



Briefing Report

Impact of Tourism Marketing Authority

Legislative Auditor Conclusion: Washington's new Tourism Marketing Authority is developing a statewide marketing program.

Once it identifies specific marketing strategies, JLARC staff can identify options for evaluating the Authority's impact.

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Legislature created Tourism Marketing Authority and directed JLARC to assess the Authority's impact on the tourism industry and economic development.



Tourism Marketing Authority directed to promote statewide tourism

Voluntary board

- 9 industry representatives and 4 legislators.
- Department of Commerce provides legal and administrative support.

Funding can total \$4.5 million per fiscal year





In Washington, local governments spend more on tourism marketing

\$4.5
million

Authority

- Sales tax revenue
- Matching funds

\$21.5 million

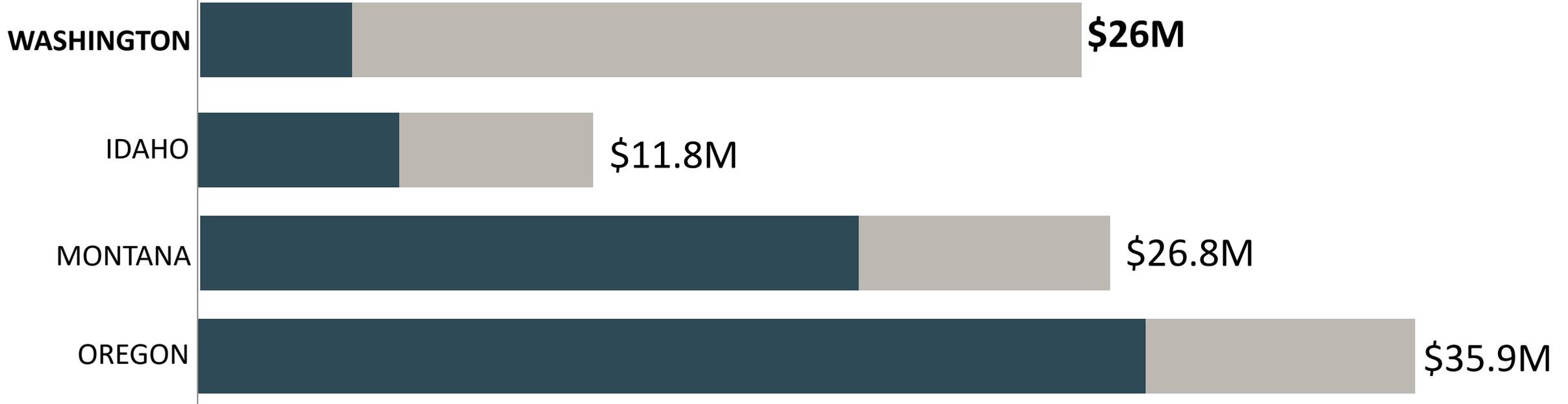
Local/regional tourism marketing

- Lodging tax revenue
- Managed locally

Source: Calendar year 2018 lodging tax.

Neighboring states report different funding approaches

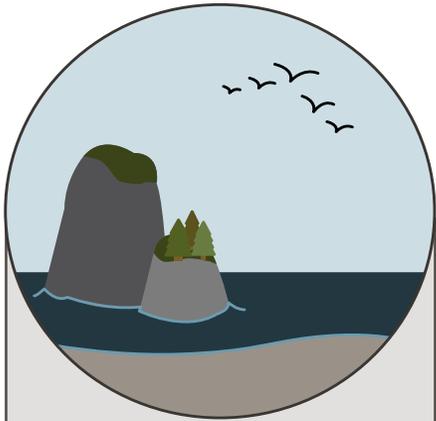
State Office | Regional/Local



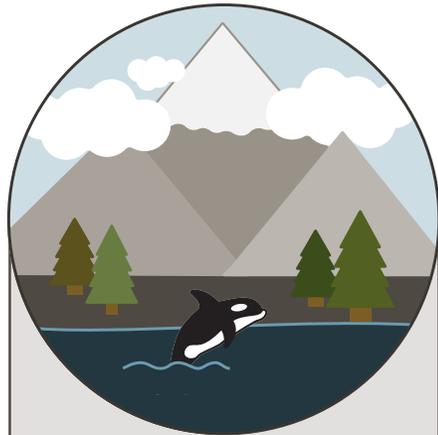
Source: Calendar year 2018 lodging tax data from each state and Washington's lodging tax and state sales tax and matching fund data.

Law specifies five focus areas for statewide tourism marketing

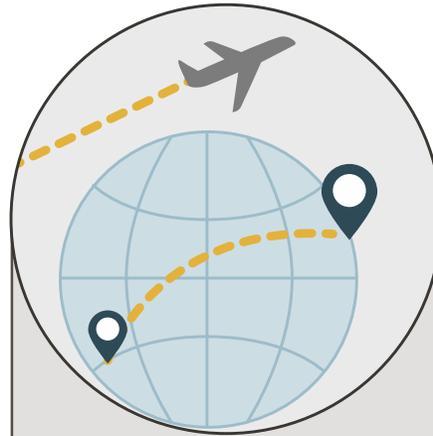
RCW 43.384.050



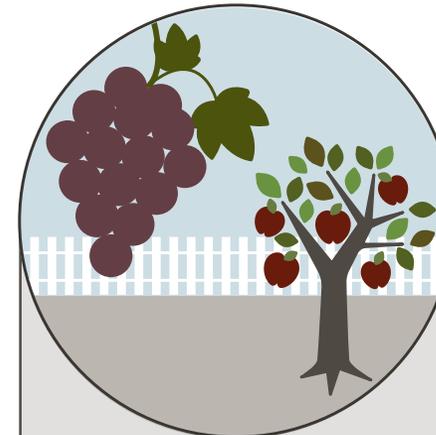
Rural
tourism-dependent
counties



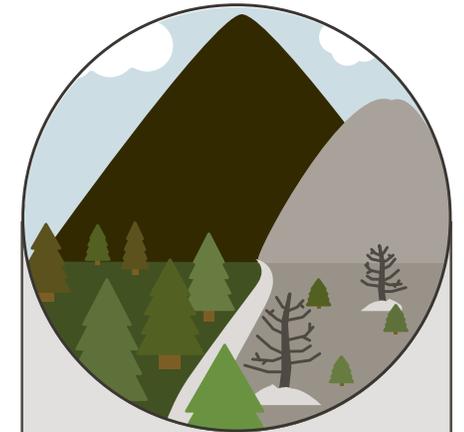
Natural wonders and
outdoor recreation
opportunities



Attraction of
international
tourists



Identification of
local offerings for
tourists



Assistance for
tourism areas
adversely affected
by natural disasters



Washington Tourism Alliance is developing a marketing plan

The Authority contracted with WTA in December 2018.



Authority and WTA:

- Identified areas of emphasis such as travel trade development and consumer marketing.
- Have not yet identified specific marketing strategies.

Contract requires WTA to identify the metrics it will use to assess its marketing strategies in March 2020.



**Study
design
options
originally
planned for
this briefing**

Authority continues to develop marketing plan and identify detailed strategies and metrics.



If Authority develops strategies & metrics by early 2020, JLARC staff can provide study options in December 2020.



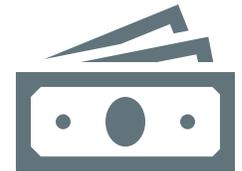
Study options for the Legislature to consider will include estimates of cost and time.

Study must measure the extent to which the Authority's marketing efforts:

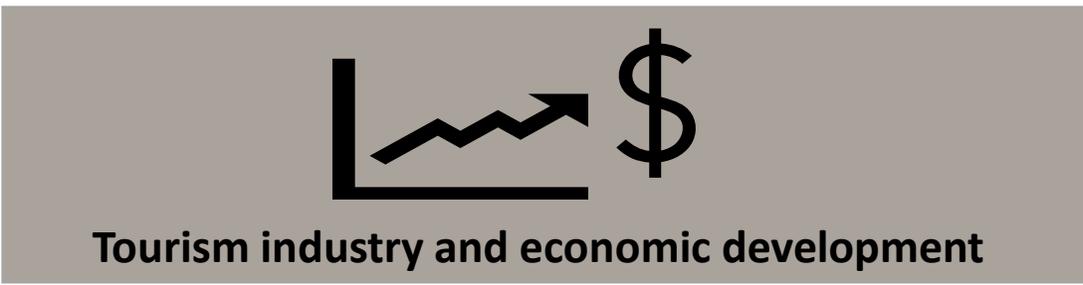
Authority's marketing



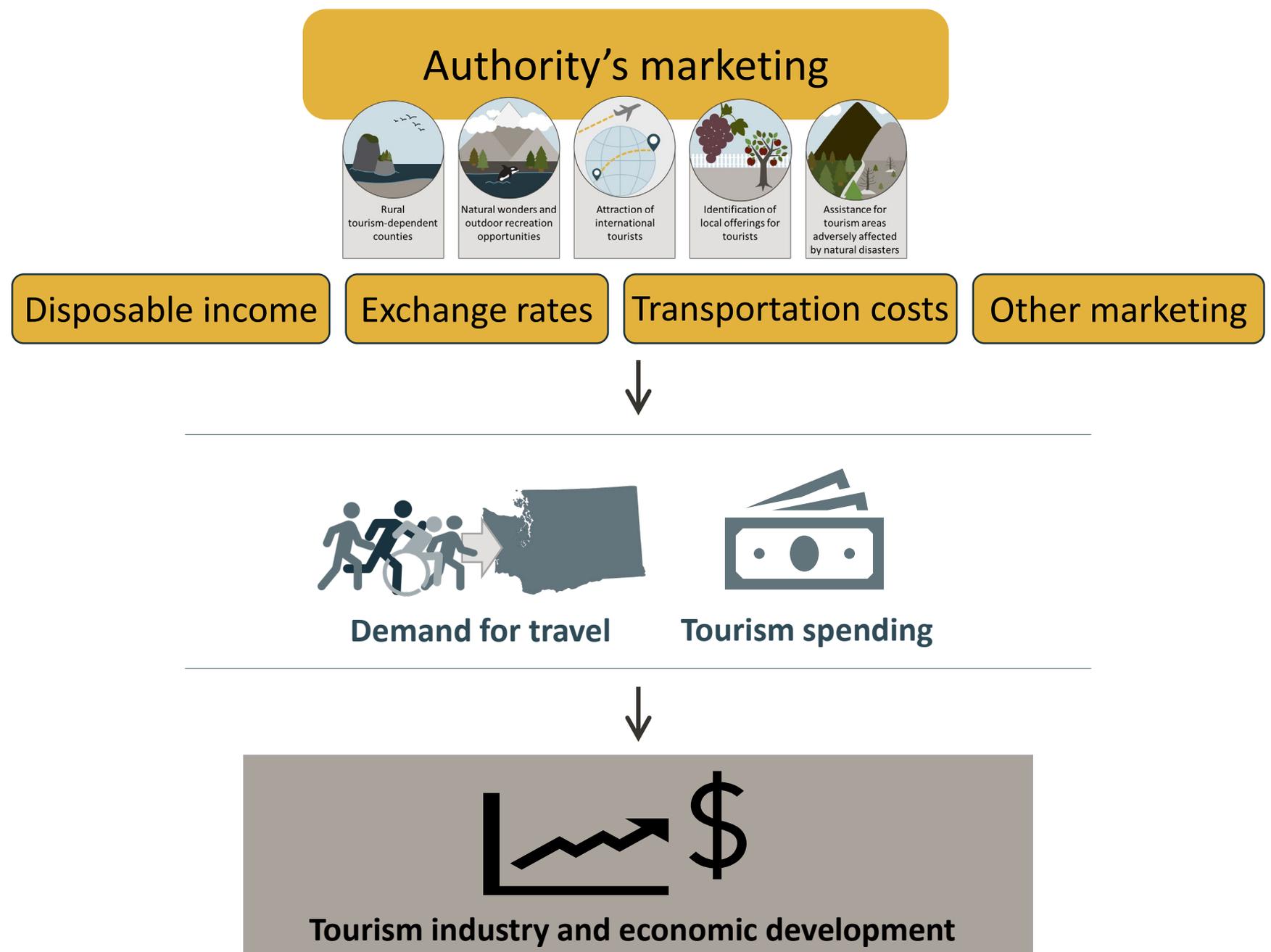
Demand for travel



Tourism spending

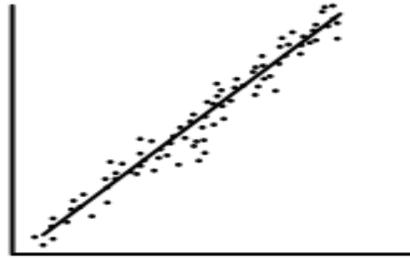


**Study
must control
for other
factors
that affect
travel and
tourism
spending**

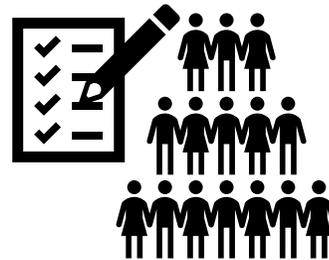


Economist identified a few potential study design options

Econometric methods can estimate the quantitative relationship between different factors.



Conversion studies can estimate whether (how) marketing efforts influence traveler behavior.





Authority can keep the Legislature informed about progress on its strategies and data collection

Program metrics track implementation and measure consumer interactions.

- Website impressions, traveler awareness.

Destination metrics extend program metrics into outcomes.

- Occupancy rates, total visitor spending, sales tax revenue.

JLARC staff will share the consultant's report with the Authority.



Next Steps

Second Briefing Report | December 2020

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