



**Tourism Marketing Promotion Fund**  
**House Committee on Commerce and Economic Development**

Amy Spear, Vice President of Tourism  
March 11, 2021

The Vermont Chamber represents thousands of members throughout Vermont with half of our membership in the tourism and hospitality industry; the vast majority of our members are small businesses with less than 50 employees. As a conduit to the tourism and hospitality industry, we maintain an informed perspective through routine engagement with our members.

Vermont's local businesses and experiences make of the state's brand, and the Vermont Department of Tourism and Marketing (VDTM) brings together the shared values and experiences within Vermont's communities to tell Vermont's story with a unified voice. This top of the funnel destination marketing capitalizes on distinct local characteristics and iconic experiences which define towns and regions. The tourism industry is the heartbeat of the Vermont brand, making visitors feel at home and sharing the Vermont experience and values we enjoy every day.

Destination marketing is most successful with repetition of message, reaching potential visitors at multiple touchpoints. With greater reach, VDTM will be able to better serve, promote, and engage organizations and communities.

Brick and mortar tourism businesses are selling something tangible. It is relatively easy to assign return on investment to transactional based marketing tactics. VDTM is not selling a tangible product or deploying transaction-based campaigns, but rather the idea of Vermont. VDTM's top of the funnel brand awareness marketing is crucial to the Vermont travel economy. Without these marketing tactics, Vermont's voice will be muted in a crowded marketplace.

There are a number of metrics that can be used to determine the effectiveness of earned, owned, or paid marketing tactics, all of which are deployed by VDTM. As marketing tactics are developed, key performance indicators (KPIs) are established such as impressions, desired actions, time on site, click through rates, and engagement. And while it may be difficult to identify a short-term return on investment, there is no denying the positive impact that Vermont's tourism and hospitality industry has on the economy.

Investing in tourism can have a positive economic impact. Conversely, not investing tourism can have adverse economic effects. The U.S. Travel Association publication, "[The Power of Travel Promotion: What Destination Marketing Means to Communities Nationwide](#)" provides several case studies which can be applied to Vermont. Like Vermont, Pennsylvania's investment in destination marketing decreased resulting in slower growth compared to their competitive set, loss in market share, and loss in potential tax revenues. Over the last 5 years, Vermont has lost market share to other New England states ([U.S. Travel Association](#)).

Investing in tourism promotion not only generates tax revenues and creates jobs, but it also provides an opportunity to expand the reach and visibility of Vermont's rural communities and small businesses. The tourism and hospitality industry is an incredible economic asset for the state of Vermont. Due to the necessary public health response to the pandemic, the industry has been devastated and has suffered disproportionately compared to other sectors in Vermont.

As we imagine emerging from the pandemic, marketing Vermont as a destination and welcoming guests will be critically important. Vermont will need to tell visitors that we are “open for business” and we will need resources to do that in a crowded marketplace. Years of level funding have put Vermont’s destination marketing at a disadvantage. Competing in a global marketplace and with neighboring states, Vermont is consistently outspent.

The tourism and hospitality sector ranks second to manufacturing in Vermont’s GDP. Looking at the national picture, Vermont ranks third in the nation for states that are most reliant on a strong travel and tourism sector.

Rank	State	GDP from Tourism
1	Nevada	16.46%
2	Hawaii	10.24%
<b>3</b>	<b>Vermont</b>	<b>6.49%</b>
4	Florida	6.13%
5	Tennessee	5.68%
6	Maine	5.53%

*Source: Bureau of Economic Analysis, 2018*

The tourism and hospitality sector is in a crisis moment. The proposed mechanisms to establish a Tourism Promotion Fund acknowledge the importance of the sector and are a conservative approach that would put in place the tools to position the industry for a successful long-term recovery. If we do not invest in Vermont tourism, the voice of our small businesses and rural communities will be muted. We will fail to compete in a global marketplace, we will lose ground, and Vermont will be left behind while others recover.