The importance of destination promotion to the visitor economy is well-recognized, but destination promotion also acts as a catalyst of economic development in a broader sense. Oxford Economics’ latest research takes a closer look, yielding a more complete picture of this critical function.

Through a combination of case studies, interviews, literature review, and statistical analysis, Oxford Economics finds that destination promotion fuels development across the entire economic spectrum. In addition to generating jobs and tax revenues by attracting visitors, the activities of destination marketing organizations (DMOs) drive broader economic growth by sustaining air service, creating familiarity, attracting decision makers, and improving the quality of life for residents.

In fact, cities and states that prioritize destination promotion, and coordinate these efforts with economic development initiatives, are better positioned to compete for new investments, corporate relocations, and a talented workforce.

**THE STRENGTH OF VISITOR EXPORTS WARRANTS INVESTMENT**

The visitor economy generates exports, drawing dollars into local economies, and has outperformed many of the sectors frequently targeted by economic development agencies (EDAs). Since 1998, hospitality and tourism employment has expanded nearly 10%, while aggregate employment in all other traded clusters shrank 1%. This disparity highlights the relatively strong opportunity that economies can realize through destination promotion.

Statistical analysis confirms broader impacts

**GROWTH IN THE VISITOR ECONOMY DRIVES GROWTH IN OTHER AREAS**

Oxford Economics’ statistical analysis conducted as part of this study covers more than 200 US cities over 20 years and confirms what case studies indicate: destinations with substantial and growing visitor economies tend to outperform their peers. Specifically, Oxford Economics finds through econometric analysis that a 10% increase in a destination’s visitor-related employment (relative to the US average) causes a 1.5% rise in broader employment through catalytic channels.

**Call to action**

**COORDINATE ECONOMIC DEVELOPMENT AND DESTINATION PROMOTION**

Oxford Economics’ interviews with EDA and DMO executives identified key categories of cooperation, revealing powerful synergies between economic development and destination promotion activities. Executives cited air service development, building and promoting a destination brand, and jointly leveraging strategic conferences and trade shows as areas of EDA-DMO cooperation that generate tangible economic returns.

**PRIORITIZE DESTINATION PROMOTION**

Investments in destination marketing and promotion have been shown to consistently generate dividends by attracting group and leisure visitors. However, destination promotion also raises the quality of life, builds transportation networks, raises a place’s profile, and draws economic development decision makers through conventions and trade shows—all fundamentally benefiting economic development. Therefore, destination promotion should be upheld as a vital component of a city’s or state’s economic development strategy.

Download the full study at [www.oxfordeconomics.com/engine](http://www.oxfordeconomics.com/engine)
How Destination Promotion Drives Economic Development

**Attracting Strategic Events**
By securing meetings and conventions, DMOs attract the very prospects that economic development agencies target. Not only do these events create valuable exposure among business decision makers, they create direct opportunities for economic development agencies to deepen connections with attendees.

“Economic clusters and conventions have become synergistic”

**Tom Clark**
Metro Denver Economic Development Corporation

**Building Transport Networks**
By developing the visitor economy, destination promotion supports transportation infrastructure, providing greater accessibility and supply logistics that are important in attracting investment in other sectors.

“Air service is profoundly important to corporate investment and location decisions... This is one of tourism’s most significant contributions since the levels of air service at New Orleans far exceed what local demand could support.”

**Stephen Moret**
Secretary
Louisiana Economic Development

**Raising the Destination Profile**
Destination promotion builds awareness, familiarity, and relationships in commercial, institutional and individual networks that are critical in attracting investment.

“We are learning a lot from Visit California by how they brand California and how to take their model and apply it to economic development.”

**Brook Taylor**
Deputy Director
Governor’s Office of Business and Economic Development (GO-Biz)

**Raising the Quality of Life**
Visitor spending helps support a broader and higher quality set of local amenities than an area could otherwise sustain. The cultural, entertainment, culinary, and retail attractions that visitors support make a place more attractive to investors.

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

**Jeff Malehorn**
President & CEO, World Business Chicago

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