



PROTECT AND SUSTAIN OUR STATEWIDE TOURISM FUNDING

Colorado now ranks among the top five aspirational state destinations for U.S. visitors, just after California, Florida, New York and Hawaii, according to a 2017 study by TravelZoo. To continue building our state's competitive advantage and target high-value travelers who generate strong economic returns, Colorado requires resources to address rising media costs and promotion of visitor experiences in all four corners of our state.

State Tourism Promotion Is a Revenue Generator.

- Travelers to Colorado in 2016 generated more than \$19.7 billion in direct spending. (Source: Dean Runyan & Associates)
- Visitors generated a record-setting \$1.2 billion in state and local taxes in 2016. (Runyan) To replace this revenue would require an additional \$218 in tax payments from each of Colorado's 5.5 million residents.
- The hospitality industry was Colorado's second-largest employer in 2016 (EMSI), with travel spending generating more than 165,000 jobs and earnings of \$5.8 billion. (Runyan)
- With 1.7 percent of the U.S. population, Colorado has 7.7 percent of the nation's tourism jobs. (U.S. Travel Association)
- Tourism is expected to generate more Colorado jobs (12,100) in 2017 than any other industry, including education/health services and construction. (Source: 2017 Colorado Business Economic Outlook – UC-Boulder)

Responsible Tourism Shares the Wealth.

- Colorado tourism professionals are gaining recognition as national leaders for promoting responsible tourism practices. The Colorado Tourism Office (CTO) recently entered into a groundbreaking partnership with the Leave No Trace Center for Outdoor Ethics to encourage the state's 82 million visitors to travel like locals and be active stewards of Colorado's natural resources.
- As part of a new focus on stewardship in the Colorado tourism industry's new strategic plan, called the Colorado Tourism Roadmap, the CTO is encouraging travelers to explore less-visited destinations and travel in less-visited seasons. A dual goal of that initiative is to spread the economic impact of tourism more widely across the state and especially into rural areas.
- The CTO is integrating sustainability concepts into its marketing priorities by working with partners like Volunteers for Outdoor Colorado to promote volunteer opportunities for Colorado travelers. A new online resource called the Colorado Field Guide provides complete multi-day

itineraries for less-visited destinations along with information on how to take part in volunteer opportunities and how to be a good steward when visiting.

- While top Colorado tourism destinations and attractions have promotional budgets allowing them to advertise to potential visitors, many of Colorado's rural communities cannot afford to advertise in national and international markets. They rely on the CTO to promote Colorado as a dream state tourism destination in key markets and then tie into marketing programs offered by the CTO. These include free business listings on Colorado.com, inclusion in stories placed by the CTO's public relations team, distribution of brochures at Colorado Welcome Centers, inclusion in inbound national and international familiarization trips for tour operators and media and the ability to advertise through the CTO's website, social media and inspirational publications at reasonable prices.

The Colorado Tourism Office's National Campaigns Work for Colorado.

- The CTO's award-winning "Come to Life" campaign generates traveler interest for destinations in every corner of our state.
- A new analysis of our state tourism website shows that on average 1 of every 6 visitors to local destination websites originates on Colorado.com, which attracts nearly 10 million visits a year. Colorado.com frequently ranked as Quantcast's top-performing state tourism website during the past two years.
- Colorado's "Come To Life" marketing campaign has significantly increased statewide tourism visitation. In 2016, Colorado marked six consecutive years of record-setting growth. Since the depths of the recession in 2009, the state has posted a 37 percent increase in visitation, more than double the 17 percent growth in travel nationally. (Source: Longwoods)

Colorado Tourism Office Programs Lift the Entire State, especially Small Business and Rural Colorado.

- The CTO makes it a priority to award \$600,000 in statewide Marketing Matching Grants. While grants were shared with 30 recipients in 32 counties during FY17, another 43 grant applicants were denied support due to limited funding. The matching grant program provides a dollar-for-dollar match up to a maximum grant of \$25,000.
- Colorado is the only state with a dedicated fund supporting the promotion and development of agritourism, which is used to develop tourism offerings and generate traveler spending in rural Colorado.
- The CTO operates a \$2.5 million international tourism initiative aimed at attracting travelers who spend far more than the average domestic traveler. In partnership with Brand USA and through relationships with in-country representatives in target markets, the CTO creates ways for Colorado attractions and destinations to take part in international sales missions and trade shows and participate in national promotions.

What Happens When You Don't Invest in Statewide Tourism Marketing?

- In 1993, Colorado became the first state to eliminate its tourism marketing, cutting its \$12 million promotion budget to zero. As a result, Colorado's domestic market share plunged 30% within two years, representing a loss of more than \$1.4 billion in tourism revenue annually.
- Over time, the revenue loss increased to well over \$2 billion yearly. In the important summer resort segment, Colorado dropped from first place among states to 17th. It now ranks 7th.
- In 2015, Colorado finally reached and exceeded the national share of discretionary travelers it held before the complete loss of state tourism spending in 1994. In other words, it took the Colorado tourism industry 21 years to recover from the devastating elimination of the state's tourism promotion budget.
- All but 8.5 percent of the Colorado Tourism Office's \$19.5 million budget is spent on tourism promotion and programs, well below the national average of 10.8 percent.
- Given annual increases in media and other costs, continued flat funding for the Colorado Tourism Office translates to an actual decrease in hard dollars spent on national campaigns and rural programs.

Public vs. Private Investment in Colorado Tourism.

- Each player in Colorado's widespread tourism industry has its own marketing job to do, whether it's a ski resort like Aspen, Vail, Breckenridge, or Steamboat Springs; a city like Denver or Colorado Springs; an attraction, airline, hotel, rental car firm, guest ranch or craft brewery.
- But tourists can stay at a Sheraton or rent a car from Hertz virtually anywhere. For them, the hook is **Colorado**.
- Private funding models for national Colorado tourism campaigns have failed in the past, i.e. the Colorado Travel & Tourism Authority attempted in the early '90s. Despite representing a state with one of the strongest private tourism sectors in the U.S., the new Colorado Travel & Tourism Authority was unable to raise sustainable funding or to coordinate its private sector partners under a marketing umbrella.
- Without the glue of competitive public funds for tourism promotion, the industry cannot coordinate and deliver a clear Colorado message to the traveling public.

Feast or Famine.

- Because of hard work by both the Colorado Tourism Office and tourism partners across the state, Colorado has experienced healthy tourism increases over the past several years. However, in recent history Colorado has also experienced tourism challenges due to uncontrollable factors such as recession, low snow, fires and floods, budget cuts and increased competition.
- Research has shown that it can take years to build a viable tourism product, but just months to lose a tourism season based on the factors above. Many of the tourism destinations recently

devastated by hurricanes are relying on a rebound in tourism as a major economic contributor because tourism is one of the quickest ways to inject spending into an economy.

- A consistent, well planned and motivational Colorado marketing campaign is essential to take advantage of good economic periods and minimize damage during challenging climates.

Tourism Creates Economic Development.

- Recent research conducted by Longwoods International illustrates a strong connection between a dynamic tourism campaign and a “Halo Effect,” significantly improving our state’s image for several economic development objectives.
- In a spring 2017 study, Longwoods found that Colorado’s tourism advertising, especially when combined with a subsequent visit, significantly raised the overall image of Colorado in the following categories: A Good Place to Start a Business, A Good Place to Start a Career, and A Good Place to Retire.
- According to Andy Levine with Forbes, “... while tourism marketing has been shown to generate significant economic impact by driving visitation, these research results demonstrate the potential long-term benefits for broader economic development.”

Tourism is big business, and businesses require investment in order to succeed. The ROI on tourism spending has been proven many times over — we just need the capital and support from our elected officials in Colorado. An investment in state tourism promotion is an investment in Colorado and pays big dividends for the state and our residents.