Longwoods International's Michigan 2016 Tourism Advertising Evaluation and Image Study included the following ROI summary:

	In Millions				
	Advertising Investment	Trips Generated	New Visitor Spending	State Taxes Generated	ROI
2006	$ 6.2	0.7	$ 188.0	$ 13.1	$ 2.11
2007	6.8	1.3	287.4	20.1	$ 2.94
2008	6.4	1.1	270.3	18.9	$ 2.97
2009*	12.7	2.1	624.0	43.7	$ 3.44
2010*	9.9	2.0	605.9	42.4	$ 4.30
2011*	14.3	3.2	997.4	69.8	$ 4.90
2012*	13.7	3.8	1,129.7	79.1	$ 5.76
2013*	13.0	4.1	1,237.1	86.6	$ 6.66
2014*	12.4	4.1	1,219.4	85.4	$ 6.87
2015*	12.7	4.6	1,396.6	97.8	$ 7.67
2016*	12.9	5.0	1,532.3	107.3	$ 8.33
Pure Michigan Total	$ 121.0	32.0	$ 9,488.2	$ 664.1	$ 5.49

* Regional and National

Our review of the Longwoods International and Tourism Economics studies identified the following issues:

1. The ROI calculation reported in the Longwoods study included:

    - Trips generated, new visitor spending, and State taxes generated based on all three advertising campaigns (spring/summer, fall, and winter).

    - Media placement costs (advertising investment) for the spring/summer advertising campaign.

    It did not include other tourism promotion efforts, such as:

    - Media placement costs for the fall and winter advertising campaigns ($3.0 million for 2016). Hence, the ROI calculation included a year of trips and taxes generated, but only a portion of the year's media placement costs.

    - Media production costs ($4.3 million for 2016).

    - Costs to monitor all aspects of production through placement ($2.3 million for 2016).

    - Advertising costs associated with pay-per-click Internet searches ($500,000 for 2016).

    - Public relations costs associated with building relationships and costs associated with the maintenance of the social media aspects of Pure Michigan ($581,000 for 2016).

    - Partner contributions ($6.2 million for 2016). The Michigan Economic Development Corporation (MEDC) has a partnership program intended to extend the marketing reach of Pure Michigan by leveraging private sector dollars to promote Michigan and participating communities and businesses. MEDC matches media placement cost partnership investments dollar-for-dollar. However, the Longwoods study does not include the partner contributions in the media placement costs (advertising investment).

Potential impact on ROI: Inclusion of these other costs would have decreased the ROI.

2. Several inconsistencies existed throughout the Longwoods study, including:

   a. The study narrative indicated that the purpose of the research was to provide State and local taxes generated via traveler spending in Michigan. However, the ROI Summary identified only State taxes generated. MEDC confirmed that it provided Longwoods International with an estimated percentage of State taxes generated for every dollar spent. MEDC agreed that no local taxes were included and that the study narrative is incorrect.

      Potential impact on ROI: Inclusion of local taxes generated, e.g. hotel/motel tax, would have increased the ROI.

   b. The study narrative indicated that the survey was conducted among a representative sample of adult travelers residing in the United States. However, we determined that some of the survey recipients resided in Canada. Longwoods International agreed that the study narrative should also identify that the survey included adult travelers residing in Canada.

      Potential impact on ROI: None

   c. The study states that the 2016 average spending estimates were provided by Travel Michigan*. However, MEDC informed us that Longwoods International used its own Travel USA®* database. Our follow-up with Longwoods indicated that it used the 2013 data provided by Travel Michigan, as adjusted based on 2014 Travel USA® information.

      Potential impact on ROI: None