

Question #8

In the fiscal year 2013 budget, I allocated \$3 million additional dollars to your budget. What kind of measurements have you used to determine the marginal benefit of these additional dollars?

We will be using similar metrics to the 2010 study in our ROI study of the \$3 million allocation; however, the study won't be complete until after the fiscal year ends. The results of that study are below.

Based on the 2010 ROI Study:

- 2009: \$1.2 million in media generated an incremental \$58.8 million in visitor spending, \$1.6 million in hotel tax, 38,000 hotel room nights (1% of all room nights May-Sept)
- 2009 Forecast: \$3 million of media would generate an incremental 231,535 visitors, 94,455 hotel rooms and \$144 million in visitor spending (and \$4 million in hotel tax)
- Summer "Create Your Own Power Trip" Campaign in 2010: \$1.4 million invested, ROI of \$36:1 in total spending, taxes generated for DC were \$3.6 million (2.5 the amount spent)
- Data for 2008-2009-2010:
 - ROI down in 2010 compared to 2008 and 2009
 - Visitor spend down in 2010 compared to 2008 and 2009
 - Data for 2013 campaign is difficult to predict due to the change in the economic climate

ROI FORECAST

If Destination DC (again) invests \$1.2 million in media investment, the campaign is estimated to generate \$58.8 million in visitor spending and \$4.1 million in General Fund revenue.

*Source: 2009 destination marketing effectiveness study conducted by
Destination Analysts for Destination DC and the Office of the Chief Financial Officer*

Media Investment	Visitors ¹	Incremental Hotel Rooms ²	Visitor Spending ³	Jobs Supported ⁴	Total General Fund Revenue ⁵	Forecast	
						Hotel Tax ⁶	May-Sept Hotel Occupancy ⁷
\$1.2 million	92,614	37,782	\$58.8 million	392	\$4.1 million	\$1.6 million	77.1%
\$6 million	463,070	188,910	\$288 million	1,962	\$20.4 million	\$8.0 million	80.7%
\$10 million	771,783	314,850	\$480 million	3,270	\$34.0 million	\$13.3 million	83.7%
							75.8%

Source: estimations based on 2009 destination marketing ROI study

*¹Visitors based on 92,614 visitors generated with \$1.2 million media investment
²Incremental Hotel Rooms based on 37,782 generated with \$1.2 million media investment*

*³Spending based on \$58.8 million generated with \$1.2 million media investment
⁴Every 236 visitors supports one new job*

⁵Based on 3:4:1 total tax ROI

*⁶Hotel tax based on \$11 million hotel spend generated with \$1.2 media investment;
hotel taxes are included in Total General Fund Revenue figure*

*⁷Hotel occupancy based on 38,000 incremental rooms generated with \$1.2 media investment assuming base level demand of 3.2 million rooms (May-Sept 2009 actual room demand) and 4.2 million room supply (Source: Smith Travel Research);
for annual, assuming 7.1 million room demand and 9.8 million room supply*



1. **How many additional room nights are attributable to this new funding?**

- 37,782 incremental room nights for \$1.2 million in 2009, forecast of 92,614 incremental visitors for \$3 million

2. **How many additional trips are attributable to this new funding?**

- 92,614 incremental visitors for \$1.2 million in 2009, forecast of 231,535 incremental visitors for \$3 million