

Destination marketing

LOBBYING LESSONS STATESIDE

Philip Cooke says with swingeing cuts in government budgets likely this year, the UK must learn from the US destination marketing and business tourism's buying and funding experience.

They say that those who live by the sword die by the sword; and as far as UK tourism is concerned, those who have lived by government funding are now staring into the abyss. Few public-funded agencies will be able to withstand the consequences of the UK recession and the government's £824bn debt mountain.

Tourism agency, VisitBritain, is trying to both capitalise on and prepare for the 2012 London Olympics against a background of a 20 per cent budget cut.

Those who work for the government will make the best of things; those in government will try to justify their actions; and those in opposition and the media will condemn the government for its lack of foresight and industry support.

In the USA, tourism, or 'destination marketing', is less reliant on federal funding, it is largely dependent on local government allocations, and the public and private sectors have come together to fight for the importance of the highly-lucrative conference and meetings sector.

Tourism professionals in the States have always worked much more closely with the private sector and traditionally enjoyed income produced by a range of local taxes, such as the hotel bed tax and the restaurant sales tax.

Scottsdale in Arizona last year experienced a 30 per cent slump in tourism-related business, so the city council is considering a two per cent increase in the local bed tax, which could raise an additional \$5.5m per annum to boost the city's tourism



Stateside associations have lessons for the UK meetings industry in fighting 'negative rhetoric'

development programme.

This locally determined action could never happen in the UK where 'hypothecated', or earmarked, taxation is virtually unheard of and where government revenues are highly centralised and controlled.

Most tourism organisations in America are members of the Destination Marketing Association International (DMAI) which recently joined forces with the US Travel Association to establish a fundraising foundation. A campaign war-chest of \$4m was raised, now being used to finance a nationwide programme of economic impact modelling, political advocacy and a campaign against the 'negative rhetoric'

directed at the industry, after business tourism found itself victimised as both a symptom of, and a scapegoat for, corporate excess.

The foundation recently published another report, 'The Return on Investment of US Business Travel', which concluded that every dollar spent on business travel produces US\$12.50 in incremental value, and that curbing business travel severely damages business efficiency.

Senior negotiating teams from the DMAI and US Travel are taking key messages out to the politicians, including:

- The travel industry is the fifth largest employer in the US with 7.7m workers
- Domestic and international travel is a \$740bn industry producing \$115bn in federal, state and local tax revenues
- Business travel, particularly meetings and events, are core functions that help companies strengthen relationships and educate employees and customers

Those working in the publicly-funded sectors of the UK tourism industry are, nevertheless bracing themselves for difficult times ahead, as they are increasingly decoupled from influence and funding at all levels of government.

So, perhaps now would be a good time for the UK to look more closely at US public/private sector partnership models and organise a unified industry-wide response in defence of the UK tourism industry?

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