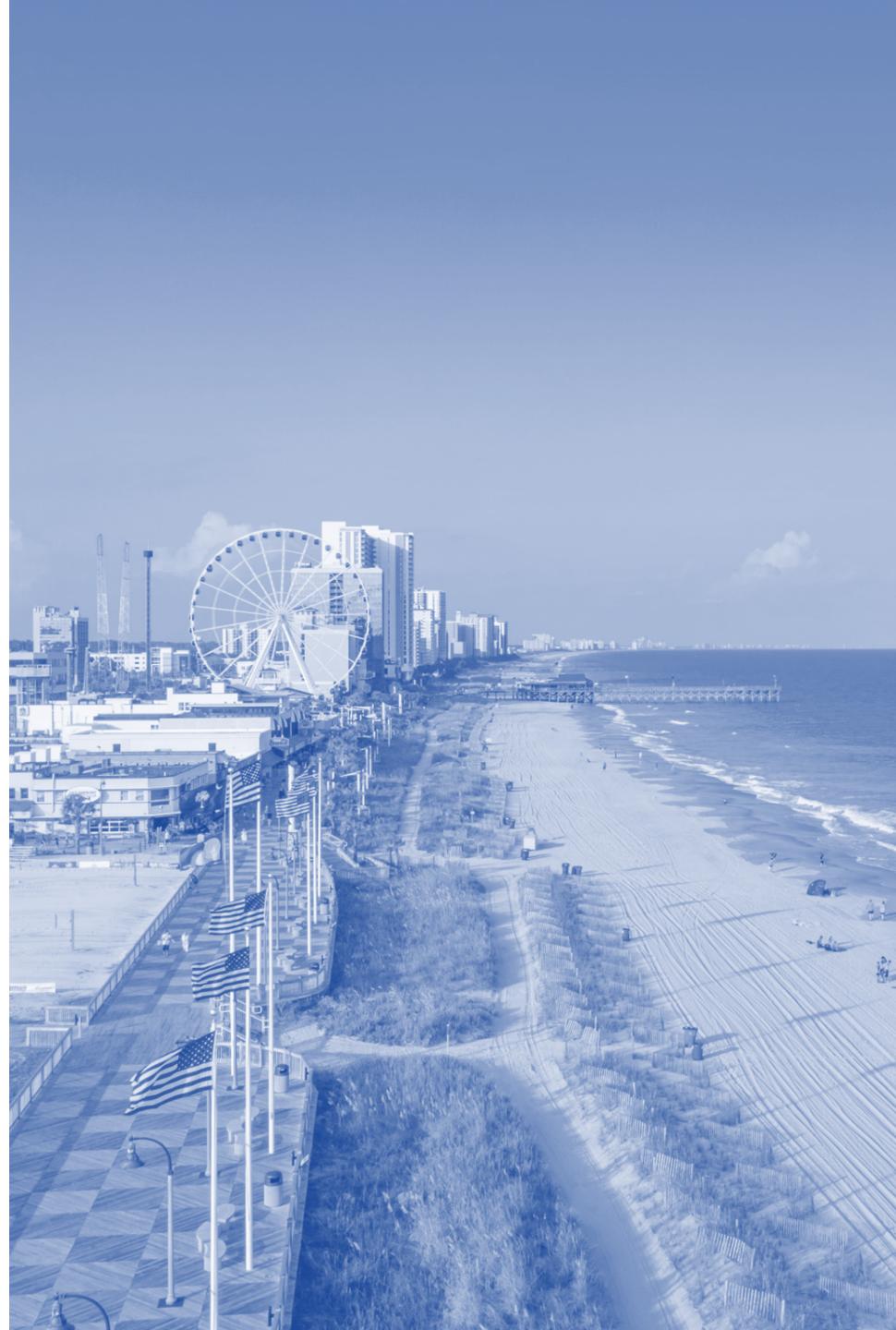


The Economic Impact of Visit Myrtle Beach

PREPARED FOR:



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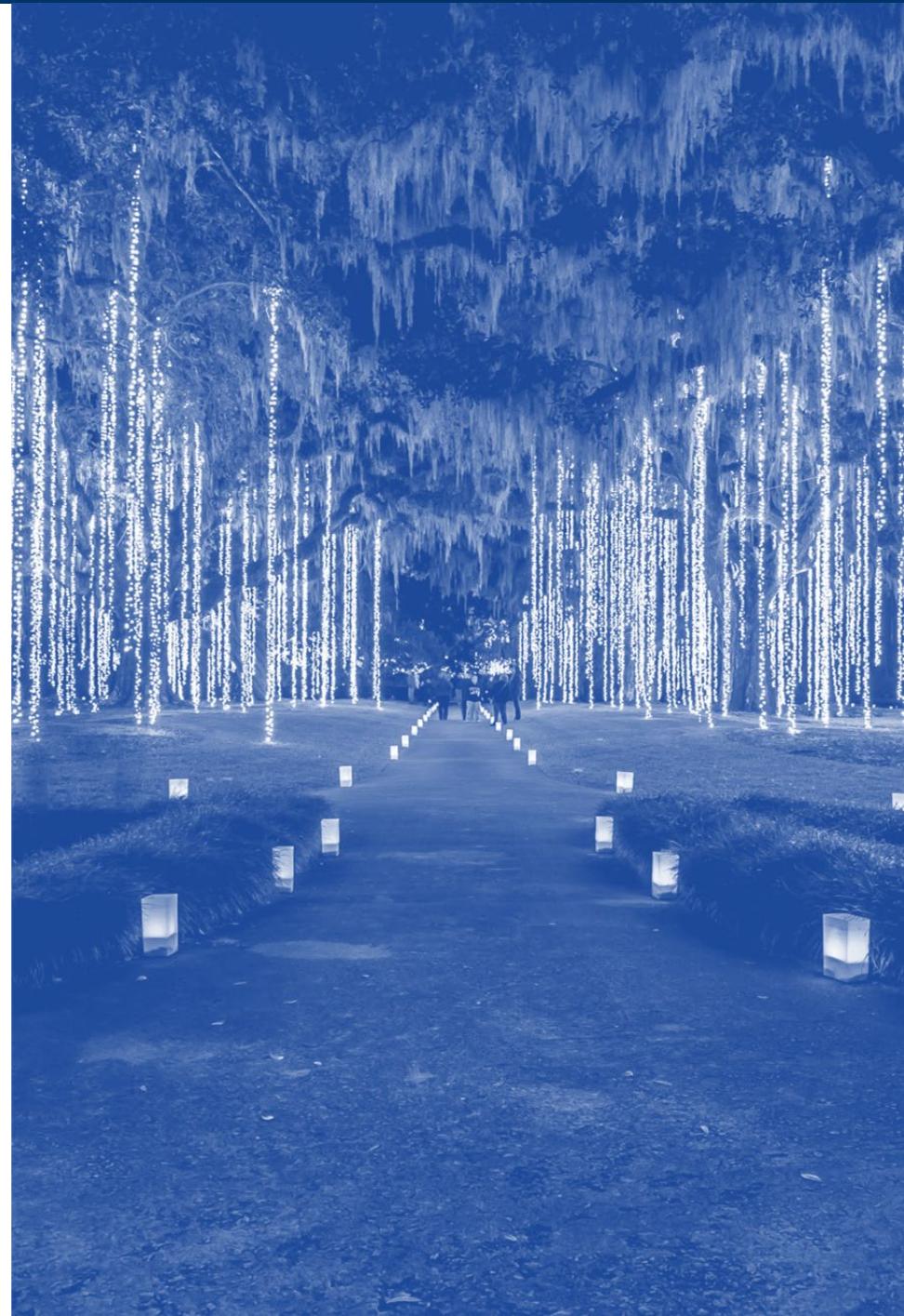


INTRODUCTION

In 2018, the Grand Strand hosted 20.4 million non-local visitors who spent \$4.5 billion in the area. This spending made a major impact on the local economy, supporting \$445 million in state and local tax revenue and 43,900 jobs. The Myrtle Beach Area Convention & Visitors Bureau (“Visit Myrtle Beach”) supports tourism and its associated economic impact through a number of complementary channels including: booking group sales, operating VisitMyrtleBeach.com, generating earned media, managing paid media campaigns, and making important connections at tradeshows and on sales missions.

This report provides a comprehensive overview of Visit Myrtle Beach’s effort and its impact on the Myrtle Beach area economy.

Before the COVID-19 crisis, the Myrtle Beach area was hosting a record number of visitors and experiencing a fast rate of growth in tourism spending. Continued support of Visit Myrtle Beach will help revive these trends in the future and ensure that the city’s tourism sector reaches its full potential after the crisis has passed.



CONTENTS

• REPORT HIGHLIGHTS	9
• KEY ECONOMIC CONCEPTS	9
• KEY TRENDS	13
• VISIT MYRTLE BEACH'S CHANNELS OF IMPACT	19
• VISIT MYRTLE BEACH'S INFLUENCED SPENDING	26
• VISIT MYRTLE BEACH'S ECONOMIC IMPACT	30
• VISIT MYRTLE BEACH FUNDING SCENARIOS	41
• FIGURES IN CONTEXT	48
• APPENDIX 1: THE ECONOMIC RATIONAL FOR DESTINATION MARKETING	53
• APPENDIX 2: THE ROI OF DESTINATION MARKETING	64



STUDY OVERVIEW

Visit Myrtle Beach engaged Tourism Economics ("we") to 1) conduct an independent analysis of the organization's current marketing and promotion efforts and 2) estimate the economic impact of Visit Myrtle Beach's efforts on the Grand Strand economy.

The analysis consists of seven main parts:

1. An overview of the study's key findings;
2. An explanation of economic concepts used in this report;
3. A review of key trends in the local tourism sector;
4. An examination of Visit Myrtle Beach's current tourism promotion efforts;
5. An analysis of spending influenced by Visit Myrtle Beach;
6. A calculation of the economic impact of Visit Myrtle Beach's efforts; and
7. A review of what these figures represent in context of the local visitor economy.

An appendix provides a meta-analysis of destination marketing return on investment.



ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destinations work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:

info@tourismeconomics.com

REPORT HIGHLIGHTS

VISIT MYRTLE BEACH IMPACT

Impressions, visitor spending, and fiscal impacts



POSITIVE IMPRESSIONS

Visit Myrtle Beach made 1.9 billion digital impressions in 2019.

VISITOR SPENDING GROWTH

Visitor spending in Horry County increased 62% from 2009 to 2018, much faster than spending in Hilton Head (55%).

VISIT MYRTLE BEACH INFLUENCED SPENDING

Visit Myrtle Beach influenced spending supported \$1.0 billion in business sales.

MUNICIPAL REVENUE SUPPORTED

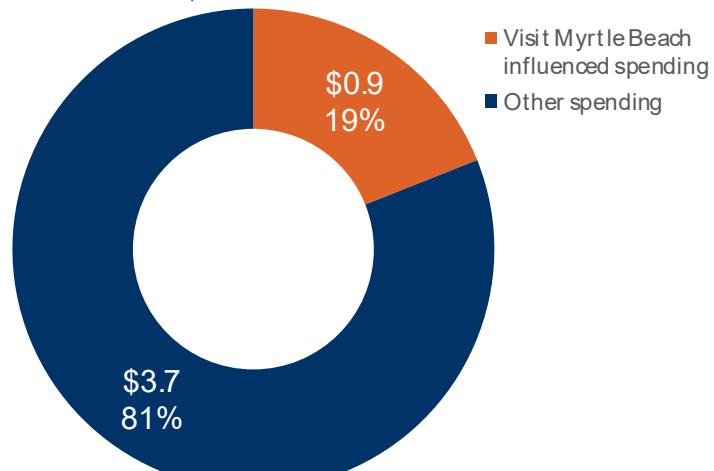
Visit Myrtle Beach influenced spending supported \$145 million in state and local tax revenue.

REPORT HIGHLIGHTS

Visit Myrtle Beach influenced \$862 million in visitor spending, and provides an ROI of 3-to-1 for local government and a 7-to-1 ROI for local income.

Visit Myrtle Beach influenced visitor spending channels

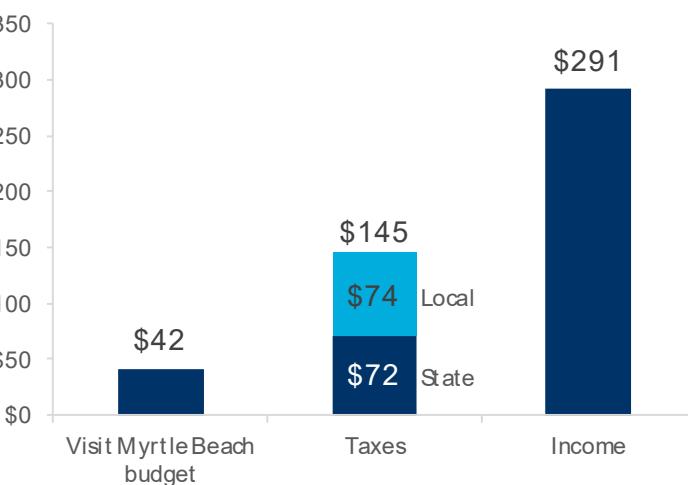
Dollars, million and percent of total



*Note this compares 2018 Horry County spending to 2019 Visit Myrtle Beach influence spending
Sources: Tourism Economics; US Travel

Key metrics on Visit Myrtle Beach's impact

Dollars, millions



Sources: Visit Myrtle Beach; Tourism Economics

KEY ECONOMIC CONCEPTS



ECONOMIC IMPACTS

How visitor spending generates employment and income

This analysis of Visit Myrtle Beach's impact on Horry County's economy starts with actual spending by visitors and also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of Visit Myrtle Beach influenced spending in Horry County, we input tourism spending into a I-O (input-output) model of Horry County's economy. This model calculates three distinct types of impact: direct, indirect, and induced.

1. **Direct Impacts:** Visitors create direct economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated whether directly or indirectly by visitors, spend those wages in the local economy.

ECONOMIC IMPACTS

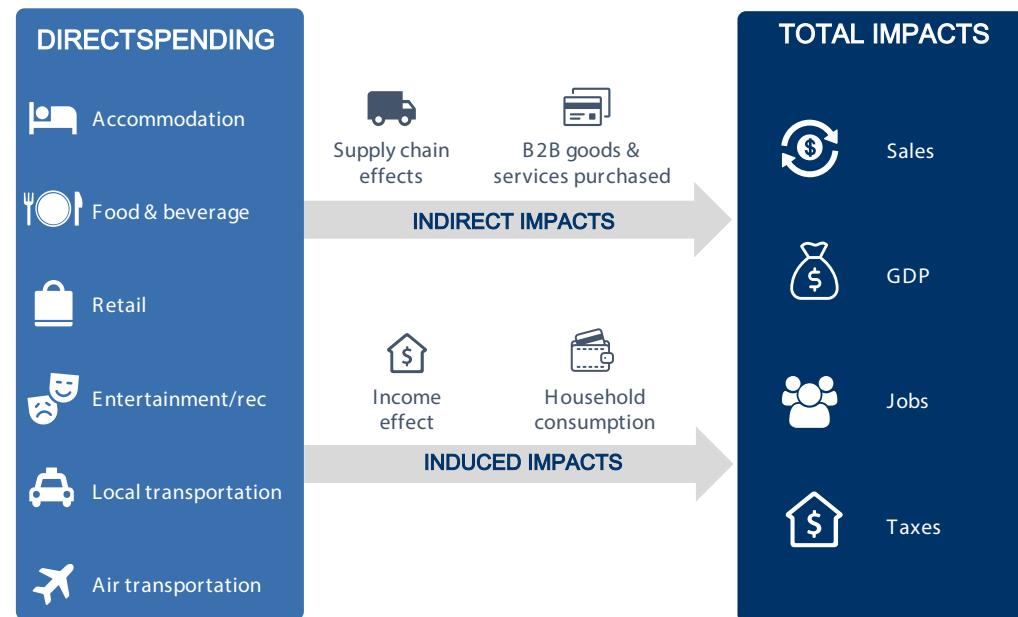
How visitor spending generates employment and income

Visitor spending flows through the economy and generates benefits through multiple channels.

I-O models are particularly effective because they calculate these three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Spending
- GDP
- Wages
- Employment
- Federal Taxes
- Provincial Taxes
- Municipal Taxes



ECONOMIC IMPACTS

Definitional differences

This report describes both the entire visitor economy and the portion of the visitor economy that is influenced by Visit Myrtle Beach.

The total visitor economy refers to economic activity supported by the \$4.5 billion of spending by all visitors to Myrtle Beach. We will reference the visitor economy to describe the scale of Myrtle Beach's tourism sector and its importance to the Grand Strand's Economy.

Of this \$4.5 billion, Visit Myrtle Beach influenced \$862 million. We will reference this amount to describe the impact Visit Myrtle Beach has on the tourism sector and the Grand Strand's economy.

KEY TRENDS

KEY TRENDS

Tourism's impact on Horry County

The visitor economy has an enormous impact on Horry County, and represents 39% of all gross sales.

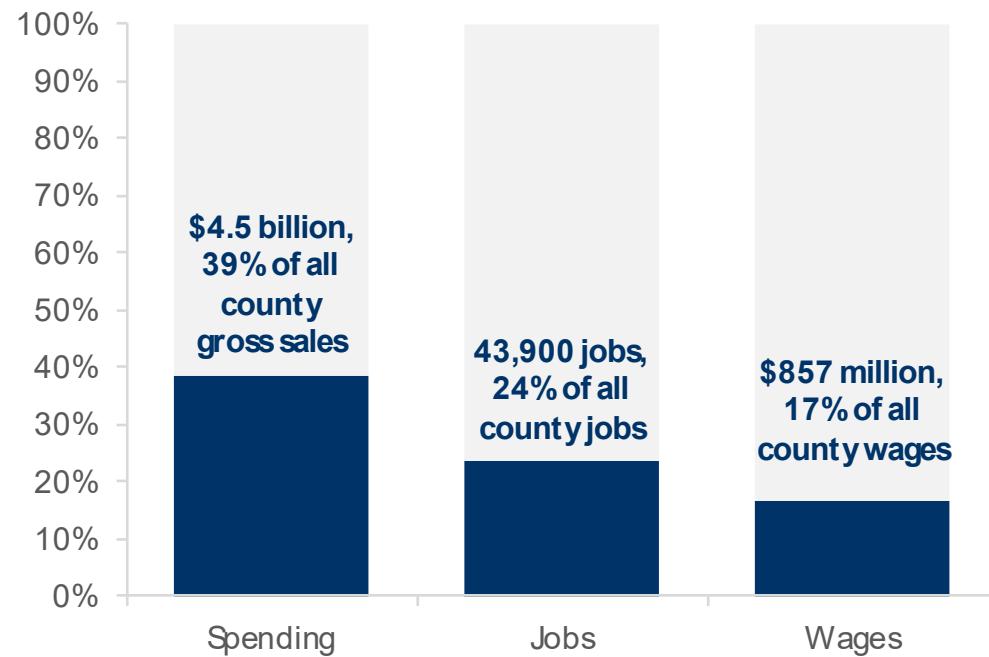
This section reviews key statistics and trends in Myrtle Beach's visitor economy, this includes all spending by visitors to Myrtle Beach. Later in the report, our analysis will focus solely on visitor spending that is influenced by Visit Myrtle Beach.

In 2018, 20.4 million visitors spent \$4.5 billion in Horry County. This spending directly generated 24% of all county jobs and 17% of all county wages.

The visitor economy also directly generated \$445 million in state and local tax revenue, helping fund the school system and keeping millage rates low.

The scale of Horry County's visitor economy – direct impacts*

Share of Horry County total



*These figures do not include the indirect and induced impacts of tourism (i.e. the downstream positive impacts created by tourism businesses and workers), which would increase the numbers even further.
Sources: US Travel; BEA; SC Department of Revenue

KEY TRENDS

Visitors and visitor spending

Both visitation and visitor spending are rising quickly.

In 2018, the last year with final data available, Horry County hosted 20.4 million visitors, up from 15.2 million in 2012, a 34% increase in six years.

Meanwhile, visitor spending reached \$4.5 billion in 2018, up from \$3.5 million in 2012, a 31% increase in six years.

Visitors and visitor spending in Horry County



*Sources: Visit Myrtle Beach; US Travel

KEY TRENDS

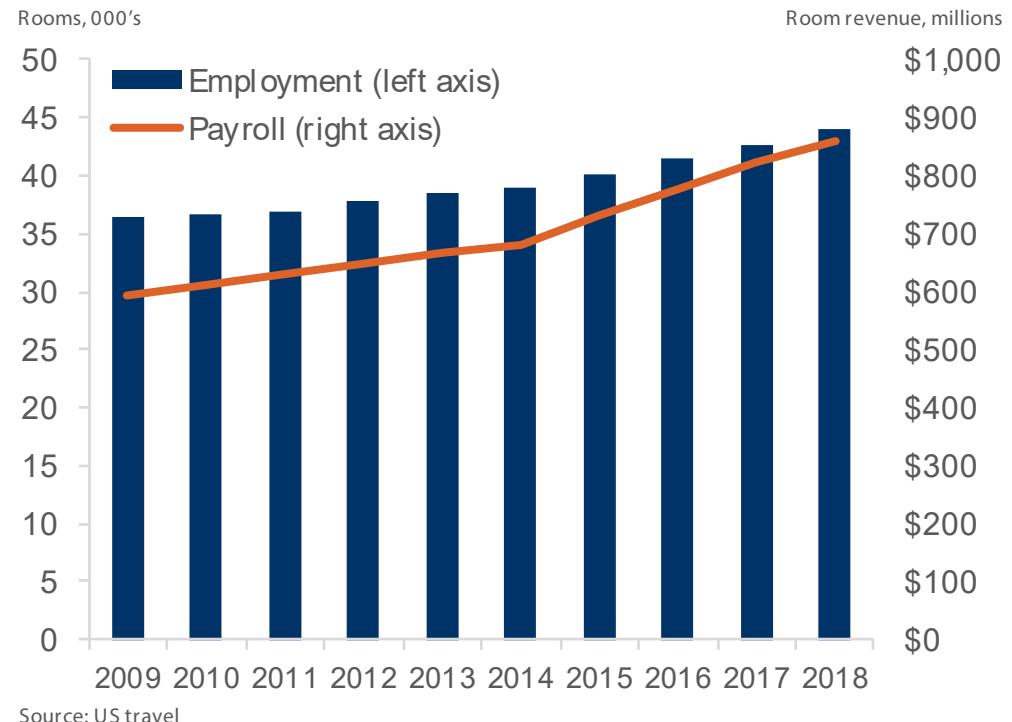
Tourism jobs and wages

Jobs and wages directly generated by tourism are also increasing quickly.

In 2018, tourism directly supported 43,900 jobs in Horry County, up from 36,400 jobs in 2009, a 21% increase in nine years.

Meanwhile, tourism generated wages rose to \$857 million in 2018, up from \$594 million in 2009, a 44% increase in nine years.

Visitor Economy metrics in Horry County



Source: US travel

KEY TRENDS

Lodging sector key performance indicators

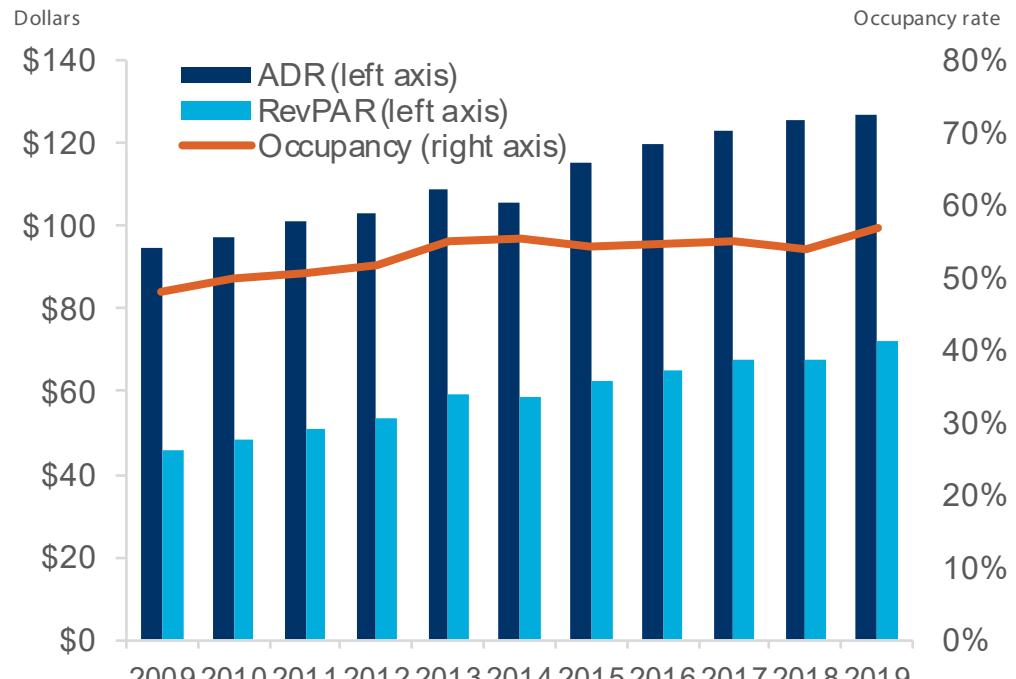
RevPAR (revenue per available room) increased 58% over the past decade.

Since 2009:

- ADR (average daily rate) increased to \$127, a 34% increase from \$95 in 2009.
- RevPAR (revenue per available room) increased to \$72, a 58% increase from \$46 in 2009.
- The occupancy rate increased to 57% from 48%.

Note these metrics represent the lodging sector as a whole (i.e. not just hotels but also campgrounds and short-term rentals).

Lodging sector metrics in Horry County



Source: Coastal Carolina University (CCU)

KEY TRENDS

Spending growth comparison

Horry County's tourism sector is growing faster than the state's and Beaufort County's.

Visitor spending and tourism generated wages in Horry County has grown at a faster pace than in South Carolina and competitor Beaufort County (which contains Hilton Head Island).

The 7% faster growth in visitor spending (compared to Beaufort County) over the past nine years resulted in an extra \$197 million in visitor spending.

Similarly, the 7% faster growth in wages resulted in an extra \$42 million in local income from the tourism sector.

Visitor spending growth South Carolina and Select Counties

Dollar figures in millions

	2009	2018	Growth	Benefit of extra growth*
State total:	\$8,938	\$14,438	61.5%	--
Horry:	\$2,809	\$4,544	61.8%	\$197
Beaufort:	\$927	\$1,434	54.8%	--

Growth in wages directly generated by visitor spending in South Carolina and Select Counties

Dollar figures in millions

	2009	2018	Growth	Benefit of extra growth*
State total:	\$1,911	\$2,687	40.6%	--
Horry:	\$594	\$857	44.3%	\$42
Beaufort:	\$197	\$271	37.3%	--

*The additional spending and wages generated by Horry County's growth rate being faster than Beaufort County.

Source: US Travel; Tourism Economics



VISIT MYRTLE BEACH'S
CHANNELS OF IMPACT

VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

Overview

Visit Myrtle Beach is an engine that drives growth in the local tourism sector through a variety of complementary channels.

This section reviews how Visit Myrtle Beach works to drive visitors and visitor spending to Horry County.

In 2019, Visit Myrtle Beach...

hosted 9.8 million visits to VisitMyrtleBeach.com

made 1.9 billion total media impressions

hosted 50 familiarization trips for media members



generated 751 million social media impressions.

booked 293,000 rooms for group travel.

VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

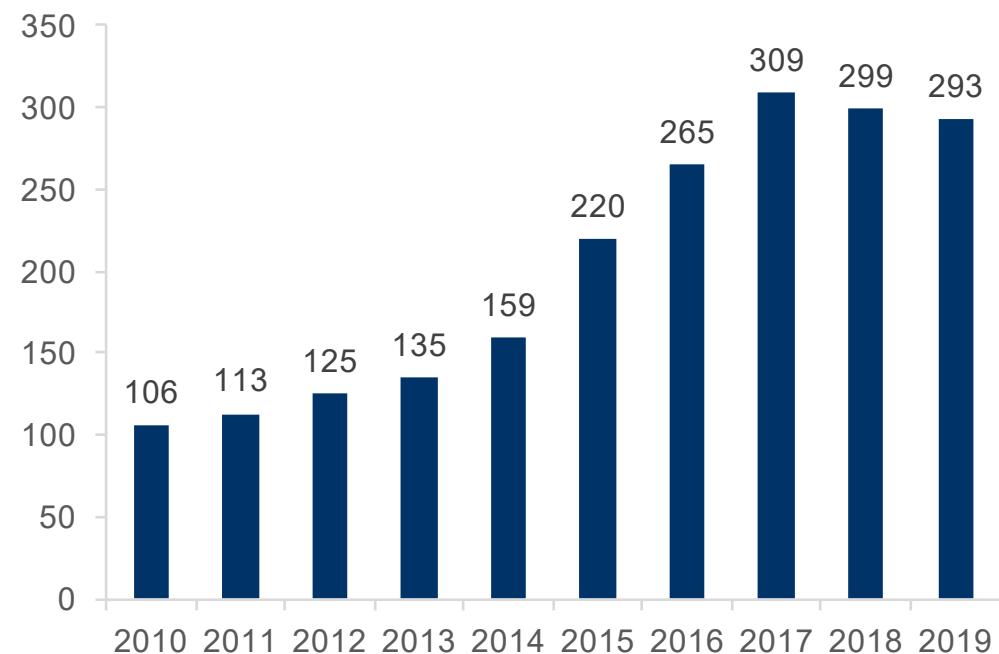
Group Sales

In FY2019, Visit Myrtle Beach booked 293,000 rooms for group travel.

Visit Myrtle Beach works to book group travel to Horry County. These efforts have been increasingly successful in recent years, growing 176% since 2010.

Horry County group sale bookings

Room nights booked



Source: Visit Myrtle Beach

VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

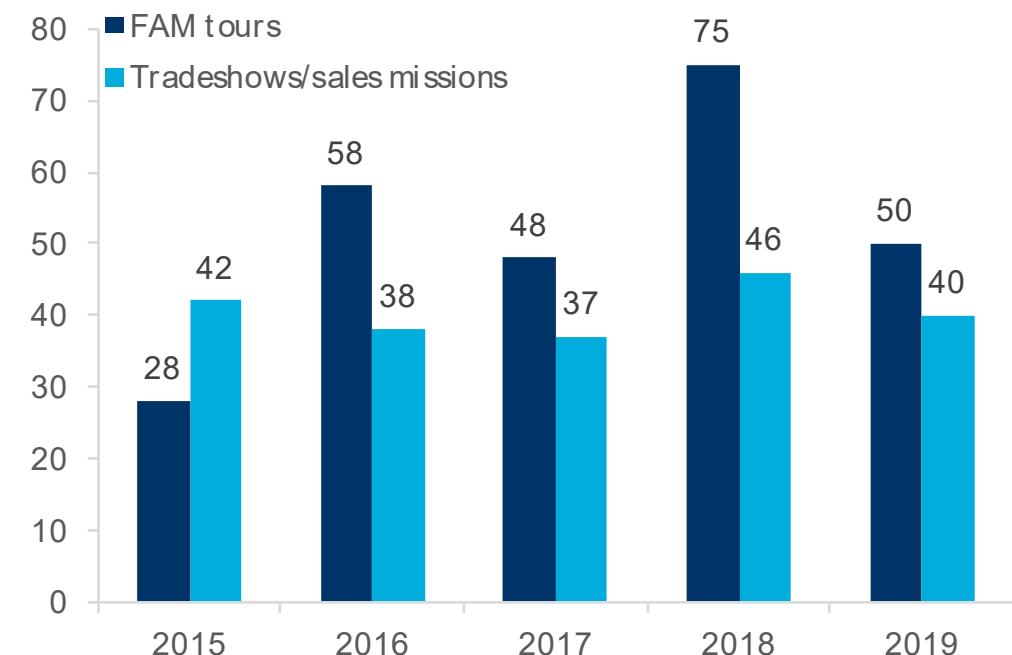
Earned media and FAM trips

Visit Myrtle Beach hosts FAM* tours and promotes itself through tradeshows and sales missions.

In 2019, Visit Myrtle Beach hosted 50 FAM tours and went to/on 40 tradeshows/sales missions to promote the destination and attract new business.

Visit Myrtle Beach FAM tours and sales missions, 2019

Number of tours and tradeshows/sales missions



*Familiarization trips intended to educate and impress key players in the tourism sectors, such as tour operators, media members, travel agents, etc.

Source: Visit Myrtle Beach

VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

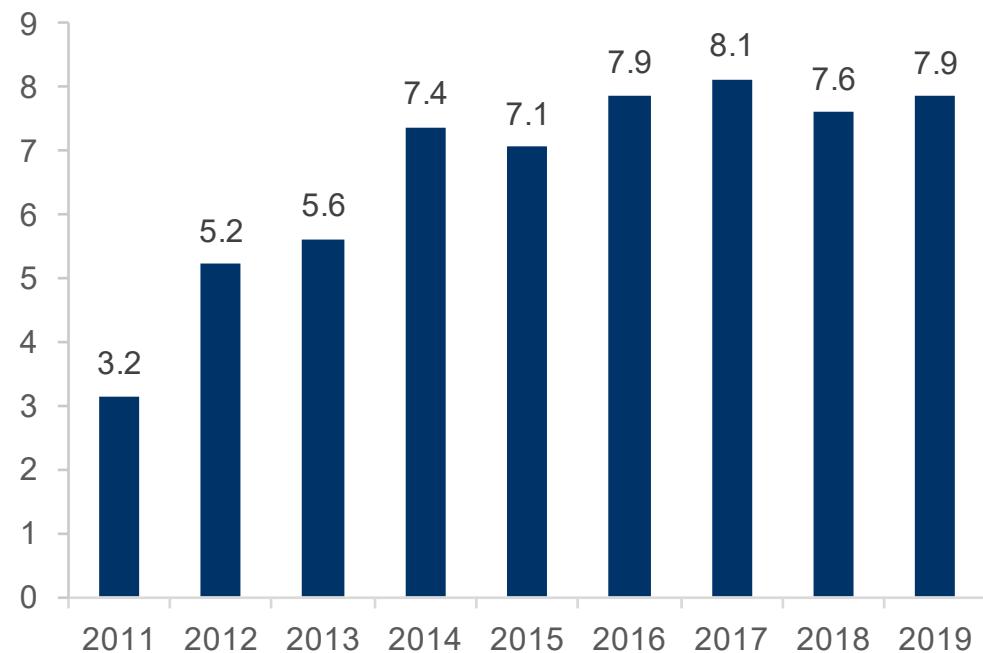
VisitMyrtleBeach.com

The site hosted 7.9 million unique visitors in 2019, a 149% increase over 2011.

The site works to attract visitors and guide them to relevant hotels, restaurants, and attractions.

Visits to VisitMyrtleBeach.com

(000's)



Source: Equation Research

VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

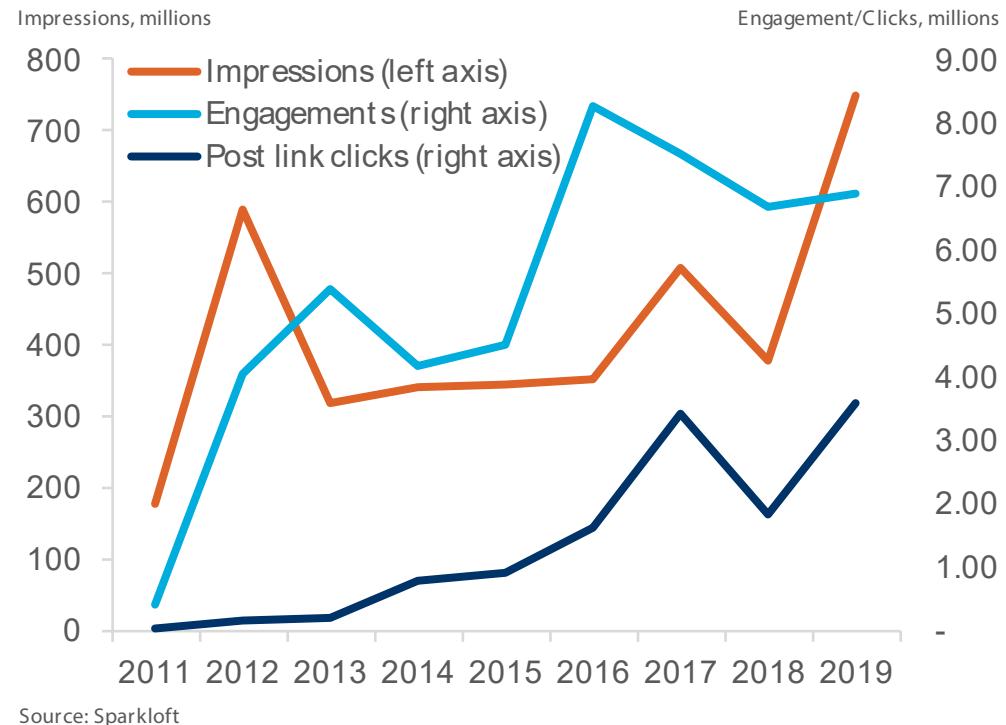
Social media

Visit Myrtle Beach made 751 million social media impression in 2019.

Visit Myrtle Beach engages potential visitors with 12 targeted feeds on social media sites such as Facebook, Twitter, and Instagram. All key social media metrics are increasing quickly:

- Impressions reached 751 million in 2019, 3x higher than the 176 million in 2011.
- Engagements reached 6.9 million in 2019, 17x higher than the 0.4 million in 2011.
- Post link clicks reached 3.6 million in 2019, 120x higher than the 30,000 in 2011.

Visit Myrtle Beach social media impressions, FY2019



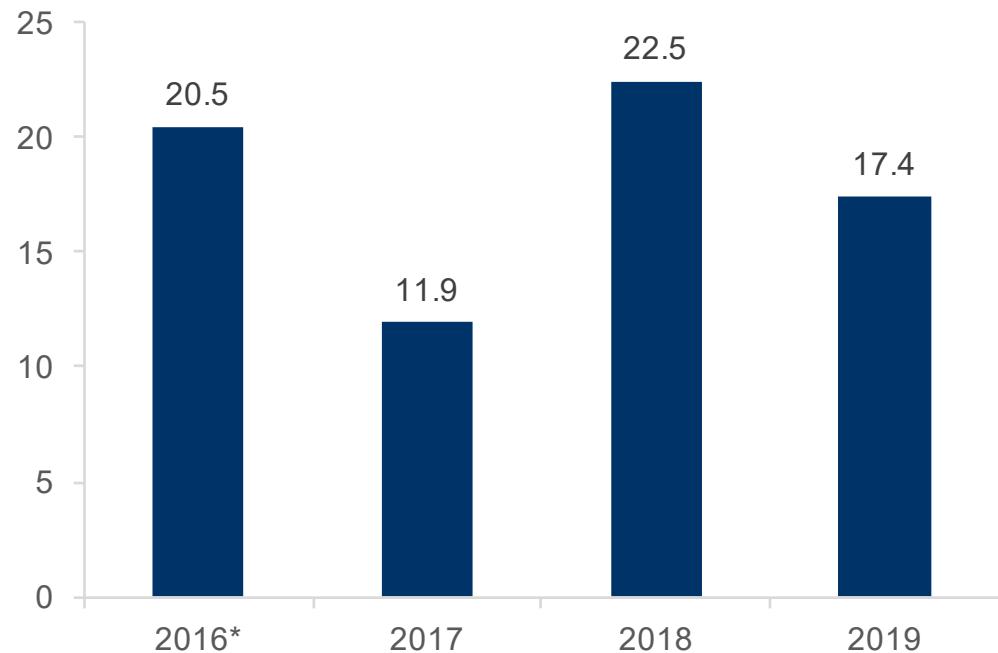
VISIT MYRTLE BEACH'S CHANNELS OF IMPACT

Media coverage

Visit Myrtle Beach helped generate 17,400 articles on the destination in 2019.

Media articles on Myrtle Beach as a destination

Articles, 000's



Includes coverage of a tropical depression and the Republican Convention in Myrtle Beach

Source: Visit Myrtle Beach

**VISIT MYRTLE BEACH'S
INFLUENCED SPENDING**

VISIT MYRTLE BEACH INFLUENCED SPENDING

Paid digital media return on investment

Paid media campaigns generate millions in visitor spending.

Equation Research monitors VisitMyrtleBeach.com visitors and surveys these visitors to determine Visit Myrtle Beach's influence on their vacation plans. They found that the site hosted 7.9 million unique visitors in 2019, and helped convert 43% of these visitors into Myrtle Beach tourists. These 3.4 million tourists spent an estimated \$762 million in 2019.

Paid media and website metrics, 2019

Metric	Value	Source
Unique web site visits	7,855,000	Equation Research
Conversion rate	x 43%	Equation Research
Converts	= 3,378,000	Equation Research
Spend per trip	x \$226	Visit Myrtle Beach; CCU; USTravel
Visitor expenditures	= \$761,936,000	

VISIT MYRTLE BEACH INFLUENCED SPENDING

Group Sales

Group sales yielded \$99.8 million in visitor spending.

Visit Myrtle Beach's group sales team booked 292,727 rooms in FY2019. Through our work on Myrtle Beach's Event Impact Calculator, we estimate that one room generates \$341 of total spending in Myrtle Beach (including the room, food, recreation, etc.). Therefore the 292,727 rooms booked represent \$99.8 million in total spending.

Visit Myrtle Beach group sales metrics, 2019

Metric	Value	Source
Hotel rooms booked by groups	= 292,727	<i>Visit Myrtle Beach</i>
Total spending per hotel room	x \$341	<i>Tourism Economics</i>
Total spending by generated groups	= \$99,810,000	

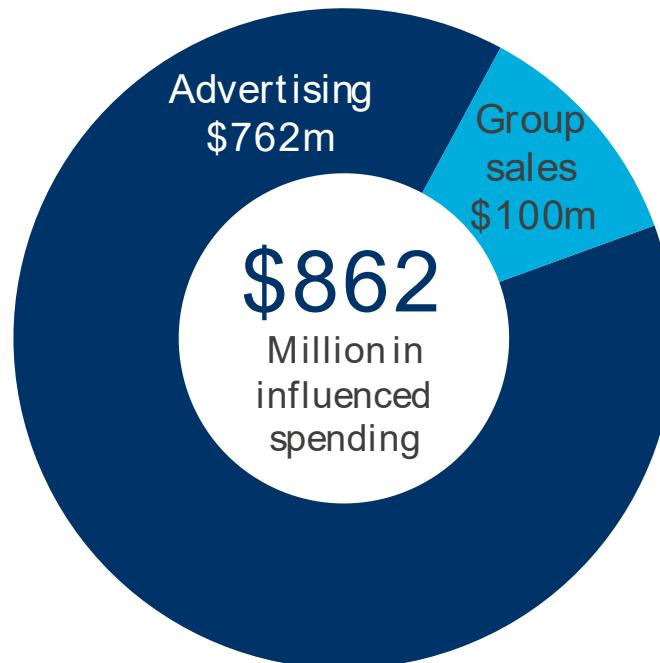
VISIT MYRTLE BEACH INFLUENCED SPENDING

Combined spending impacts

Added together, efforts from these two channels resulted in \$862 million in visitor spending.

Visit Myrtle Beach influenced visitor spending from two impact channels

2019, millions



Sources: Tourism Economics

VISIT MYRTLE BEACH'S
ECONOMIC IMPACT

VISIT MYRTLE BEACH ECONOMIC IMPACT

Impact summary

Of \$4.5 billion of annual visitor spending in the Grand Strand, we estimate that in FY2017, Visit Myrtle Beach efforts influenced \$862 million in visitor spending, which in turn supported:

- \$1,031 million in total business sales;
- \$229 million in total income;
- 7,040 total jobs; and
- \$145 million in state and local taxes.

The economic impact of Visit Myrtle Beach on Horry County

Dollar amounts in millions of dollars

Total tourism spending	\$862
Total business sales	\$1,031
Direct business sales	\$862
Indirect and induced sales	\$169
Total income	\$229
Direct income	\$229
Indirect and induced income	\$0
Total jobs	7,040
Direct jobs	6,034
Indirect and induced jobs	1,006
Total Government revenue	\$221
Federal	\$75
State	\$72
Local	\$74

Source: Tourism Economics

VISIT MYRTLE BEACH ECONOMIC IMPACT

Business sales impacts by industry

Direct spending gains amount to \$862 million, and total business sales reach \$1.0 billion.

Summary economic impacts (millions)



Business sales supported by Visit Myrtle Beach

Dollar amounts in millions	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	\$862	\$127	\$42	\$1,031
By industry				
Agriculture, Fishing, Mining	--	--	--	--
Construction and Utilities	--	\$2	--	\$3
Manufacturing	--	\$2	--	\$3
Wholesale Trade	--	\$8	\$3	\$11
Air Transport	--	--	--	--
Other Transport	\$37	\$3	\$1	\$40
Retail Trade	\$240	\$3	\$5	\$247
Gasoline Stations	\$38	--	--	\$38
Communications	--	\$21	\$2	\$23
Finance, Insurance and Real Estate	\$48	\$33	\$11	\$91
Business Services	--	\$34	\$3	\$37
Education and Health Care	--	--	\$7	\$7
Recreation and Entertainment	\$153	\$2	\$1	\$156
Lodging	\$161	\$1	\$1	\$162
Food & Beverage	\$185	\$4	\$5	\$194
Personal Services	--	\$2	\$2	\$4
Government	--	\$12	\$2	\$14

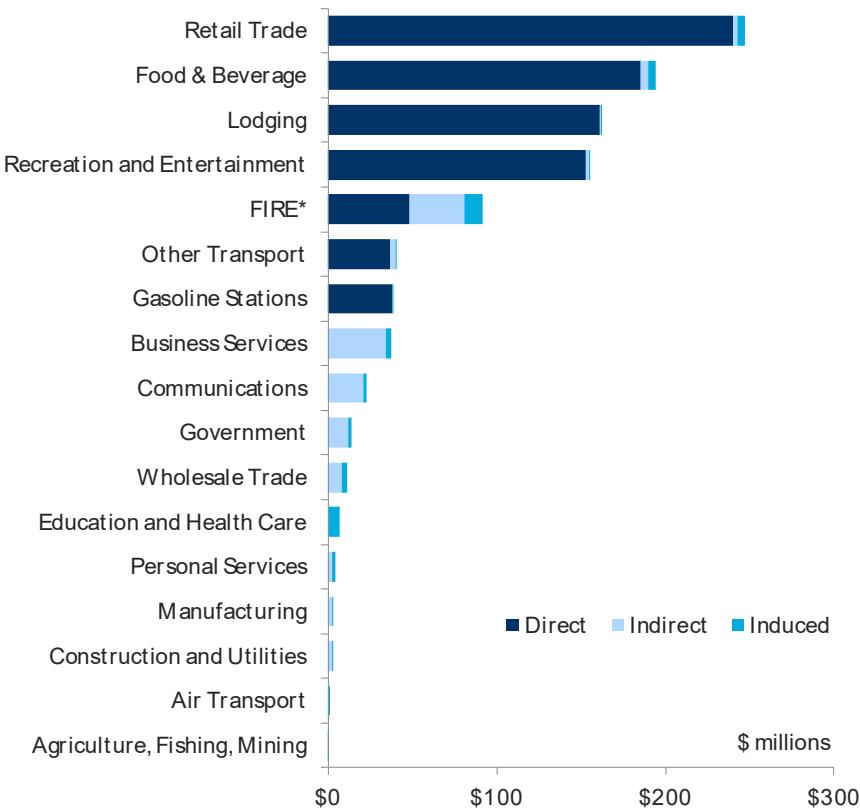
Source: Tourism Economics

VISIT MYRTLE BEACH ECONOMIC IMPACT

Business sales impacts by industry

While the majority of sales gained are in industries directly serving visitors, significant gains accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Business sales impacts by industry

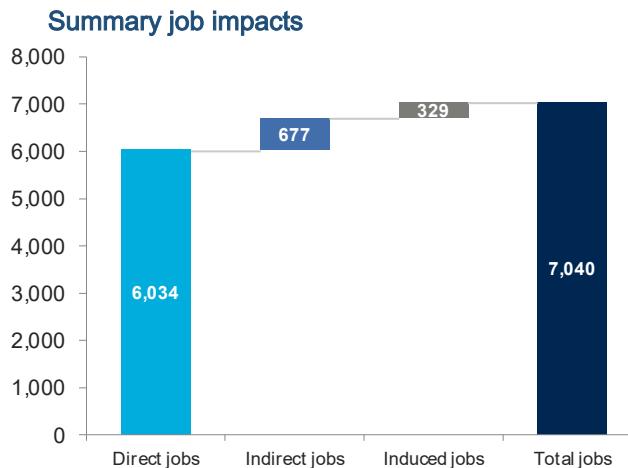


*Finance, insurance and real estate

VISIT MYRTLE BEACH ECONOMIC IMPACT

Job impacts by industry

Influenced visitor spending leads to 6,034 directly supported jobs and 7,040 total jobs when indirect and induced impacts are considered.



Visit Myrtle Beach supported job impacts by industry

Includes seasonal and part time	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	6,034	677	329	7,040
By industry				
Agriculture, Fishing, Mining	--	--	--	--
Construction and Utilities	--	6	1	7
Manufacturing	--	11	2	13
Wholesale Trade	--	35	13	48
Air Transport	--	--	--	--
Other Transport	53	18	6	76
Retail Trade	1,837	27	45	1,909
Gasoline Stations	--	1	1	1
Communications	--	33	3	36
Finance, Insurance and Real Estate	56	115	23	194
Business Services	--	259	25	284
Education and Health Care	--	4	85	89
Recreation and Entertainment	30	17	9	56
Lodging	2,182	5	6	2,193
Food & Beverage	1,875	81	64	2,021
Personal Services	--	24	42	66
Government	--	40	5	45

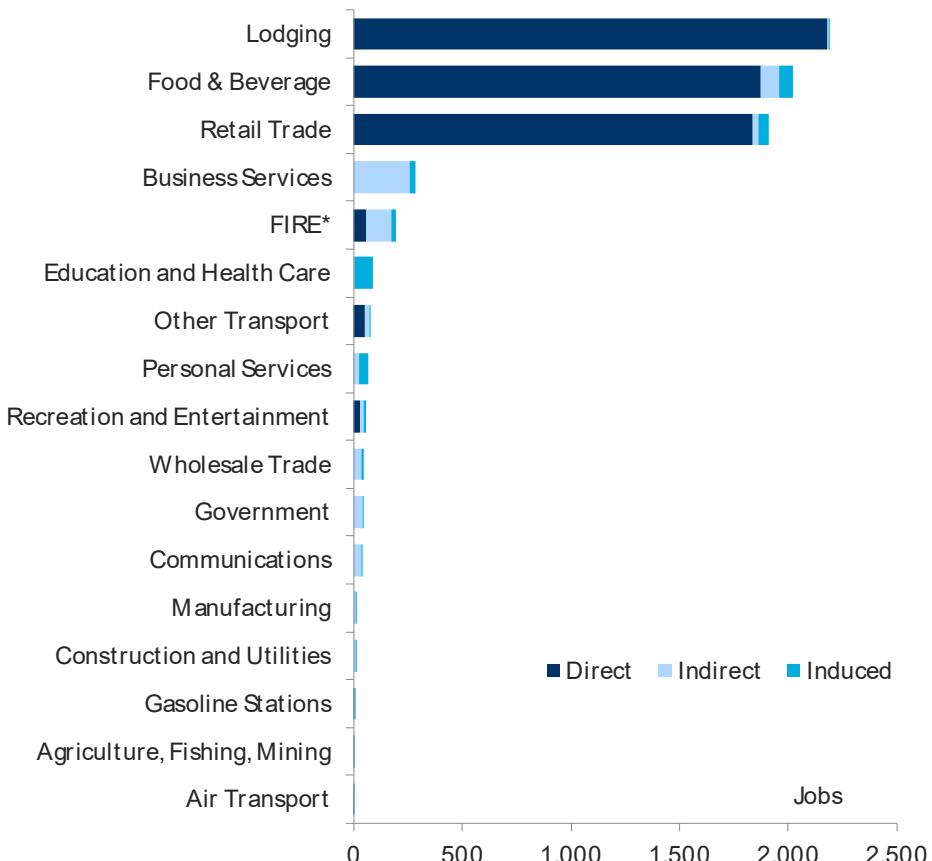
Source: Tourism Economics

VISIT MYRTLE BEACH ECONOMIC IMPACT

Job impacts by industry

While the majority of jobs are in industries directly serving visitors, significant gains accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Job impacts by industry



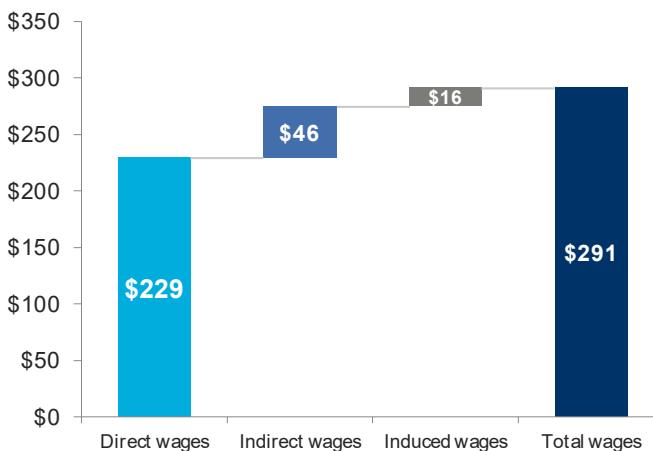
*Finance, insurance and real estate

VISIT MYRTLE BEACH ECONOMIC IMPACT

Income impacts by industry

Influenced visitor spending leads to \$229 million in direct income and \$291 million in total income when indirect and induced impacts are considered.

Summary wage impacts (\$ millions)



Visit Myrtle Beach generated income impacts by industry

Dollar amounts in millions	Direct income	Indirect income	Induced income	Total income
Total, all industries	\$229	\$46	\$16	\$291
By industry				
Agriculture, Fishing, Mining	--	--	--	--
Construction and Utilities	--	\$1	\$0	\$1
Manufacturing	--	\$1	\$0	\$1
Wholesale Trade	--	\$3	\$1	\$4
Air Transport	--	--	--	--
Other Transport	\$1	\$1	\$0	\$3
Retail Trade	\$66	\$1	\$2	\$69
Gasoline Stations	--	\$0	\$0	\$0
Communications	--	\$5	\$0	\$5
Finance, Insurance and Real Estate	\$3	\$7	\$2	\$11
Business Services	--	\$18	\$2	\$20
Education and Health Care	--	\$0	\$4	\$4
Recreation and Entertainment	\$2	\$1	\$0	\$3
Lodging	\$101	\$0	\$0	\$102
Food & Beverage	\$56	\$3	\$2	\$61
Personal Services	--	\$1	\$2	\$3
Government	--	\$5	\$1	\$6

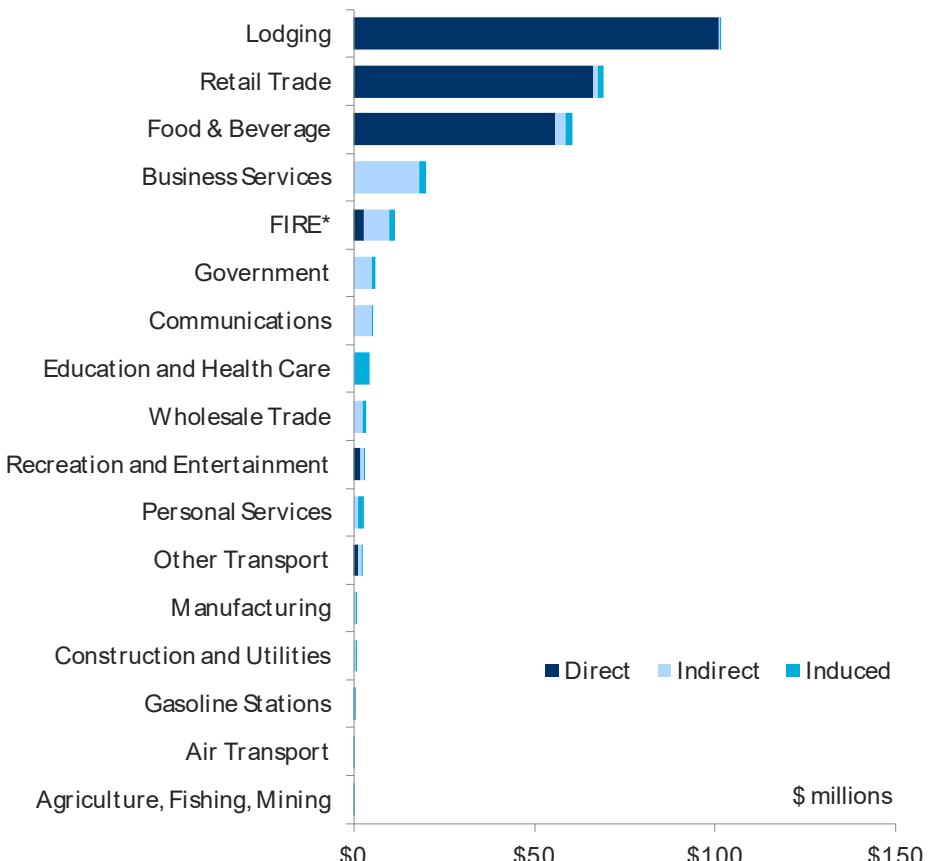
Source: Tourism Economics

VISIT MYRTLE BEACH ECONOMIC IMPACT

Income impacts by industry

While the majority of income gained is in industries directly serving visitors, significant gains accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Labor income impacts by industry



*Finance, insurance and real estate

VISIT MYRTLE BEACH ECONOMIC IMPACT

Fiscal (tax) impacts

Influenced visitor spending supports \$221 million in total government revenue including \$145 million in state and municipal government revenue.

Visit Myrtle Beach generated fiscal (tax) impacts

Dollars, millions	Direct	Indirect / induced	Total
Total tax revenue	\$166	\$55	\$221
Federal	\$51	\$25	\$75
Personal Income	\$10	\$5	\$15
Corporate	\$9	\$6	\$15
Indirect business	\$5	\$1	\$7
Social insurance	\$26	\$13	\$39
State	\$55	\$17	\$72
Sales	\$47	\$13	\$60
Personal Income	\$3	\$1	\$4
Corporate	\$1	\$1	\$2
Excise and Fees	\$4	\$1	\$6
Property	\$0	\$0	\$0
Social insurance	\$0	\$0	\$0
Local	\$60	\$14	\$74
Sales	\$25	\$7	\$32
Bed Tax	\$13	\$0	\$13
Excise and Fees	\$4	\$1	\$5
Property	\$18	\$5	\$23

Source: Tourism Economics

VISIT MYRTLE BEACH
FUNDING SCENARIOS

VISIT MYRTLE BEACH FUNDING SCENARIOS

Baseline Forecast

The tourism sector will not fully recover from the COVID-19 pandemic until 2024.

This section will examine the impact that increasing or decreasing public funding to Visit Myrtle Beach would have on the local economy.

In our baseline forecast (in which public funding remains unchanged), room revenue and visitor spending will not recover to their 2019 values until 2023.

Baseline forecast for Myrtle Beach

Dollars, millions and percent of 2019 figure

Calendar Year	2019	2020	2021	2022	2023	2024	2025	'19-'25 growth
Lodging revenue	\$1,129	\$650	\$912	\$1,031	\$1,132	\$1,196	\$1,259	11%
%of 2019	100%	58%	81%	91%	100%	106%	111%	
Visitor Spending	\$5,474	\$3,669	\$4,584	\$5,066	\$5,459	\$5,737	\$6,040	10%
%of 2019	100%	67%	84%	93%	100%	105%	110%	

Source: Tourism Economics

VISIT MYRTLE BEACH FUNDING SCENARIOS

Return on investment

Visit Myrtle Beach supports the visitor economy and provides a strong ROI.

Visit Myrtle Beach will play a key role in the recovery of the tourism sector and the local economy.

Based on Visit Myrtle Beach's budget and our previously calculated influenced spending (p. 24), we calculate that Visit Myrtle Beach expenditures provide an ROI of 24-to-1.

Influenced visitor spending per dollar invested

Dollar figures in millions

Total Visit Myrtle Beach Expenditures	\$36.3
Total Visit Myrtle Beach Influenced spending	\$862
ROI on influenced spending	23.7-to-1

Sources: Visit Myrtle Beach; Tourism Economics

VISIT MYRTLE BEACH FUNDING SCENARIOS

Five funding scenarios

Increasing Visit Myrtle Beach's funding would provide funding to stimulate growth.

To evaluate the potential benefit of increasing Visit Myrtle Beach's funding, we created four scenarios; the +20% Scenario, +10% Scenario, -5% Scenario, and -10% Scenario, in which public funding is increased or decreased by these amounts in January 2021.

In 2021, the +20% Scenario would provide an additional \$5.6 million of funding while the -10% Scenario would reduce funding by \$2.8 million.

Key metrics for Myrtle Beach in different Scenarios

Dollars, millions	2019	2020	2021	2022	2023	2024	2025
Lodging revenue	\$1,129	\$650	\$912	\$1,031	\$1,132	\$1,196	\$1,259
Visitor Spending	\$5,474	\$3,669	\$4,584	\$5,066	\$5,459	\$5,737	\$6,040
Public funding for Visit Myrtle Beach							
Baseline Scenario*	\$31.7	\$28.0	\$28.0	\$31.0	\$33.6	\$35.3	\$37.2
+20% Scenario	--	--	\$33.6	\$37.2	\$40.3	\$42.4	\$44.6
+10% Scenario	--	--	\$30.8	\$34.1	\$36.9	\$38.9	\$40.9
-5% Scenario	--	--	\$26.6	\$29.5	\$31.9	\$33.6	\$35.3
-10% Scenario	--	--	\$25.2	\$27.9	\$30.2	\$31.8	\$33.5
Change in funding for Visit Myrtle Beach							
+20% Scenario	--	--	\$5.6	\$6.2	\$6.7	\$7.1	\$7.4
+10% Scenario	--	--	\$2.8	\$3.1	\$3.4	\$3.5	\$3.7
-5% Scenario	--	--	(\$1.4)	(\$1.6)	(\$1.7)	(\$1.8)	(\$1.9)
-10% Scenario	--	--	(\$2.8)	(\$3.1)	(\$3.4)	(\$3.5)	(\$3.7)

*2019-2021 figures are estimated by Visit Myrtle Beach, 2022-2025 are estimated by Tourism Economics
Source: Tourism Economics; Visit Myrtle Beach

VISIT MYRTLE BEACH FUNDING SCENARIOS

2022 impact

Additional Visit Myrtle Beach funding could generate \$140 million of visitor spending and produce a local tax return 1.9 times the additional investment

The stabilized impact of increased funding for tourism promotion would occur in 2022, as 2021 would represent a ramp-up year as there are lags between revenue collection, disbursement, campaign deployment, and visitors arriving. The +20% Scenario would influence \$140 million in additional visitor spending, and support \$12 million in local taxes.

The -10% Scenario would reduce influenced spending by \$76 million, which had supported \$7 million in local taxes.

Impact of changing Visit Myrtle Beach funding, 2022

Dollars, millions

	+20%	+10%	-5%	-10%
Additional Visit MB funding	\$6.2	\$3.1	(\$1.6)	(\$3.1)
Visitor Spending ROI*	22.5-to-1	23.1-to-1	24.0-to-1	24.3-to-1
Influenced visitor spending	\$139.9	\$71.8	(\$37.3)	(\$75.5)
Visitor spending supported*...				
Local taxes	\$12.0	\$6.1	(\$3.2)	(\$6.5)
Local income	\$37.2	\$19.1	(\$9.9)	(\$20.1)
Local jobs	1142	586	(304)	(616)
Local tax ROI	1.9-to-1	2.0-to-1	(2.1-to-1)	(2.1-to-1)
Local income ROI	6.0-to-1	6.1-to-1	(6.4-to-1)	(6.5-to-1)

*We have adjusted the previously calculated ROI to account for diminishing marginal returns in each scenario.

Source: Tourism Economics

VISIT MYRTLE BEACH FUNDING SCENARIOS

Baseline Forecast

The +20% Scenario would provide \$618 million over five years.

From 2021 to 2025, the +20% Scenario would influence \$618 million in visitor spending and \$53 million in local taxes while supporting 1,112 jobs annually.

Meanwhile, the -10% Scenario would reduce influenced spending by \$333 million in visitor spending, which would have sustained \$29 million in local taxes and 600 jobs annually.

Key metrics on Visit Myrtle Beach's impact

Dollars, millions	2019	2020	2021	2022	2023	2024	2025	'21-'25 total
Visitor Spending								
Baseline Scenario	\$5,474	\$3,669	\$4,584	\$5,066	\$5,459	\$5,737	\$6,040	\$22,301
+20% Scenario	--	--	\$4,647	\$5,206	\$5,610	\$5,896	\$6,207	\$22,919
+10% Scenario	--	--	\$4,617	\$5,138	\$5,536	\$5,819	\$6,126	\$22,618
-5% Scenario	--	--	\$4,568	\$5,029	\$5,418	\$5,695	\$5,995	\$22,137
-10% Scenario	--	--	\$4,550	\$4,991	\$5,377	\$5,651	\$5,949	\$21,968
Additional impact in +20% Scenario								
Visitor spending	--	--	\$63.0	\$139.9	\$151.3	\$159.2	\$167.6	\$618
Local taxes	--	--	\$5.4	\$12.0	\$13.0	\$13.6	\$14.4	\$53
Wages	--	--	\$16.8	\$37.2	\$40.2	\$42.3	\$44.6	\$164
Jobs	--	--	515	1,142	1,236	1,300	1,369	1,112*
Additional impact in +10% Scenario								
Visitor spending	--	--	\$32.3	\$71.8	\$77.6	\$81.7	\$86.0	\$317
Local taxes	--	--	\$2.8	\$6.1	\$6.7	\$7.0	\$7.4	\$27
Wages	--	--	\$8.6	\$19.1	\$20.6	\$21.7	\$22.9	\$84
Jobs	--	--	264	586	634	667	702	571*
Additional impact in -5% Scenario								
Visitor spending	--	--	(\$16.8)	(\$37.3)	(\$40.3)	(\$42.4)	(\$44.6)	(\$164.6)
Local taxes	--	--	(\$1.4)	(\$3.2)	(\$3.5)	(\$3.6)	(\$3.8)	(\$14.1)
Wages	--	--	(\$4.5)	(\$9.9)	(\$10.7)	(\$11.3)	(\$11.9)	(\$43.8)
Jobs	--	--	(137)	(304)	(329)	(346)	(365)	(296)*
Additional impact in -10% Scenario								
Visitor spending	--	--	(\$34.0)	(\$75.5)	(\$81.6)	(\$85.9)	(\$90.4)	(\$333.4)
Local taxes	--	--	(\$2.9)	(\$6.5)	(\$7.0)	(\$7.4)	(\$7.7)	(\$28.6)
Wages	--	--	(\$9.0)	(\$20.1)	(\$21.7)	(\$22.8)	(\$24.0)	(\$88.6)
Jobs	--	--	(278)	(616)	(667)	(701)	(738)	(600)*

*annual average of jobs supported

Source: Tourism Economics

VISIT MYRTLE BEACH FUNDING SCENARIOS

Return on investment

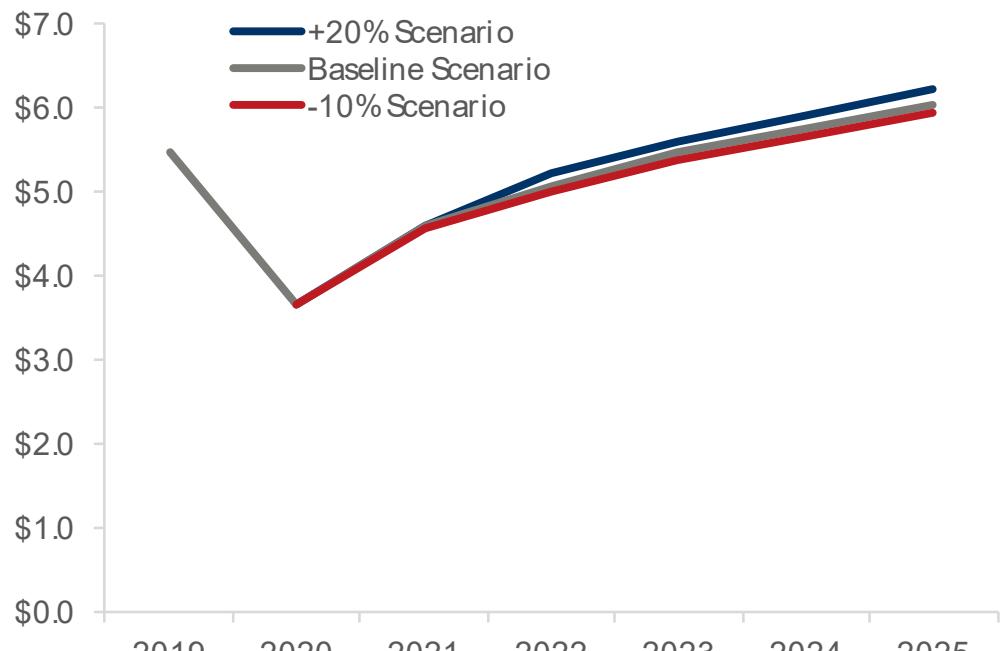
In 2022, the +20% Scenario would provide a 2.8% boost in visitor spending.

Additional funding for Visit Myrtle Beach would provide a much-needed boost to the visitor economy and generate millions of additional spending while supporting hundreds of jobs.

The increases estimated here are relatively small compared to the scale of the visitor economy. The +20% scenario would provide a 2.8% increase in visitor spending in 2022. Yet, when this type of small increase is applied to a multi-billion-dollar sector, the impacts on the local job market and municipal finances become substantial.

Key metrics on Visit Myrtle Beach's impact

Dollars, billions



Source: Visit Myrtle Beach; Tourism Economics

FIGURES IN CONTEXT

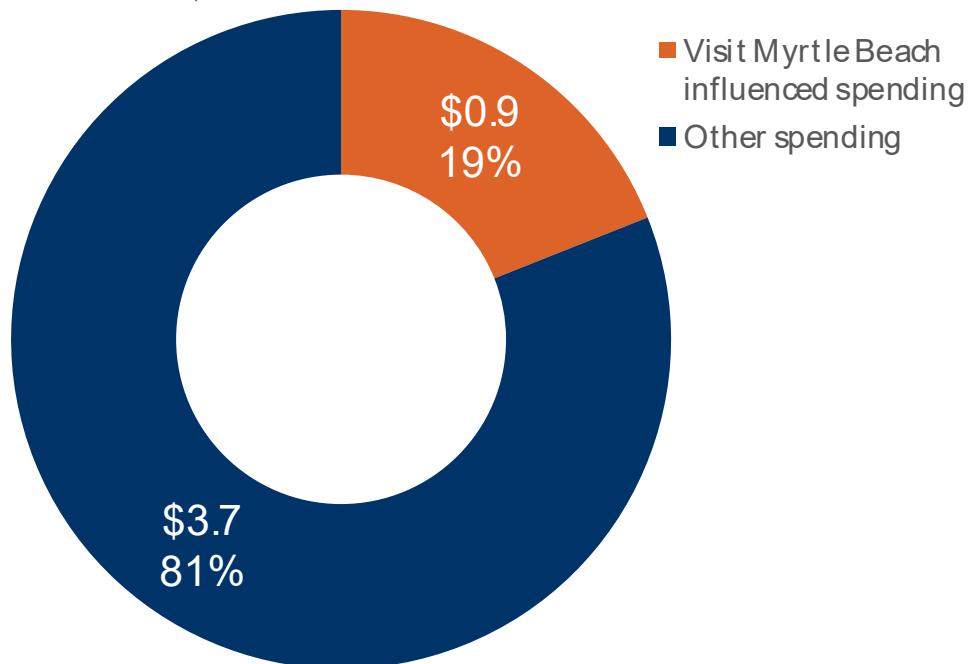
FIGURES IN CONTEXT

Share of all spending

The \$862 million dollars of Visit Myrtle Beach influenced spending represents 19% of all spending in Myrtle Beach.

Visit Myrtle Beach's share of all spending

Dollars, billions, and percent of total*



*Note this compares 2018 Horry County spending to 2019 Visit Myrtle Beach influence spending

Source: US Travel; Tourism Economics

FIGURES IN CONTEXT

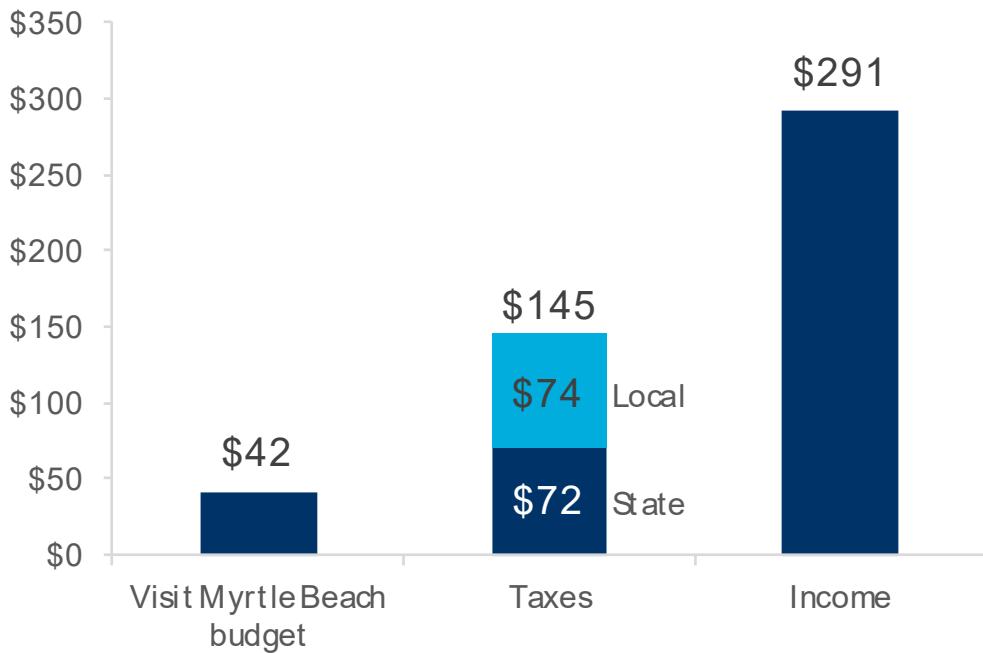
Return on investment

Visit Myrtle Beach provides a substantial ROI for municipal government and locals.

Based on our calculation of the benefits of three channels of influence managed by Visit Myrtle Beach, the organization supported \$145 million in local taxes and \$291 million in local income. Given its \$42 million in spending on these three impact channels, this equates to a 3-to-1 ROI for the local government finances and a 7-to-1 ROI for local income.

Key metrics on Visit Myrtle Beach's impact

Dollars, millions



Source: Visit Myrtle Beach; Tourism Economics

FIGURES IN CONTEXT

Key metrics



Visitor spending

The business sales influenced by Visit Myrtle Beach (\$1.0 billion) is almost equal to visitor spending on accommodations (\$1.1 billion).



Taxes

State and local tax revenue supported by Visit Myrtle Beach offsets \$1,130 in taxes for every Horry County household annually.



Job creation

The 7,040 employees supported by Visit Myrtle Beach spending would overflow TicketReturn.com Field (capacity 6,599).

APPENDIX 1: THE ECONOMIC RATIONAL FOR DESTINATION MARKETING

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Tourism Economics / Oxford Economics identified four primary channels through which destination promotion drives broader economic development and growth¹.

1) Attracting strategic events

By securing meetings and conventions, destination marketing organizations (DMOs) attract the very prospects that economic development agencies target. Not only do these events create valuable exposure among business decision makers, they create direct opportunities for economic development agencies to deepen connections with attendees.

Economic clusters and conventions have become synergistic”

– Tom Clark, Metro Denver Economic Development Corporation

2) Raising the destination profile

Destination promotion builds awareness, familiarity, and relationships in commercial, institutional and individual networks that are critical in attracting investment.

“We are learning a lot from Visit California by how they brand California and how to take their model and apply it to economic development”

– Brook Taylor, Deputy Director, Governor’s Office of Business and Economic Development (GO-Biz)

¹Oxford Economics (2014, November) “Destination Promotion: An Engine of Economic Development: How destination promotion drives economic development.” Produced in connection with Destination & Travel Foundation. [Link](http://www.oxforeconomics.com/engine) to http://www.oxforeconomics.com/engine

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

3) Building transport networks

By developing the visitor economy, destination promotion supports transportation infrastructure, providing greater accessibility and supply logistics that are important in attracting investment in other sectors.

“Air service is profoundly important to corporate investment and location decisions... This is one of tourism’s most significant contributions since the levels of air service at New Orleans far exceed what local demand could support.”

– Stephen Moret, Secretary, Louisiana Economic Development

4) Raising the quality of life

Visitor spending helps support a broader and higher quality set of local amenities than an area could otherwise sustain. The cultural, entertainment, culinary, and retail attractions that visitors support make a place more attractive to investors.

“Traveler attractions are the same reason that CEOs choose a place.”

– Jeff Malehorn, President & CEO, World Business Chicago

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Channel of impact: By securing meetings, conventions and trade shows for local facilities, DMOs attract the very prospects that economic development organizations target. Not only do such visits create valuable exposure among business decision makers, they create direct opportunities for economic development organizations to deepen connections with attendees.

DMOs are typically on the front lines of selling their destinations to meeting and event planners. These conventions and trade shows often attract the very prospects that economic development organizations (EDOs) target. As Steve Moore, CEO of the Greater Phoenix CVB states, "Our EDO doesn't have to fly to DC or China. The low hanging fruit is coming here for events."

EDOs, such as Cleveland's Department of Economic Development, regularly host special events, tours, and receptions for attendees of key events. Our research, including discussions with both DMOs and EDOs, yielded many such examples of this channel at work. But the discussions also pointed to the further opportunities that exist in many areas for collaborative targeting.

Today's knowledge-based and innovation-driven economies benefit from face-to-face connections and relationships. In this context, industry conventions position an economy to acquire knowledge, innovate, and grow. Knowledge-based workers benefit from greater potential to access and encounter specialized knowledge and sustain social connections and connections to other markets provide access to a wider base of suppliers and access to new production techniques. This makes existing firms more productive, serves to help attract additional investment, and fuels innovation.

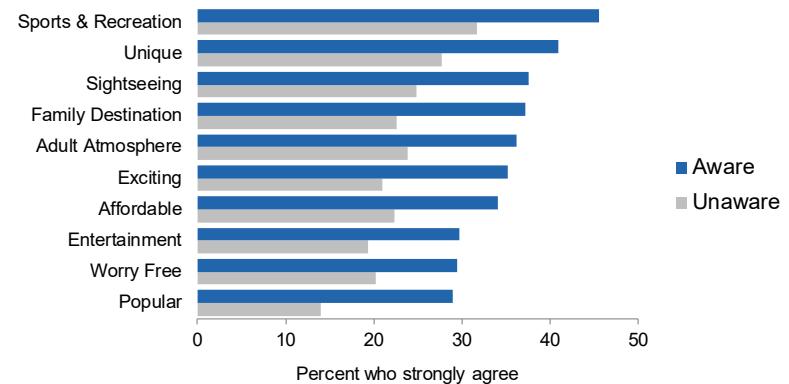
THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

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Oxford Economics conducted a national survey of 300 business travelers in 2012 and asked them to score the impact of conferences and conventions across a number of potential benefits. Nearly 80% of respondents rated "industry insights" as an area of high impact, scoring this benefit as a four or five on a one-to-five scale. Industry insights were cited more consistently as a high impact return on conferences and conventions than any other potential benefit.

Marketing positively influences perceptions of a region

Pure Michigan 2014 campaign impact on perceptions of Michigan as a national tourism destination



Source: Longwoods International (2015, July) "Destination Marketing and Economic Development: Creating a Singular Place Brand"

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

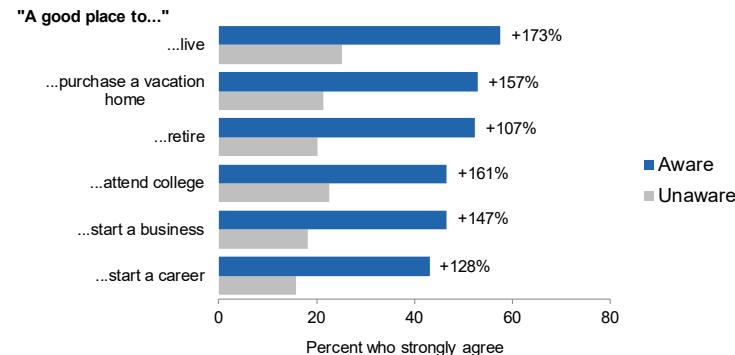
Channel of impact: Destination promotion builds awareness, familiarity, and relationships in commercial networks (institutional, companies, individuals) that are critical in attracting investment. Similarly, destination promotion raises the destination profile among potential new residents, supporting skilled workforce growth that is critical to economic development.

Destination promotion activities support understanding of a destination's distinct positioning and raise awareness of the destination. Most importantly, by increasing visits, destination promotion activities provide firsthand experience with a destination, resulting in familiarity with a destination that is critically important for economic development. These three components – building a brand, raising awareness, and increasing familiarity – make up the effect which we've labeled "raising the destination profile." As is emphasized in the following sections, these inter-related concepts have the collective impact of supporting economic development efforts to attract investment and build a skilled workforce.

For example, Lake Erie Shores and Islands' 2014 tourism marketing campaign boosted perceptions of the area as a good place to start a career. Among those who were aware of the advertising, 43.2% strongly agreed with the statement that the area was a good place to start a career, representing a 128% increase relative to the 15.8% who strongly agreed among those unaware of the advertising¹.

Marketing influences perceptions on key decision criteria

Lake Erie Shores and Islands 2014 campaign impact on the region's economic development image



Note: Percentages indicate the increase in "ad aware" respondents who strongly agree relative to "unaware".
Source: Longwoods International (2015, July) "Destination Marketing and Economic Development: Creating a Singular Place Brand"

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Channel of impact: By developing the visitor economy, destination promotion supports development of transportation infrastructure, providing greater accessibility and supply logistics that are, in turn, important in attracting investment in other sectors.

Connectivity to other cities, historically by canal and railways, and more recently by road and air, has been long appreciated for its importance to economic growth. Indeed, face-to-face interactions are as important as ever.

How can a region best support the expansion of its transportation infrastructure, including airports? While public investment certainly has a role, as leading cities have long recognized, airlines ultimately choose to expand service to markets that demonstrate passenger demand. Destination promotion efforts build inbound travel volumes that support expanded service, with greater frequency of connections to a greater number of destinations. Inbound business, leisure and group segments each play a role providing the base of demand that supports airlift.

Indeed airline cost structures are such that a route with insufficient inbound leisure demand, and therefore lulls in travel around holidays and off-peak periods, is less profitable, or even unprofitable.

As a result, successful destinations experience greater levels of air service. For example, roughly half of all passenger demand for Cleveland is generated by visitors, according to OAG bookings data for 2013. Frontier Airlines, a low-cost carrier which recently entered Cleveland, has continued to expand its schedule from the city, building on leisure business but offering direct flights on routes that are key for business travelers, such as Dallas Ft. Worth.

In turn, improved air connectivity becomes a marketing point that supports economic development. So it is not surprising that collaboration between DMOs and economic development organizations can be successful.

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

For example: Phoenix touts its connectivity as one of its key economic development assets. This includes extensive service to Mexico and Latin America. Connectivity to Canada is also a major selling point for economic development and exists almost entirely because of the visitor market. Only 20 direct flights to Canada existed six years ago and Phoenix now has over 100 scheduled flights. The Greater Phoenix CVB and the Community and Economic Development office are seeking increased international service. These routes are needed to dually support the convention and investor markets. While air service development is led by the airport, the Community and Economic Development office and the Greater Phoenix CVB support marketing to airlines with market information. Overall, 60% of current Phoenix airlift is supported by visitors.

This impact is hardly rare, and numerous studies (including those listed below) have confirmed a connection between the long-term impacts of improved air transportation and overall economic development.

- Jan Brueckner, "Airline Traffic and Urban Economic Development," *Urban Studies* 40, no. 8 (July 2003): 1455–69.
Richard K. Green, "Airports and Economic Development," *Real Estate Economics* 35, no. 1 (2007): 91–112.
Michael D. Irwin and John D. Kasarda, "Air Passenger Linkages and Employment Growth in US Metropolitan Areas," *American Sociological Review*, 1991, 524–37.
Kenneth Button, Rui Neiva, and Junyang Yuan, "Economic Development and the Impact of the EU–US Transatlantic Open Skies Air Transport Agreement," *Applied Economics Letters* 21, no. 11 (2014): 767–70.
IATA, *Measuring the Economic Rate of Return on Investment in the Aviation Industry, Aviation Economic Benefits*, July 2007

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Channel of impact: The visitor economy that is fueled by destination promotion supports amenities and a quality of life that are integral to attracting investment in other sectors.

Parks and public areas, dining and nightlife in walkable districts, services and transportation along waterfront areas, creative arts and cultural institutions - these are just some of the facilities and services that benefit from the visitor economy but are also valued by residents and—by extension—site locators, investors, and business executives. Research suggests that this occurs as:

- Visitors provide substantial demand for amenities and generate returns in terms of quality of life improvements for residents, helping raise the quality of life.
- Economic research and real-world business location decisions demonstrate that such amenities and lifestyle characteristics are important in driving economic growth.
- Leading practices in economic development leverage these visitor-supported quality of life assets.

Visitor spending helps support a broader and higher quality set of amenities than an area could otherwise sustain. For many businesses and destinations, whether on the smaller scale of a restaurant or on the larger scale of a sports facility or National Park, the difference between breaking even or running at a loss can be thin. As an incremental source of business above and beyond what can be supported locally, visitors provide demand for businesses as well as many not-for-profit institutions, such as museums.

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Richard Florida, an urban theorist and author of several popular books, provides an introduction to these concepts, noting that economists and geographers have long looked at the role that the availability of talent has played in the location decisions of firms, but have only more recently turned to the factors that attract talent. Florida writes¹:

"A growing stream of research suggests that amenities, entertainment, and lifestyle considerations are important elements of the ability of cities to attract both firms and people." The "traditional view offered by economists is that places attract people by matching them to jobs and economic opportunity. More recent research suggests that places attract people by providing a range of lifestyle amenities."

"If cities are to remain strong, they must attract workers on the basis of quality of life as well as on the basis of higher wages."

For important new investment bids, EDOs will coordinate with DMOs for the best possible pitch. Given the importance of destination characteristics in the decisions of investors and site locators, NTOs and DMOs can provide the marketing content and experiences to visitors to strengthen the bid.

All of the EDOs frequently collaborate with the DMOs, including the use of collateral and media originally developed by DMOs. For example, the Cleveland Department of Economic Development has an entire section on its website called "Living Here" that focuses on amenities and attractions including arts, culture, and entertainment.

¹ Florida, Richard (2005). Cities and the creative class. Routledge. New York.

THE ECONOMIC RATIONALE FOR DESTINATION MARKETING

Destination promotion helps drive economic development

Destination marketing supports economic development through four catalytic channels, extending its impact well beyond the effects of visitor spending. Destination marketing builds transport accessibility, attracts major events that build awareness, raises the quality of life for residents, and raises the profile of a destination among potential investors.

As a result, cities and states that succeed as destinations are more likely to succeed in broader economic terms.



Oxford Economics (2014, November) "Destination Promotion: An Engine of Economic Development: How destination promotion drives economic development." Produced in connection with Destination & Travel Foundation. [Link](http://www.oxforeconomics.com/engine) to <http://www.oxforeconomics.com/engine>

APPENDIX 2: THE ROI OF DESTINATION MARKETING

THE ROI OF DESTINATION MARKETING

Many state and local CVBs and DMOs conduct periodic assessments of marketing effectiveness. There are several goals of these studies, including understanding how specific marketing campaigns are perceived by households, how effective the campaigns are in having an impact on households' intent to travel to a given destination, and which target markets are showing differing level of responsiveness to marketing. Frequently these studies include a specific analysis of the ROI of marketing spending in the form of a quantitative assessment of the level of incremental visitor spending and tax revenues that are attributable to destination marketing.

These studies use a variety of methods and are measuring the impact of a range of different campaigns across different situations. For example, a specific study may look at incremental visitors attracted by a state-level marketing campaign conducted by a state that attracts travelers from a range of national markets, while another study may focus on the results of a more targeted regional campaign carried out by a city-level CVB. While the results of a specific study pertain most directly to the situation that was analyzed and the corresponding assumptions, it is appropriate to consider broader inferences from the research. We analyzed recent studies that included an estimate of the incremental visitor spending attributable to advertising campaign spending.

For example, in a fairly typical approach, a study would:

- use a survey to analyze the effect of a specific advertising campaign on households' travel to a given destination, such as by analyzing the impact on actual travel among those that had observed the advertising or by analyzing the impact on households' intentions to travel;
- project that effect to the broader set of households in the marketing area to estimate the number of incremental visits attributable to the campaign;
- apply typical levels of spending per visitor to estimate incremental visitor spending; and,
- compare incremental visitor spending to the level of advertising spending to estimate the ROI.

We summarized the estimates of incremental visitor spending per dollar of advertising campaign spending from these studies in the table on the following page

THE ROI OF DESTINATION MARKETING

Estimates of incremental visitor spending per dollar of advertising campaign spending from the set of studies we analyzed is summarized in the adjacent table, supporting the following observations:

Overall, we observe that recent marketing campaigns by destination marketing organizations at the metro/regional level have generated approximately \$53 of incremental visitor spending per dollar of advertising spending.

These ROI estimates relate directly to advertising spending. It is also appropriate to consider a visitor spending ROI relative to total CVB operating costs, or relative to public funding. As an example of the former approach, Meet Minneapolis reports the ratio of visitor spending associated with events tracked in its group sales management system to total CVB operating costs has averaged \$33 in recent years. This excludes almost all leisure visitor spending.

As an example of an ROI based on public funding, the Florida state government recently analyzed the return on investment for public funding of Visit Florida. The analysis attributed Visit Florida's public funding (excluding, for example, significant private funding for cooperative advertising and promotions) to generating \$11.2 billion of visitor spending during the three-year-period through FY 2013, representing a visitor spending ROI of \$97, and a state tax revenue ROI of \$3.2 (\$3.20 of state tax revenue generated by each \$1 of state funding).

Marketing ROI matrix

Region	Timing	Visitor spending per ad dollar
States		
California	Average 2009 to 2013	\$326
Arizona	Average 2007, '11, '12, '15	\$221
Georgia	Average 2011 and 2012	\$211
Colorado	2012	\$200
Florida	2011	\$177
Maryland	2012	\$160
Wyoming	Average 2012, '13, '14	\$156
Kentucky	2014	\$151
Missouri	2013	\$131
North Dakota	Average 2010, '12, '14	\$101
Utah	Average 2010, '11, '13	\$83
New Mexico	2013 to 2015	\$72
Virginia	2006	\$71
Michigan	Average 2006 to 2014	\$69
Metros and regions		
Philadelphia, PA	2009/10	\$100
Kansas City, MO	2013	\$65
Washington, DC	2013	\$27
San Diego, CA	2013	\$19
Branson, MO	2012	\$79
Springfield, MO	2011	\$61
Finger Lakes Wine Country, NY	2012	\$44
Syracuse, NY	2008	\$12
Average of metros/regions		\$51
Median of metros/regions		\$53

Sources: Local studies compiled by Tourism Economics