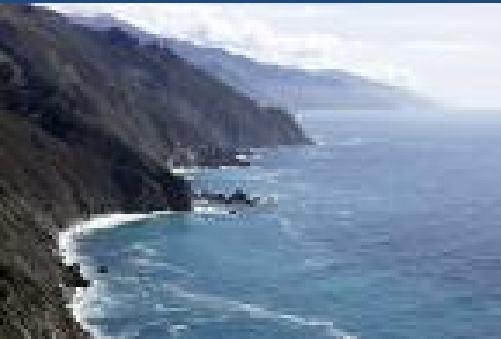


# Mendocino County's Travel Industry

An Overview of Economic Benefits



# The Size and Scope of the Travel Industry

- Overall Benefits of the Travel Industry
- California Travel Industry
- Mendocino County Travel Industry
- Travel Industry Challenges



# The Iceberg Effect

- Those industries that are part of the direct tourism sector represent the impact that is visible, i.e., above the surface of the water.

- \* But below the surface, traveler spending generates wages, employment, and taxes in a host of supporting industries.

Although these are not seen, they are critical to understanding the full economic impact of tourism in Mendocino





# The Benefits of the Travel Industry

- **Tourism is one of the most effective ways of redistributing wealth.**
  - brings income into a community that would otherwise not be earned.
- **“Tourist Dollar”**
  - a new dollar injected into the local economy. A percentage of this new dollar is spent in the community by the recipient and this dollar is spent and re-spent creating a multiplier effect.



# The Benefits of the Travel Industry

- **Economic Benefits**

- 1. Increased spending**

- Relates to the tourism dollar and its ripple effect within the community.
- Generates tax revenue every time tourism dollar is spent.

- 2. Economic diversification**

- makes the local economy less reliant on a traditional industries such as agriculture, fishing and timber.
- Provides “insurance” against hard economic times.
- Particularly significant for regional rural communities as they tend not to have wide variety of industries to rely on.





# The Benefits of the Travel Industry

- **Business and Employment Benefits**

## 1. Employment

- Travel industry is labor intensive creating many job opportunities, especially for young people.
- Provides a “way in” for prospective residents.

## 2. Business benefits

- Tourism creates opportunities for growth of existing business and new business which would not otherwise be justified solely on the resident population.





# The Benefits of the Travel Industry

- **Social benefits**

1. Generates identity and pride within a community encouraging preservation of traditions and identity.
2. New ideas are generated through interaction with visitors.
3. Increases relocation for those in search of a better quality of life further enhancing our community.

- **Environmental benefits**

1. Tourism, particularly ecotourism, can place a greater focus on the conservation of natural resources through the recognition of their importance to visitor experiences and their economic value to the local community.





# California Travel Industry

- The Travel Industry is one of the state's largest industries (2006)
  - Revenues \$93.8B
  - Taxes \$2.1B
  - Employment 928,700

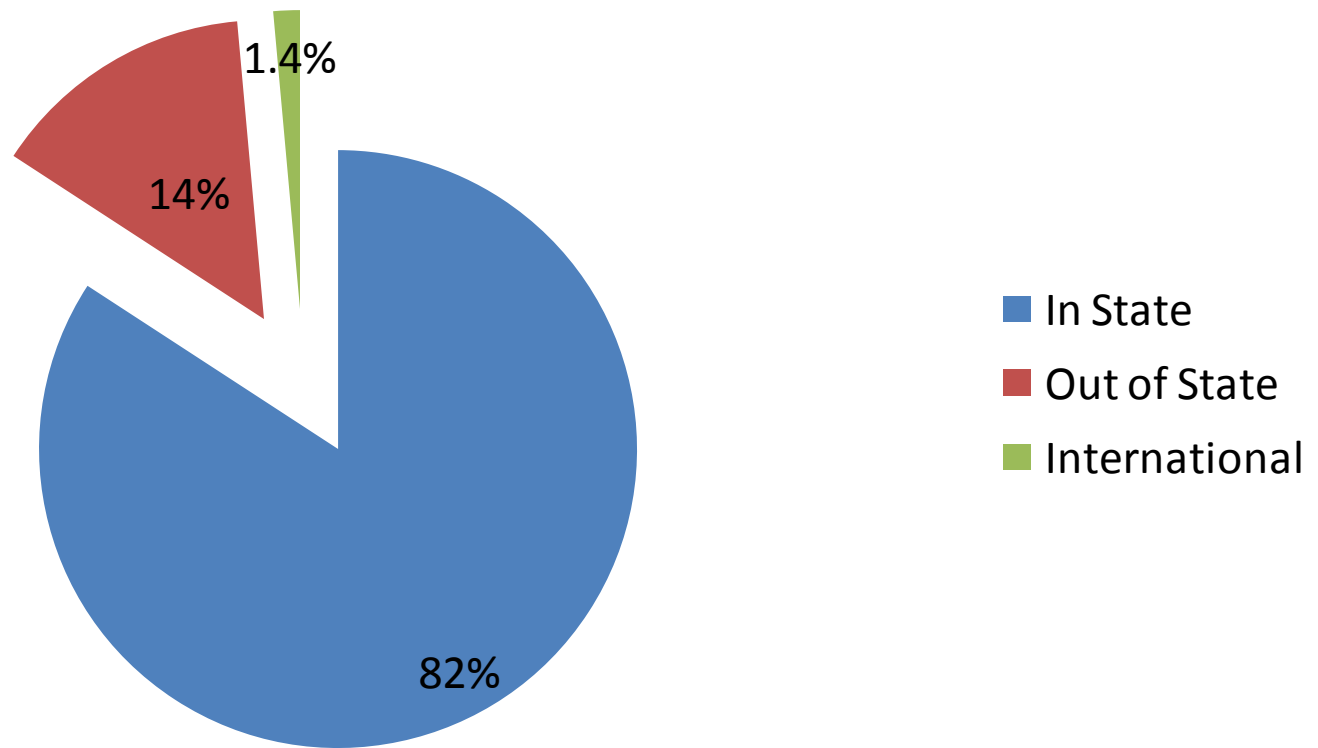
Increased promotional budget from \$7M to \$50M

ROI of 29:1



# California Travel Industry

365m Visitors



NOTE: In-State and Out-of-State reported in person-stays; International in visits.

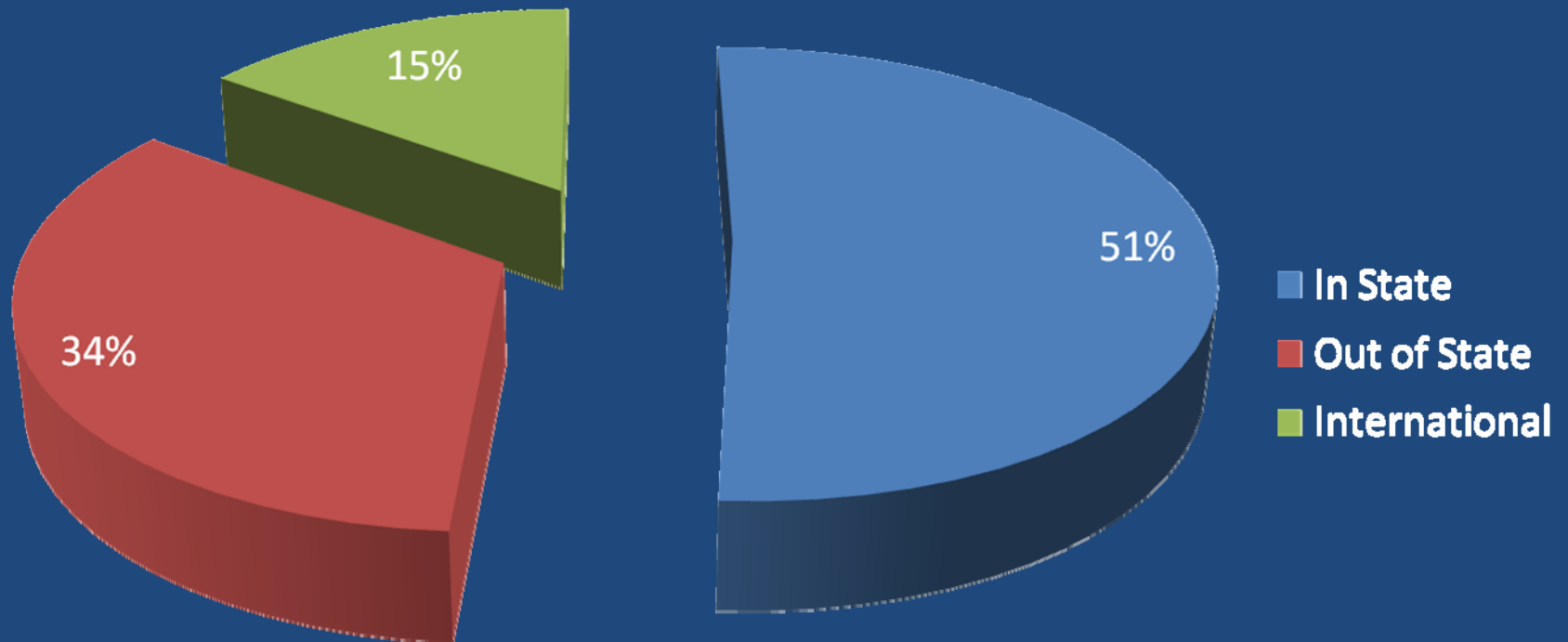
Source: D. K. Shifflet & Associates Ltd. *DIRECTIONS® DESTINATION PERFORMANCE/Monitor*<sup>SM</sup> CIC Research; California Tourism Research





# California Travel Industry

**\$93.8B Spending**



NOTE: In-State and Out-of-State reported in person-stays; International in visits.

Source: D. K. Shifflet & Associates Ltd. *DIRECTIONS® DESTINATION PERFORMANCE/Monitor*<sup>SM</sup> CIC Research; California Tourism Research





# The Importance of the Travel Industry to Mendocino County

- Creating jobs and business growth
- Creating tax revenues
- Contributing to sustainable development



# Mendocino County Travel Spending

- Currently \$307M in Travel spending generated within Mendocino County (Above the surface of the iceberg)
  - Does not include secondary impacts of spending (below the surface of the iceberg)
- 5,490 jobs generated by Mendocino's travel industry
- Approximately \$7m in local taxes (T.O.T. and Sales tax) generated within Mendocino County

Source: Dean Runyan & Associates





# Mendocino County Travel Spending

Item	Spending
Accommodations	\$70.9M
Food & Beverage Service	\$86.1M
Food Stores	\$16.5M
Transportation & Fuel	\$33.8M
Arts, Entertainment & Recreation	\$50.5M
Retail Sales	\$48.9M
Total	\$306.6M

Source: Dean Runyan & Associates





# Mendocino County Employment

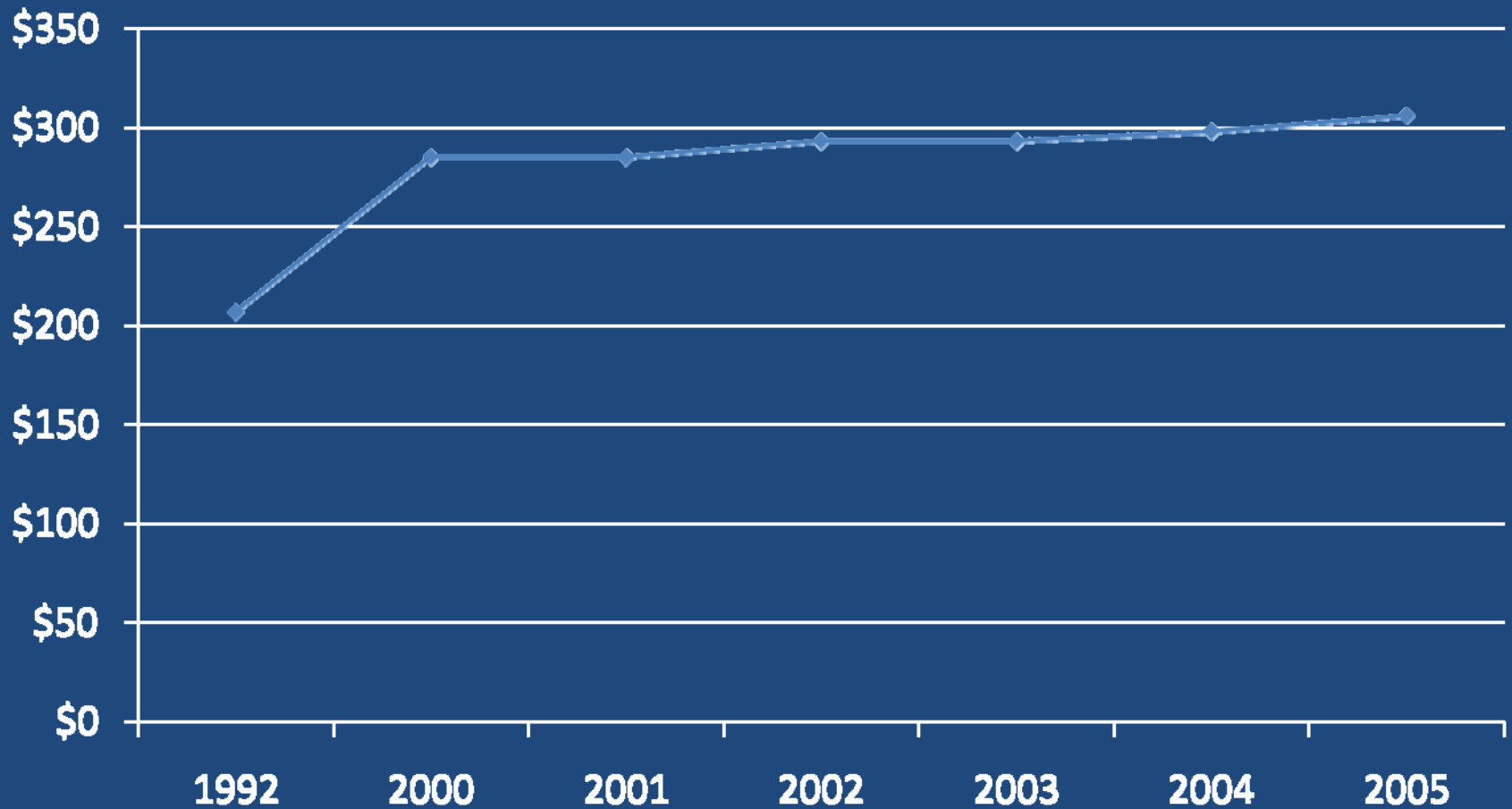
	Employment
Accommodations & Food Service	3,130
Arts Entertainment & Recreation	1,950
Retail	390
Other	20
Total	5,490

Source: Dean Runyan & Associates





# Travel Spending Trend

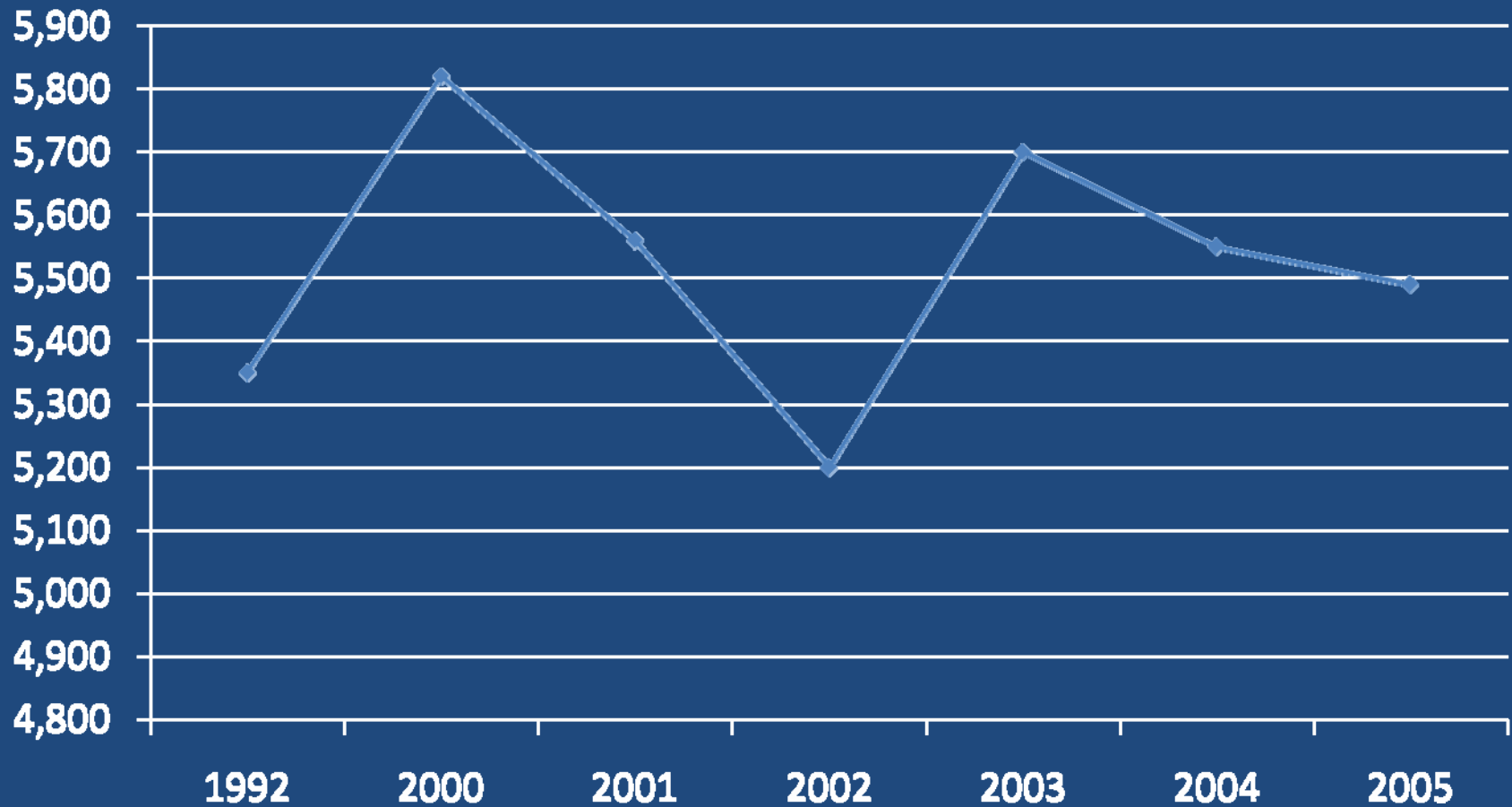


Source: Dean Runyan & Associates





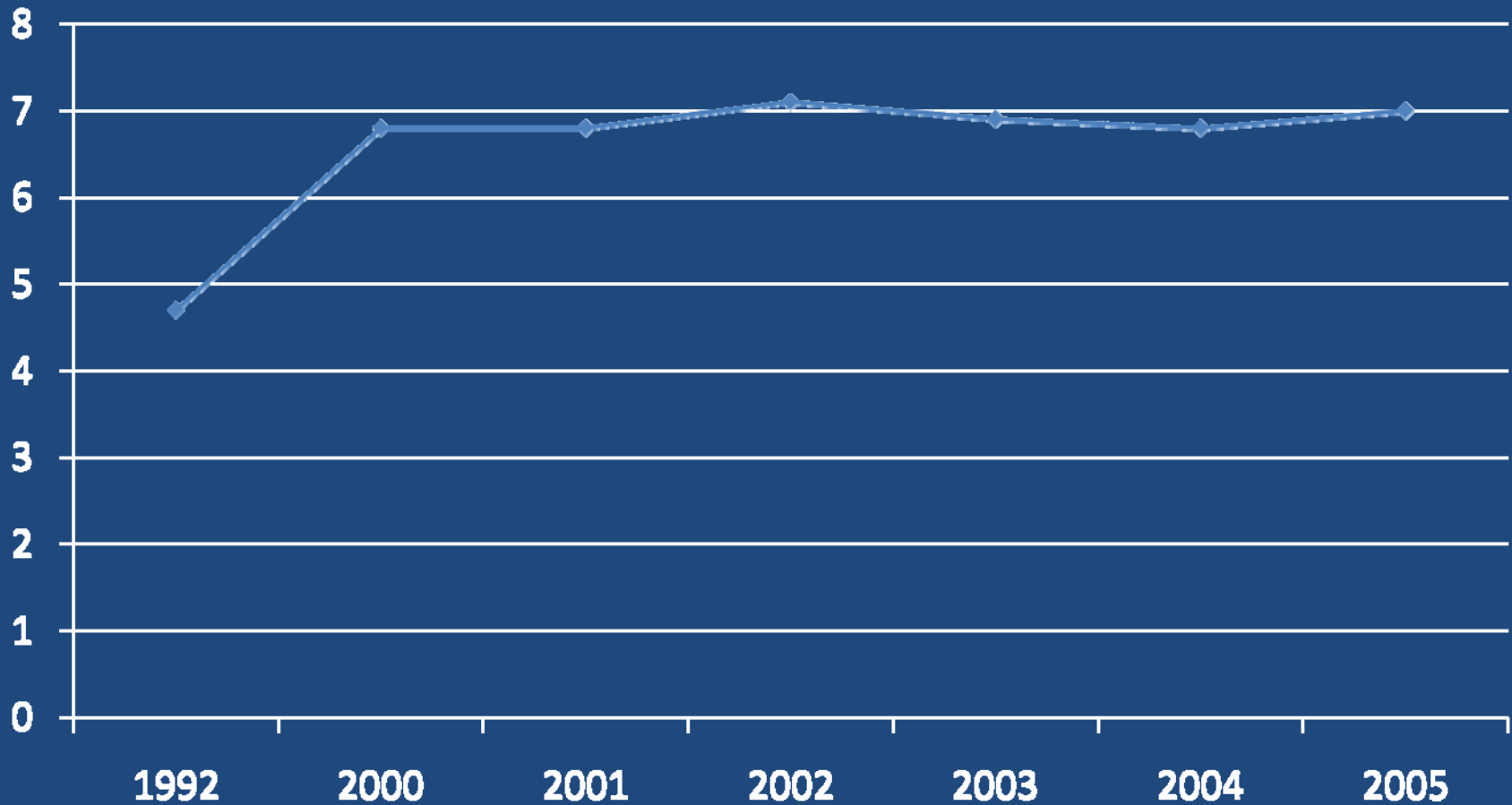
# Employment Trend



Source: Dean Runyan & Associates



# Local Tax Trend



Source: Dean Runyan & Associates



# Mendocino County Promotion

- Mendocino County Promotional Alliance (MCPA)
- Mendocino County Lodging Association (MCLA)
- Mendocino Winegrape and Wine Commission (MWWC)
- Arts Council of Mendocino County
- Chambers of Commerce & City Promotional Groups
- Partnerships



# Mendocino County Achievements

- Lodging BID & Wine Commission
- Joint Marketing Committee
- New public relations campaign
- New advertising campaign including a brand
- New sales campaign including travel shows
- State and Regional Partnerships
- Nature Tourism Coalition
- All within the past 2 years!
- 8% Increase of TOT 2007 v. 2006



# Samples of Promotional Efforts



**Modern Bride**

inspired by

**Beyond Napa**

California's most famous wine region is just the start of the story. But don't overlook the other equally important pieces of the puzzle.

**MENDOCINO**

**Why we love it**

It's got red wine and red hills. This always sounds like a recipe for disaster, but in Mendocino, it's a beautiful reality. The wine country is just one of the many reasons to love this region. The other reasons are the stunning views, the friendly people, and the incredible food. Mendocino is a place where you can enjoy the best of both worlds.

**How to enjoy it**

There are many ways to enjoy Mendocino. You can visit the wineries, explore the vineyards, or simply enjoy the view. Mendocino is a place where you can find everything you need for a perfect getaway.

**Where to visit**

Mendocino is a beautiful region with many things to see and do. From the wine country to the red hills, there is something for everyone. Mendocino is a place where you can find everything you need for a perfect getaway.





# Looking Ahead for Mendocino County Promotion

- Establishing a National Heritage Area
- Updated Fulfillment Pieces
- Comprehensive Visitor Market Research
- 3-5 Year County-wide Marketing Plan
- Agritourism Development
- Develop a county-wide visitor service program
- Further development of Brand and Sales Effort
- Improved Signage throughout the County



# Travel Industry Challenges

- Economy
- Competition
- Funding



# Economic Challenges

- Economic slowdown nationally and within California
- Subprime issues impacts within the state including real estate and home equity value
- California budget shortfall



# Competitive Challenges

- Increased competition from wine areas (Napa & Sonoma)
- Increased competition from coastal areas including Monterey, San Luis Obispo, and Santa Barbara
- Improved recreational choices closer to population bases ( i.e. Lake Tahoe)
- Location/Accessibility



# Travel Industry Funding

- Need to maintain tourism funding in the short term (BID) and identify ways to increase funding in the long term (grants & special projects)



# Summary

- Mendocino County benefits from its travel industry
  - Economic
  - Business and Employment
  - Social and Environmental
- We now have the promotion infrastructure
- We now have a viable funding mechanism
- There are challenges confronting our tourism efforts
- A clear need to continue and increase our efforts

Thank You

