



TRAVEL AND TOURISM  
RESEARCH ASSOCIATION

Longwoods  
INTERNATIONAL

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# Defending Your Tourism Budget

Lessons From Colorado Tourism and The Power of Travel Data

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# Balakumar Raghuraman (Bala)

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## About Me:

- Over 12+ years in big data analytics for the travel industry.
- Primary Client Service Manager for over 70+ destinations across 8 years
- Passionate about turning data into actionable stories
- Deep expertise in leveraging survey, geo-location and short-term rental data.
- Based in Toronto, ON

# Defending Tourism: Why Our Case Matters Now



Recent headlines from Brand USA, Florida, and New Brunswick highlight a universal reality: budget cuts threaten tourism worldwide.

The key question—how do we effectively defend ourselves and show our value in a way that resonates?

## Brand USA to recalibrate after \$80M funding cut: CEO

News / Trending

🕒 07-04-2025 7:55 am

👤 Michael Pihach



Brand USA CEO Fred Dixon speaks at IPW in Chicago last month. (Brand USA)



# Defending Tourism: Why Our Case Matters Now

LOCAL

## **Proposed Florida legislation threatens local tourism funding and jobs**



Recent headlines from Brand USA, Florida, and New Brunswick highlight a universal reality: budget cuts threaten tourism worldwide.

The key question—how do we effectively defend ourselves and show our value in a way that resonates?



# Defending Tourism: Why Our Case Matters Now



Recent headlines from Brand USA, Florida, and New Brunswick highlight a universal reality: budget cuts threaten tourism worldwide.

The key question—how do we effectively defend ourselves and show our value in a way that resonates?

New Brunswick | News

## N.B. budget cuts to tourism sector raise concerns

By [Alana Pickrell](#)

Published: March 26, 2025 at 5:26PM EDT

# The Game Plan: Making Your Case in a Budget Meeting

1

## Part 1: The Proof – A Case Study from Colorado

Data tells you what happened, but a powerful story is what makes it unforgettable and proves your value.

To show you what this looks like in action, we will explore with a real-world example from Colorado.

2

## Part 2: The Playbook – Building Your Own Case with Data

Your data is the most powerful evidence you have.

Second part of this will include some techniques employed by tourism organizations that have helped them defend their budget during turbulent times.



The Proof:

# Rise and Fall (and Rise) of Colorado Tourism





# Rise and Fall of Colorado Tourism Office

**1983**

Colorado Tourism Office was created

**1988**

Colorado Tourism Office budget was renewed for the first time

**1993**

Colorado was ranked #1 among 50 states for Summer Resort Destination

**1994**

Colorado slipped to #17 among 50 states for Summer Resort Destination

**1986**

Longwoods Intl was hired to conduct Visitor & Image Research

**1992**

Colorado was ranked #5 among 50 states for Summer Resort Destination

**1993**

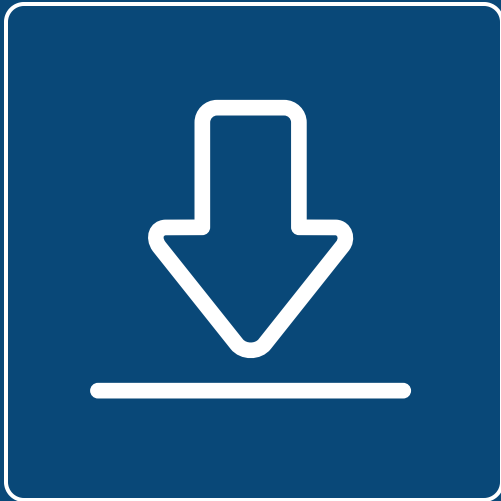
Colorado State Tourism Office budget was cut from \$12million to \$0



A scenic landscape photograph featuring a two-lane asphalt road with a double yellow center line, receding into the distance. The road is flanked by dense evergreen forests. In the background, majestic mountains with significant snow cover rise against a pale, overcast sky. The overall mood is serene and majestic.

***“It’s not that we are against tourism. But the Rocky Mountains were there long before the Colorado Tourism Board, and they’d be there long afterwards. Surely the tourists will keep on coming.”***

# Immediate Aftermath



## **Dropped from #1 to #17**

Rank among U.S. States  
as a Summer Resort Destination



## **More Regional Visitors**

As opposed to National Fly-in venue it  
had become as a result of Marketing



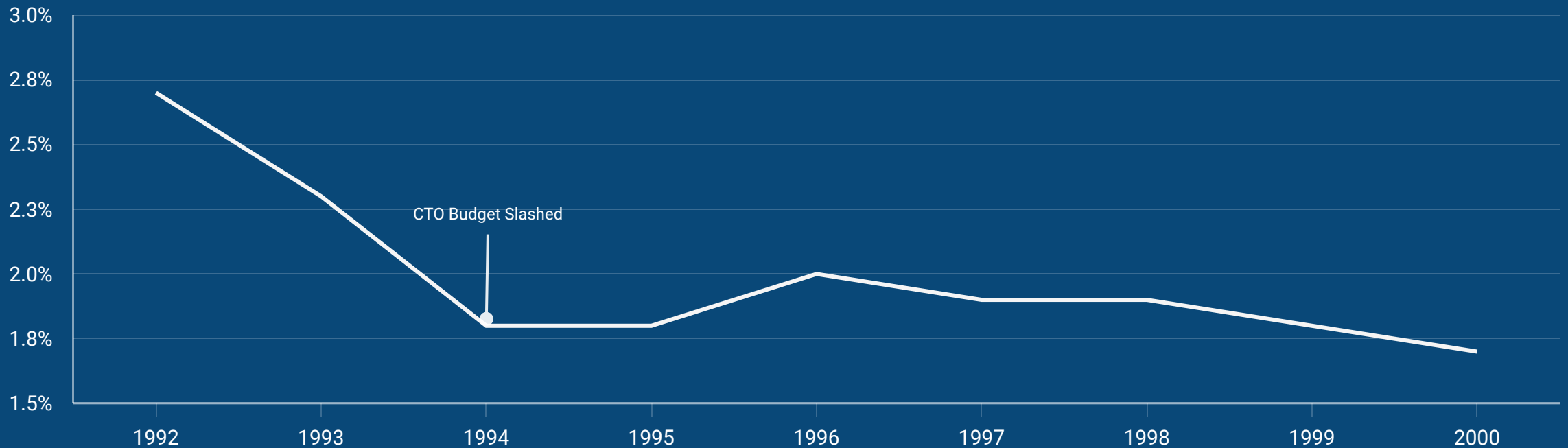
## **Increase in VFRs**

As opposed to high-yield customers  
staying in Hotels



# Colorado's Share of U.S. Overnight Leisure Trips dropped significantly

Percent Identifying Colorado as Main Destination of Trip



Longwoods International TravelUSA Survey

# Consequences of Budget Cuts



**Lost 30% Market Share**

In the next 2 years



**Over \$1.4B lost annually**

In the next 2 years



**Over \$2.4B lost annually**

In late 1990s



**State and Local Taxes dropped by \$134M**

between 1993 and 1997





**“It was like  
owning a  
Ferrari but not  
having money  
for gasoline.”**



# Rising from Ashes



- **Colorado Tourism office's budget was renewed for \$5M on July 1, 2000**
- **After a 7-year hiatus, CTO was back in business despite it's marketing budget being less than half of what it used to be.**

# Rising from the Ashes

**1998**

Longwoods Intl was hired to produce a White Paper to review the situation and propose a solution

**2000**

CTO's marketing budget was renewed for **\$5 million** - a 50% reduction in the budget 7 years ago

**2003**

Governor Bill Owens approved a one-time **\$9 million** capital for tourism promotion

**1999**

White Paper was distributed to legislators and media

**2002**

CTO demonstrated an Tax Dollars returned per Ad dollar invested (Tax ROI) of **\$12.74:\$1**



# 2003-2004 Marketing Effectiveness



**5.3 Million**

Incremental Trips due to advertising



**\$1.4B**

Additional Visitor Spending



**\$89.5M**

Additional in State and Local Taxes

# Rising from the Ashes

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White Paper was distributed to legislators and media

**2000**

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**2002**

CTO demonstrated an Tax Dollars returned per Ad dollar invested (Tax ROI) of **\$12.74:\$1**

**2003**

Governor Bill Owens approved a one-time **\$9 million** capital for tourism promotion

**2004**

CTO demonstrated a Tax ROI of **\$18:\$1**

**2006**

House Bill 1201 was signed into law, which almost quadrupled CTO's tourism marketing budget to **\$19 million**



***“The moral of the story is that in the modern tourism economy, it’s not enough to have spectacular scenery. You also have to advertise your product.”***

**THE DENVER POST**



The Playbook

# Building your own case

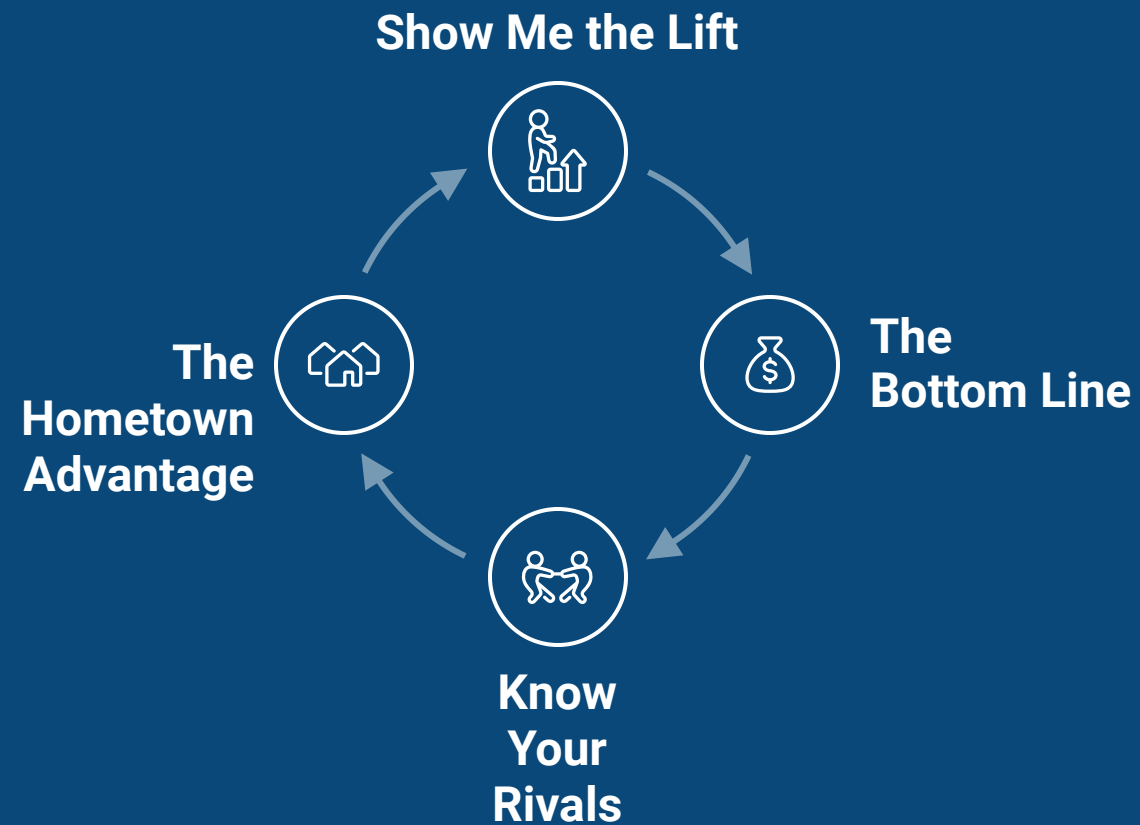
DEFENDANT





# The Playbook

The Data-Driven Game Plan





# Show me the Lift

Proving True Campaign Impact



- Tackle the classic question: “How do we know our marketing made a difference?”
- Use a control group—identical to your target audience but unexposed—to measure true impact.
- Without a control group, it’s impossible to prove your campaign’s real influence or defend your results.

# The Bottom Line

## Return on Investment

1

### Visitor Spending per Ad Dollar (ROI)

\$1 of marketing yielded \$X in spending

2

### Tax Dollars per Ad Dollar (Tax ROI)

For every \$1 spent on marketing, \$X in destination taxes were generated.

3

### Incremental ROI

For every \$1 spent on marketing, \$X in additional destination spending was generated.

4

### Incremental Tax ROI

For every \$1 spent on marketing, \$X in additional destination taxes was generated.



# \$10: \$1

Additional Tax Revenue generated for every dollar of marketing spend



# The Outbreak Scenario

Imagine you are a public health official facing a deadly disease for 600 million people.



**You are given two choices:**

- **Program A: 200 million will survive**
- **Program B: 1/3rd chance that everyone will be saved**

The Outbreak Scenario: A Tale of Two Choices



72%



Program A

28%



Program B

The Outbreak Scenario: A Tale of Two Choices

# The Outbreak Scenario

Imagine you are a public health official facing a deadly disease for 600 million people.



**You are given two choices:**

- **Program C: 400 million will die**
- **Program D: 1/3rd chance that everyone will be saved**

The Outbreak Scenario: A Tale of Two Choices



21%



Program C

79%



Program D

The Outbreak Scenario: A Tale of Two Choices

**78%**



Program A - 200 Million lives saved

**22%**



Program B - 1/3rd probability that all will be saved

**21%**



Program C - 400 Millions will die

**79%**



Program D - 1/3rd probability that all will be saved

The Outbreak Scenario: A Tale of Two Choices



# \$10: \$1

Additional Tax Revenue generated for every dollar of marketing spend





# If we didn't do any marketing last year, we would have lost

Additional Taxes Generated

**\$8,000,000**  +4%

*Illustrative figures, not precise*



# Know Your Rivals

The Success Metric Paradox



*Illustrative figures, not precise*

# Know Your Rivals

The Success Metric Paradox

82%



Trip Satisfaction



*Illustrative figures, not precise*



# Know Your Rivals

The Power of Context

82%



Our Destination

75%



Destination A - Direct Competitor

90%



Destination B - Aspirational Rival

*Illustrative figures, not precise*

# The Hometown Advantage





# Hometown Advantage

Turning Sentiment into a Strategic Asset

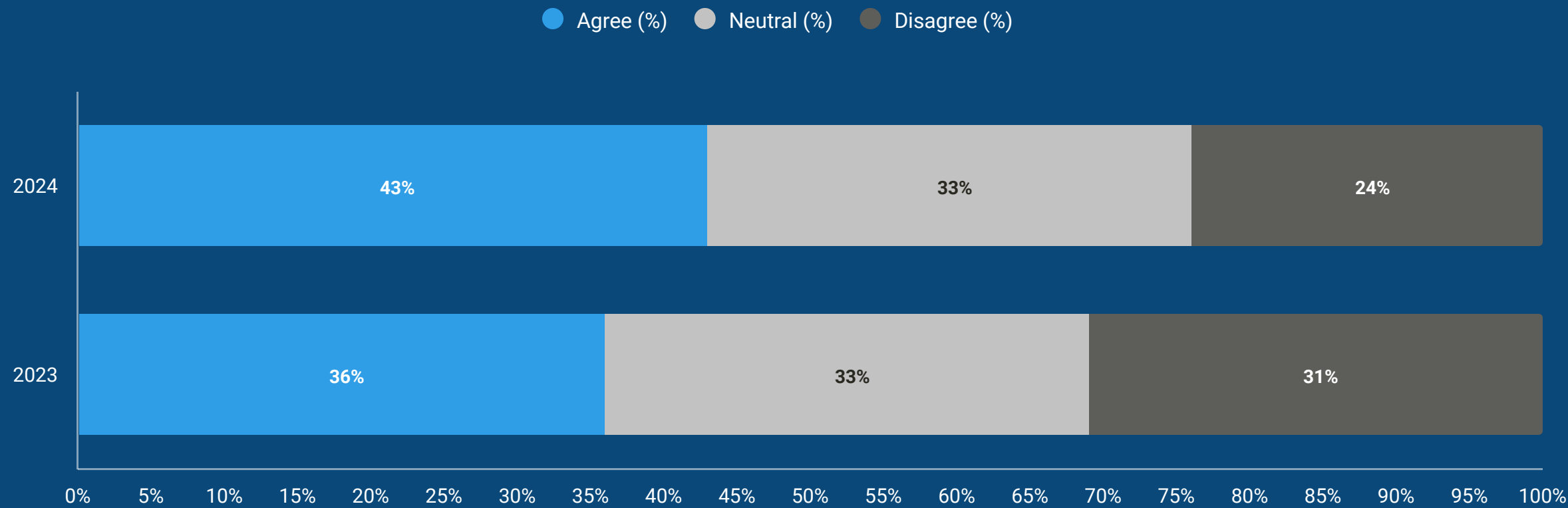
A world map is shown in the background, with the word "MARKETING" written across it in large, 3D letters. Each letter is decorated with a different vibrant, cultural pattern, including floral, geometric, and abstract designs in various colors like blue, orange, green, and purple. The letters are arranged horizontally across the center of the map.

MARKETING

- Do residents view tourism as a net positive for the community?
- How effectively are we telling the story of our local economic and cultural contributions?

# U.S. National Resident Sentiment

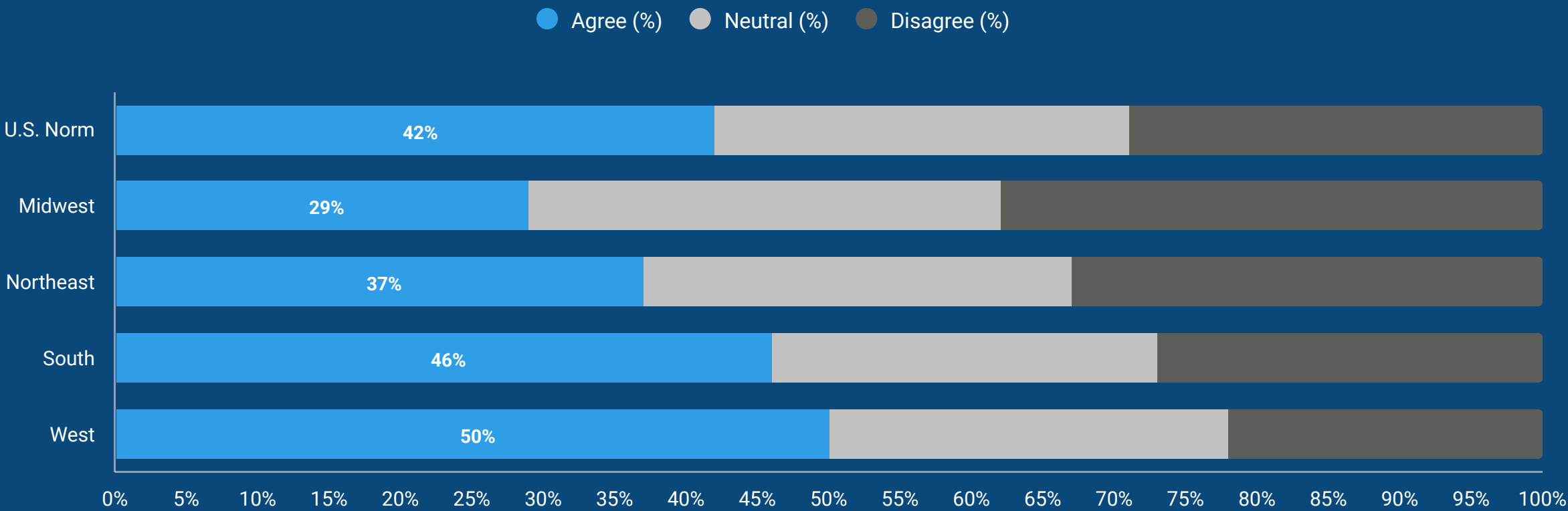
My local government is doing a good job balancing resident quality of life and visitor satisfaction



Longwoods International U.S. National Resident Sentiment, July 2024

# U.S. National Resident Sentiment

The growth in tourism is causing prices to rise, making things less affordable for residents



Longwoods International U.S. National Resident Sentiment, July 2024



# When Residents Say "No": The True Cost of Losing Public Buy-In

Annual Tourism Tax Eliminated

**\$12,000,000**

The tourism tax residents voted to eliminate.

Annual Revenue Lost

**\$2,400,000,000**

Lost revenue from declining visitor spending (late 1990s).

Revenue Lost per Tax saved

**\$200:\$1**

Lost revenue per \$1 of tourism tax saved

*Rise and Fall of Colorado Tourism*

# Communication is vital!

***“Our polling research at the time showed that Colorado voters already understood the importance of tourism. They simply didn’t want a tourism tax.***

***What voters did not understand was that the existing tax was only 0.2% of tourism expenditures and that it was primarily paid for by out-of-state visitors, not by them.***

***When we explained these facts to survey respondents, they flipped their opinion and supported the tax. Incredibly, they actually believed the tax was too small!”***



**Dr. Bill Seigel**

# Key Summary

- **The Proof: The Colorado Story**

**The Fall (1993):** Eliminated \$12M marketing budget → Dropped from #1 to #17 ranking in one year, lost \$2.4B revenue

**The Recovery (2000-2006):** Renewed marketing investment → Achieved 18:1 tax ROI by 2004

- **The Playbook: Four Essential Budget Defense Strategies**

**Show Me the Lift** - Use control groups to prove true campaign impact

**The Bottom Line** - Frame your ROI based on who's listening and what they care about

**Know Your Rivals** - Leverage competitive benchmarking for context

**The Hometown Advantage** - Build resident support with clear economic data







***“The moral of the story is that in the modern tourism economy, it’s not enough to have spectacular scenery. You also have to advertise your product.”***

**THE DENVER POST**





# Thank you



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