



Source: Longwoods International. (2016). *Destination Marketing and Economic Development: Creating a Singular Brand*. Toronto.



OHIO BUSINESSES SPEAK UP

TAG & BRAG
Use our hashtag and SHOW US what Cleveland is all about.
#ThisisCLE

#ThisisCLE campaign, which encouraged residents to share their favorite things to do in Cleveland with potential visitors, and the "This is Cleveland" brand have changed residents' perceptions of their own city. Before the extensive "This is Cleveland" campaign, only 34% of the residents would have recommended the city as a place to visit whereas now that number rose to 54%.

The successful tourism campaign and the new convention center, which opened in 2013, were the reasons why Cleveland was chosen to host the Republican National Convention in 2016. This event alone generated a total of \$300 million in economic output and supported 1,800 jobs in the city.²²



OHIO BUSINESSES SPEAK UP

"We benefit from the marketing efforts of TourismOhio in two ways. First, for our rather small office it is easier to get visitors if the state already got them to Ohio. Second, we benefit from the resources TourismOhio provides, such as marketing assistance and the advertising co-op." **Tiffany Gerber, Tuscarawas County CVB Tourism Manager**



"TourismOhio enables us to become aware of more options and businesses in our area where we can identify opportunities for strategic partnerships. In addition, TourismOhio's advertising efforts are helping spread the message of Ohio and contributes to a larger share of voices to compete with other states." **Lee Alexakos, Cedar Fair Vice President of Community Relations**



"For two consecutive years, we have taken advantage of TourismOhio's co-op program to leverage resources and messaging," states **Jim Mahon, Vice President of Marketing & Brand Management, Akron/Summit Convention & Visitors Bureau**. "We have experienced significant web site usage via the SEM program, while receiving increased exposure through magazine and newspaper insert advertising. Most importantly, we are doing our part to collaborate with TourismOhio and our fellow hospitality industry colleagues, as we take very seriously the responsibility of promoting this wonderful place we call home," Mahon adds.





TourismOhio Works for Ohio

About TourismOhio

TourismOhio is the state’s destination marketing organization within the Ohio Development Services Agency. Its main purpose is to market travel to and within the State of Ohio. Moreover, it coordinates economic impact research of travel and tourism in Ohio and conducts visitor research providing much-

needed market intelligence for Ohio’s businesses. Funding of TourismOhio since FY 2014 has been generated through a five-year performance-based pilot model based on the growth of tax revenues generated by travel-related expenditures. The funding was capped at \$10 million with CPI added as part of the statute.²⁵

Fiscal Year	State Sales Tax Revenue from Travel and Tourism Related Industries, Certified by OBM	Growth of State Sales Tax Revenue from Travel and Tourism Related Industries	Transfers to TourismOhio Fund
FY 12	\$735,364,070.10	not applicable as this was baseline year	not applicable
FY 13	\$771,177,341.84	\$35,813,271.17	not applicable, as growth of sales receipts reflected in upcoming year
FY 14	\$816,884,633.27	\$45,707,291.40	\$10,000,000
FY 15	\$892,245,558.16	\$75,360,924.90 ¹	\$10,170,000
FY 16	\$915,690,911.77	\$23,445,353.60	\$10,203,000
FY 17	not measurable as of yet	not measurable as of yet	\$10,222,000
		Total year-over-year INCREASE of state sales tax revenue generated from travel and tourism related industries, Certified to OBM: \$134,620,007.30	Total Transfers to TourismOhio Fund During the Same Time Period: \$ 40,595,000

Source: Ohio Department of Taxation, 2017

TourismOhio’s Vision, Mission and Strategic Plan

TourismOhio’s vision is that Ohio is a destination of choice, enriching lives through authentic travel experiences. Its mission is to aggressively position Ohio as a relevant travel destination and support Ohio’s travel industry to drive economic prosperity throughout the state. To realize its vision, TourismOhio developed a strategic plan with widespread industry input, called PlantoWin, for 2015-2018. This laid a foundation for growth for Ohio tourism.²⁵

of individual Ohio businesses. Its Plan2Win strategic plan was developed with widespread industry input and sets aggressive targets for enhancing Ohio’s economy. Business leaders in Ohio are particularly impressed with the accountability demonstrated by TourismOhio in providing quarterly dashboards and annual reports documenting progress toward these goals. Key Performance Indicators are relevant and important for the travel economy in Ohio.²⁶



OHIO BUSINESSES SPEAK UP

At a gathering of more than 100 industry leaders last year, 98% believe TourismOhio is making good or excellent progress in implementing its strategic plan. Amplifying the new Ohio. Find It Here brand is the top suggested priority for TourismOhio. (*TourismOhio Advisory Board Meeting Report, July 2016*)

Key Performance Indicators identified by TourismOhio for 2018:

- Increase number of Ohio visits to 234 million
- Sustain overnight visits from out-of-state travelers at 62%
- Increase overnight visits to 46 million
- Increase direct visitor spending to \$40 billion
- Achieve a positive Return on Investment (ROI) for branding and marketing initiatives²⁷

In late 2015, TourismOhio launched the brand message *Ohio. Find It Here*. Developed with exhaustive research exploring consumer motivations for travel, *Ohio. Find It Here* is fresh, moving and effective. Articulating the brand messaging is strong television, digital and print creative. Creative tools are well done, adaptable and consistent. The brand speaks to products and experiences throughout the state, providing opportunities for businesses of all sizes to leverage its message.

Review of TourismOhio’s Effectiveness

In 2015, the marketing programs of TourismOhio helped generate 207 million visits to Ohio and \$42 billion in sales. The destination marketing efforts of TourismOhio provides the scale, strategic vision and unifying message to support a wide array

Below is a snapshot of just some of the notable achievements of TourismOhio since the brand was launched:

Developed a Strategic Plan



- More than 100 industry members, business leaders, marketing experts, and other key stakeholders provided input on TourismOhio's direction on at least two different occasions
- Quarterly scorecards document progress on achieving Key Performance Indicators
- New metrics track what Ohio businesses feel is most important, including direct referrals

Launched New Brand Ohio. Find It Here in November 2015



- 73% of consumers surveyed prefer *Ohio. Find It Here* over other popular state brands
- Integrated campaign features strong creative focused on the emotional reasons people travel and highlights real places in Ohio
- There was a 620% increase in Ohio Travel Guide app download from 2015 to 2016 (26,042 downloads)

More Than 218 Million Impressions secured through year-long Ohio. Find It Here messaging



- Television, digital, print, social, and paid search advertising reached Ohioans and residents of Detroit and Pittsburgh metropolitan areas
- 563,000 *Ohio. Find It Here* publications printed to encourage travel in the state
- An additional 22,278 views of digital versions of these publications influenced further readers
- A new *Holidays in Ohio* campaign ran November through December. Its public relations efforts alone reached more than 10.7 million.

More Than 548,000 Referrals Made to Ohio Businesses from ohio.org



- Award-winning ohio.org site launched
- More than 900 Ohio businesses had more than 100 direct referrals from the website
- The paid search clicks to ohio.org increased from about 493,000 in 2015 to 1 million in 2016. In 2016, there were a total of 2.5 million website visits (+35%) to ohio.org

More Than \$1.1 Million in Partnership Funds Secured for marketing travel to and through Ohio



- Participation by Ohio businesses and organizations grew 33% in 2016
- This collaboration resulted in 121 million total impressions

Public Relations Efforts Resulted in Quadrupling Audience Reach since 2014



- Generated a 1.3 billion audience reach in 2016
- Media missions to New York, Washington, D.C., Pittsburgh, Detroit and Louisville/Lexington spread the news about Ohio
- In 2015, 631 million impressions generated by earned media would equal an estimated advertising equivalency of more than \$13 million

First State Tourism Office in the Nation to Leverage Virtual Reality



- Developed 16 virtual reality videos to present Ohio's experiences through an immersive 360-degree virtual reality experience
- Presented Ohio using this cutting-edge technology at the RNC, NAACP and other events during 2016

Increased Social Media Followers



- 111% increase in Facebook fans since 2014
- 220% increase in Instagram followers since 2014
- #ohiogram had more than 311,000 tags
- Engaged 56,8333 people on Twitter in 2016 alone

TourismOhio Marketing Excellence Recognized



- Web Marketing Association presented "Outstanding Achievement in Web Development" to TourismOhio and Miles Marketing
- 2016 Central Ohio PRism Award for Media Relations with Fahlgren Mortine Public Relations
- 2015 Central Ohio PRism Award for Ohio Travel Guide with Great Lakes Publishing.²⁸



Making Ohio More Competitive

Ohio businesses, employees, communities and tax funds depend on a strong travel economy, and the competition for market share continues to steepen. Others recognize our inability to compete in the regional marketplace. In a study evaluating the funding for Illinois tourism investments, authors of a report “excluded Indiana and Ohio from the competitive analysis due to the unusually low, non-competitive levels of funding.”²⁴

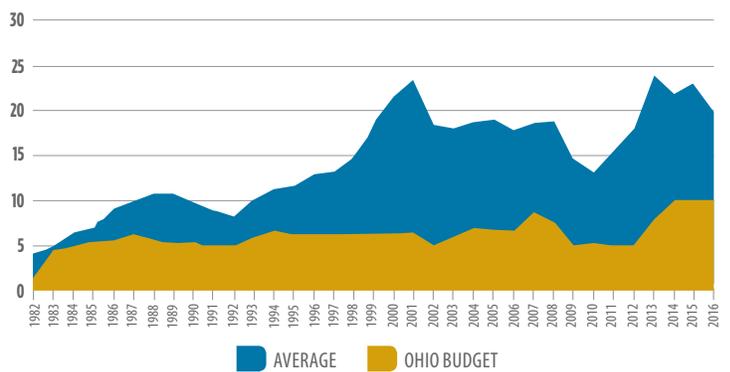
Recognizing the return in tax dollars and job growth that occurs as visitor spending increases, as well as TourismOhio’s vital role in contributing to this growth, we recommend increasing the TourismOhio budget based on the following analysis. We shall approach this recommendation three ways:

1. Average state tourism budgets within Ohio’s competitive states
2. Average of public dollars invested to support jobs in the industry
3. Enabling TourismOhio to reach its out-of-state markets, expanding its brand and generating a stronger ROI in tax dollars

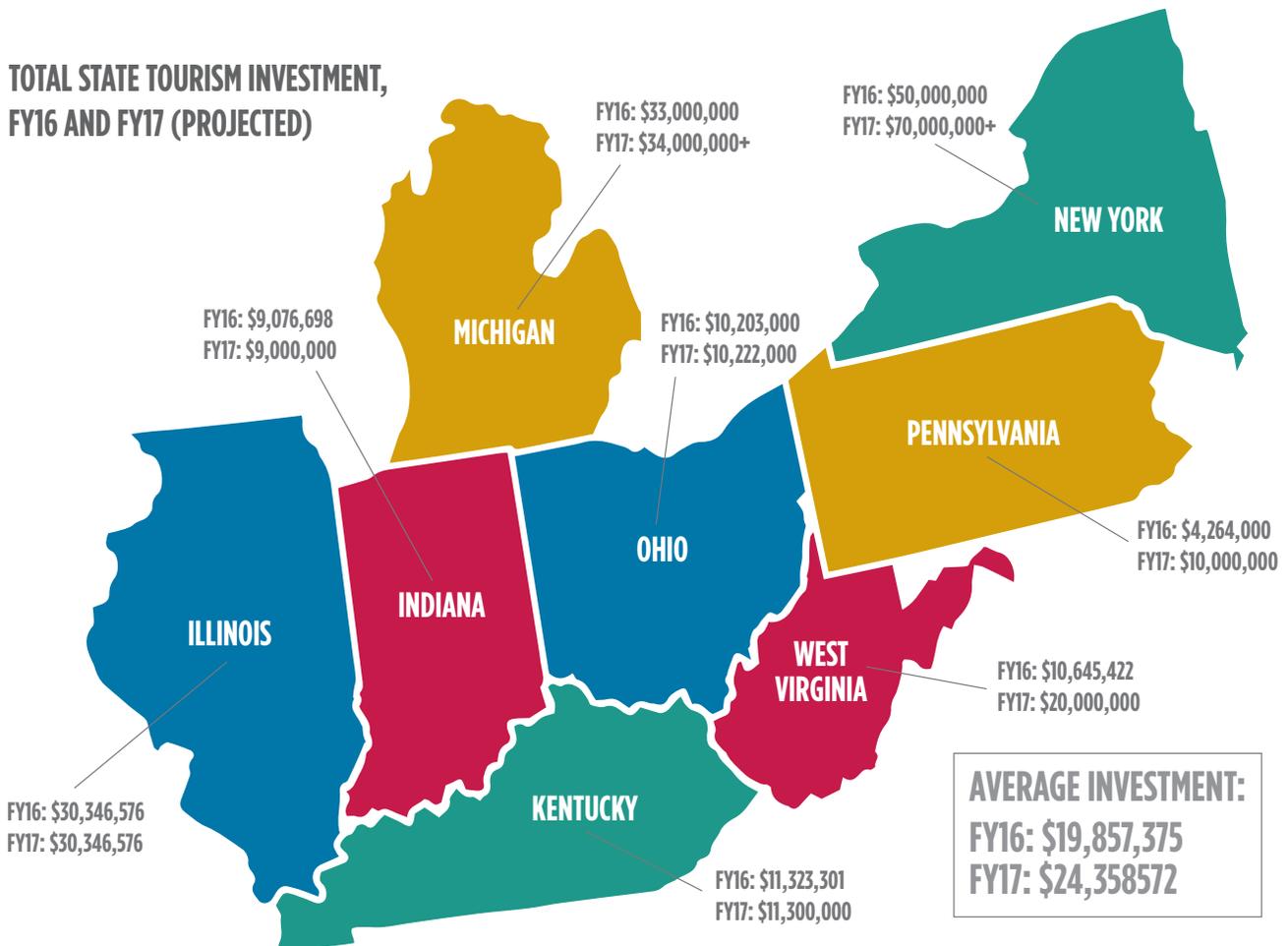
Average State Tourism Budgets within Ohio’s Competitive Set

Not once since 1982 has Ohio been at or above the average competitor spending levels of other states in its market. As troublesome as that is, the key concern is the growing gap between Ohio’s public investment and that average. From 1982-1992, Ohio varied from its competitive set by an average of \$3.3 million. In the last five years, that gap has widened to \$13 million.²⁹

OHIO TOURISM BUDGET COMPARED TO COMPETITOR STATES, 1982-2016



TOTAL STATE TOURISM INVESTMENT, FY16 AND FY17 (PROJECTED)



State Provisional Tourism Budgets, Accounting for Public Funding Only, 2015-16 (reporting states only)

STATE	PUBLIC FUNDING FOR TOURISM	RANKING
Hawaii	93,255,548	1
Florida	73,000,000	2
New York	50,000,000	3
Texas	46,583,000	4
Michigan	33,000,000	5
Illinois	30,346,576	6
Virginia	23,384,441	7
Arizona	22,170,674	8
Louisiana	21,007,513	9
Missouri	20,804,990	10
Utah	19,785,767	11
Colorado	19,500,000	12
Oregon	19,202,007	13
Montana	18,013,590	14
Tennessee	18,016,831	15
Nevada	17,876,258	16
Arkansas	15,942,739	17
Wisconsin	15,735,600	18
South Carolina	15,424,818	19
South Dakota	13,453,000	20
Minnesota	13,240,000	21
Alabama	12,991,351	22
New Mexico	12,000,000	23
Oklahoma	11,696,272	24
Kentucky	11,323,301	25
Maryland	11,289,761	26
West Virginia	10,645,422	27
Wyoming	10,603,127	28
Ohio	10,000,000	29
North Carolina	9,938,534	30
New Jersey	9,000,000	31
Georgia	7,692,269	32
New Hampshire	7,640,825	33
Indiana	7,522,819	34
Alaska	7,000,000	35
Nebraska	6,920,592	36
North Dakota	6,627,427	37
Connecticut	6,500,000	38
Mississippi	6,110,486	39
Massachusetts	5,100,000	40
Idaho	4,962,210	41
Pennsylvania	4,264,000	42
Iowa	4,036,000	43
Vermont	3,195,268	44
Delaware	2,418,600	45
Kansas	1,704,086	46

SOURCE: US Travel Association, 2017

The seven main competitor states that experience similar regional trends and with which Ohio competes for market share include Michigan, Indiana, Kentucky, Pennsylvania, West Virginia, Illinois and New York. Ohio ranks 29th in the United States, and three of our competitors rank in the top five most aggressive states in attracting visitors.³⁰



State	Jobs Supported by Travel Industry	FY 17 projected	Estimated Jobs Supported by Tourism Spending, FY17
Pennsylvania	641,000	\$10,000,000	\$15.6
Indiana	337,000	\$9,000,000	\$26.7
Ohio	617,000	\$10,222,000	\$16.57
Kentucky	210,000	\$11,300,000	\$53.81
West Virginia	85,000	\$20,000,000	\$235.29
Illinois	661,000	\$30,346,576	\$45.91
Michigan	484,000	\$34,000,000+	\$70.25
New York	1,122,000	\$70,000,000+	\$62.39
Average Investment	n/a	\$24,358,572	\$45.78 (not including outlier WV)

+ BUDGET PASSED

Average State Investment to Support Jobs in the Travel Industry

The state tourism budget per job supported by the travel economy represents a proxy for the relative importance of tourism in each state. Regarding the state tourism budget per travel industry job, Ohio ranks 42nd in nation, despite its national ranking of 7th in the number of jobs supported by the travel economy.⁹ The average public investment per job is \$77 (excluding Hawaii), with a mean of \$51. Ohio's investment is estimated at \$16 (in 2014, this analysis set the state tourism budget at \$8 million, so we re-evaluated Ohio's numbers for closer accuracy).

Enabling TourismOhio to Reach its Out-Of-State Markets, Expanding its Brand and Generating a Stronger ROI in Tax Dollars

At the end of the day, Ohio's travel industry is interested in economic results. Fully supportive of the work TourismOhio is doing, the industry also recognizes that Ohio's greatest potential for overnight spend lies in markets out of Ohio. The existing strategy focuses out-of-state efforts only in Detroit and Pittsburgh, with 60% of marketing dollars targeting in-state markets.

State Tourism Budget per Travel Industry Job, 2014

STATE	BUDGET, AMOUNT PER TRAVEL INDUSTRY JOB IN 2014
Hawaii	\$637
Alaska	\$403
Wyoming	\$286
South Dakota	\$250
District of Columbia	\$226
Montana	\$202
Arkansas	\$141
Maine	\$127
North Dakota	\$127
New Mexico	\$120
Utah	\$114
New Hampshire	\$85
Vermont	\$71
Michigan	\$68
Florida	\$67
Oregon	\$63
Alabama	\$62
Nebraska	\$61
Missouri	\$57
South Carolina	\$56
Kentucky	\$54
Colorado	\$53
Connecticut	\$52
Louisiana	\$51
Wisconsin	\$48
Illinois	\$48
Virginia	\$47
Mississippi	\$46
Tennessee	\$45
Minnesota	\$45
Arizona	\$41
Delaware	\$40
Nevada	\$39
Maryland	\$37
New York	\$33
Texas	\$32
California	\$28
Iowa	\$27
Massachusetts	\$26
New Jersey	\$20
North Carolina	\$19
Ohio	\$16
Indiana	\$11
Pennsylvania	\$3
Washington	\$2

As different parts of Ohio depend on the ability to penetrate different markets, we provide the following Nielsen-based generalized media to expand the buy into key external markets. The proposed spend would effectively generate results similar to what was achieved in 2016 in just Detroit and Pittsburgh. Assumptions are provided below as well, based on what we have been able to surmise from TourismOhio spending.

Assumption:

- 2016 marketing buy budget of \$4.9 million
- 60% spent in state
- Left \$2 million for out of state marketing in 2016
- Effectively penetrated Detroit and Pittsburgh markets in 2016 with \$2 million
- 2016 buy was abbreviated due to the high cost of purchasing media during presidential election
- 2017 buy has been expanded from four weeks to approximately 11 weeks
- 2017 proposed buy continues efforts in in-state markets, Detroit and Pittsburgh, but expands messaging with similar frequency to key markets identified by the travel industry that are currently not being targeted



GREEN → Current Reach OUTER CIRCLE → Proposed Reach

SOURCE: BEA, US Travel Association, Tourism Economics

Recommended TourismOhio Budget Increase

Based on these three methods of analysis, industry business leaders recommend \$27 million to competitively fund TourismOhio.



Travel in Ohio supports business, jobs and tax revenues. It's an economic activity that is growing, with forecasts for continued expansion. Yet, Ohio is losing valuable opportunities and under-

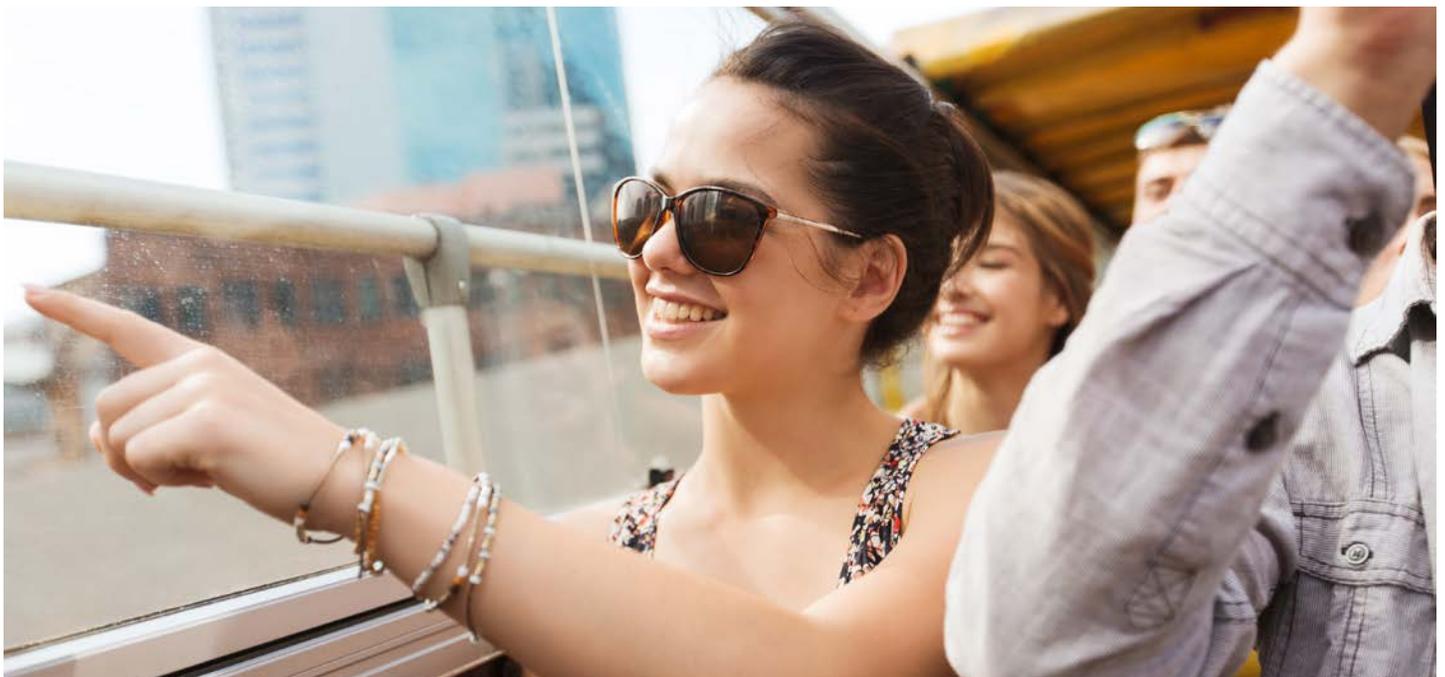
performing in tax revenue collections due to the state's inability to penetrate its primary markets.

Investing in travel promotion has proven to be a revenue generator for the state. Investing at a competitive level by expanding marketing efforts outside Ohio will bring in new dollars, including new tax dollars. TourismOhio strategies are smart and effective. At a recent TourismOhio Advisory Board meeting, the following key learnings were shared from recent research:

- Consumers are aware of the *Ohio. Find it Here* campaign, and it's influencing them to travel to Ohio.
- Television is still the most effective vehicle for building mass awareness and influence.

Several years ago, Longwoods International analyzed potential returns on investment in tax dollars that would result from various levels of TourismOhio spending. At a \$25 million level of funding, estimated new state tax dollars are projected at \$177 million annually, with an estimated \$86 million for local governments in new sales taxes. Overall return on a \$25 million budget would have risen to 10.5:1, yielding 11.3 million visitors that would not otherwise have come to Ohio with an incremental visitor spending of \$3.8 billion.

Telling others about Ohio in order to change perception and inspire visits is a budget solution. Travel spending helps build the stability of the state budget while boosting profitability of other industries as well.





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