Destination Marketing Organization Measurement Strategy

Overview

We often think of destination marketing strategy as involving advertising, digital marketing, content development and more of the exciting parts of the marketing mix. But what is often left out are two critical elements that while not as sexy and exciting are incredibly important. SMG will focus on these issues in this paper and that will come out later in the year. These two unsung marketing strategy elements include measurement and distribution. As I mentioned, definitely not sexy but incredibly important to a DMO successful marketing strategy.

While many DMO's are able to measure their effectiveness at the program level including everything from measuring website user sessions, bounce rates, and social media programs to how many people open the DMO newsletter. DMO's also have at their fingertip's performance measurements on the destination as a whole including the number of room nights generated, the amount of revenue generated, and Transient Occupancy Tax collected. These reports are available through the local municipal government or through Smith Travel Research. We have all been there when a staffer hands out the most recent results of Google Analytics for the month-end or the season end and gives the marketing committee the result to ponder and comment on. If the numbers are down questions are asked to figure out why and if they are positive everyone gets a deserving pat on the back. Or better yet your digital marketing department has assembled a dashboard with every possible measurement you could think of Facebook likes to Instagram, Google data and more, all at your fingertips awaiting your review and analysis. Review and analysis that you have barely enough time to consider let alone think about how you can integrate it into your competitive strategy.

This paper takes a different look at DMO measurement. Too often measurement is thought of at the end of the marketing process through a tactical lens and not a strategic one. This paper takes a different direction and will explore the importance of measurement in informing and shaping a DMO's destination competitive and marketing strategy.

Why measure anything?

Typically, we associate measurement with tracking progress. Are destination occupancy rates moving in the right direction? Are we seeing more people visit our destination website? How many people are opening the DMO newsletter? We have identified a variety of reason why a DMO should want to measure itself.

1. Understanding Consumer Behavior- The importance of measurement is subtle and more powerful and that is to drive learned behavior. The true value of measurement is not just knowing how many likes a DMO has on Facebook book but understanding both consumer behavior and the DMO's reaction to it. What we are really trying to get at with measurement is a more insightful understanding of how consumers are to the DMO's strategy efforts. Its insight we truly seek not just the numbers.

2. **Motivation.** The act of measuring something be it a marketing program or an advertising campaign is also motivating. If you tell your staff or constituents what you are measuring, they will know it's important and be motivated to that end.

3. **To demonstrate the value of the organization.** Some believe that simply showing results demonstrate value but really demonstrating value is different. Showing value considers knowing your audience and knowing what they value. Are they more interested in your website numbers or how much lodging revenue you are generating for the lodging industry? Both require measurements but both may not be valued depending upon who you are presenting the data to.

4. **Continuous Improvement.** This is a great reason and indicates a focus on measurement as a learning tool instead of a punishment tool. Continuous improvement is strategic in nature. Consider the DMO that makes a continuous improvement over the course of 3 years, 5 years and ten years versus one that really doesn't know what they are measuring or why they are measuring. A big competitive advantage.

5. **A management tool.** Perhaps the most powerful reason to measure is to provide staff with a tool to measure progress. A well-run DMO will have specific, measurable plans or targets for its key measures. These plans will be set at the start of the fiscal year or marketing campaign and tourism staff and vendors will be committed to delivering the planned results. By definition, this approach requires the use of measures, and time will be spent carefully selecting the right measure measures to manage and then setting realistic, achievable plans for tourism programs. Once the plans are done, reports need to be generated and results are reviewed to plan in to answer two fundamental questions: 1) Is the marketing efforts on plan, and 2) Is the marketing plan likely to end the year on plan? If the answer is "no" to either question, tourism staff need to take appropriate action.

What is a measurement strategy?

A measurement strategy is a plan that organizes what you want to measure and how you intend not only to measure what you want but how is that information then used to inform your overall destination or marketing strategy. The strategy starts with the broadest view possible and the flows into smaller more specific areas of measurements. Combined these measurements give decision-makers a number of different perspectives from the big picture to the more specific.

An effective measurement strategy can assist your staff in guiding the technical aspects of the destination /marketing efforts. As well, a sound measurements strategy can also create a clear understanding between internal marketing departments as well as between your organization and outside vendors.

Developing a Measurement Strategy Framework

From our perspective there are two critical elements to developing a measurement strategy framework; strategic level measurements and functional level measurements. The underlining connection between these two types of measurements is those that add the most value.

Measurement Strategy Framework

Strategic Level Measurements	Functional Level Measuremnts
Measurements that add value	

What Should DMO's Measure?

To that end SMG believes many of the measurement challenges stem from the failure to understand what DMOs are responsible for. Are they responsible for generating transactions for room nights? Are they responsible for branding and advertising awareness? Are they responsible for influencing consumer decisions to visit a destination? Often times the issue of accountability is not clearly understood or discussed. As a result, many DMOs fall back on using broad measurements like occupancy, or average daily rate data generated by the local jurisdiction, or data from an outside provider like Smith Travel. Conversely they pull-out Google analytics to illustrate the impact of specific programs and their success.
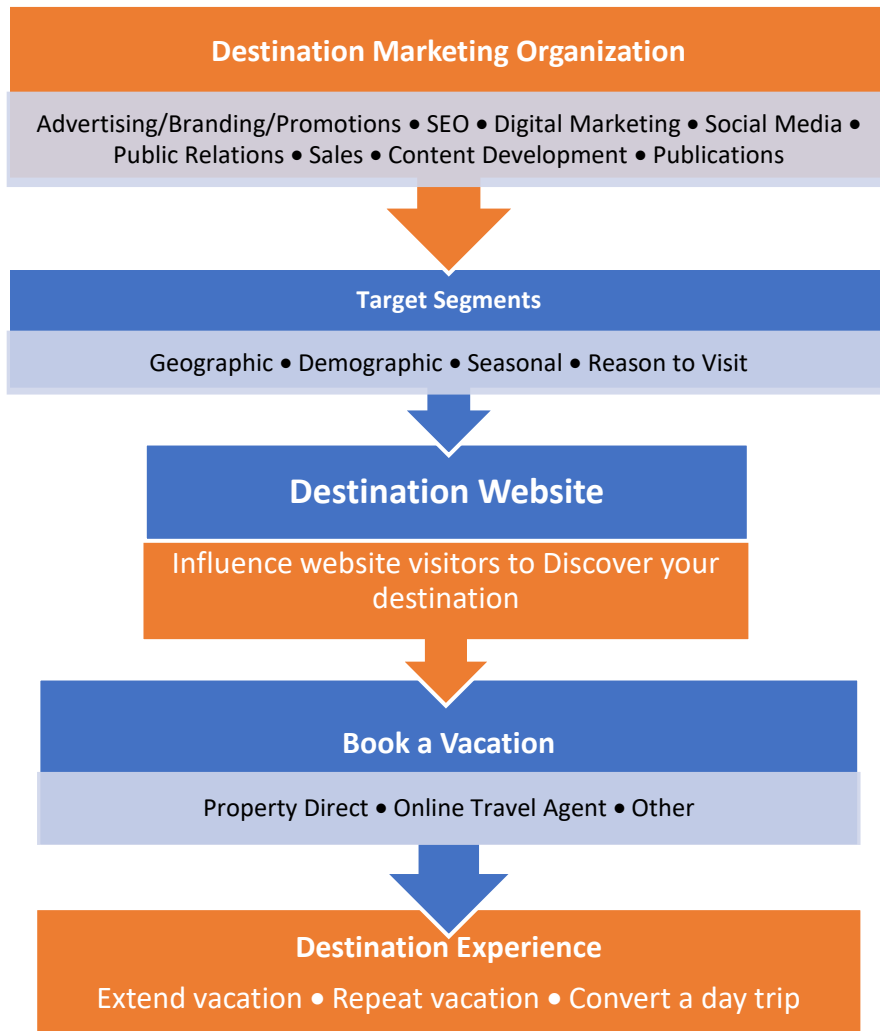
At SMG we believe there is a comprehensive approach to macro-level DMO measurement. This approach is based on the core premise that **the primary duty of the DMO is to create awareness and influence prospective visitors to visit the destination**. Once a DMO has accomplished that, the consumer is free to book a trip with any number of sources, including property direct or an online travel agent.

The key is to understand **how a DMO measures its influence on potential visitors to the destination**. To that end we believe it is the role of the DMO to use the appropriate marketing mix and message to drive as many people to its website in an effort to present the destination in such a way that consumers are influenced to visit the area. The on the following page illustrates this concept.

This flow model represents the core of what a DMO wants to achieve. To create awareness for the destination, have a visitor take the action of going to the website, having the website "influence" that visitor to decide to take a trip and ultimately for that visitor to book the trip and have a positive experience that facilitates them extending their stay, repeating a trip or converting a day trip to an overnight trip.

Destination Visitor Flow Model

Destination Marketing Organization

Advertising/Branding/Promotions • SEO • Digital Marketing • Social Media • Public Relations • Sales • Content Development • Publications

Target Segments

Geographic • Demographic • Seasonal • Reason to Visit

Destination Website

Influence website visitors to Discover your destination

Book a Vacation

Property Direct • Online Travel Agent • Other

Destination Experience

Extend vacation • Repeat vacation • Convert a day trip

Ultimately the measurement system objective is **to understand the effectiveness of the DMO in influencing potential visitors to visit the destination.** Based on this model here is SMG recommendation on DMO measurement.

DMO Measurement Matrix

Strategic Level Measurement	Measure what strategies are critical to the success of the organization. - How is the destination positioned? - Do consumers understand the destination and its positioning? - Based on the answer should communication be adjusted? - Is the DMO influencing visitors at this level?
Functional Level Measurement	What are the functional goals to be measured? - The number of people to the website. - Number of newsletters opened etc.
Value Adding Measurement	Measurements that will be most meaningful and demonstrate value to those that fund your organization.

Strategic level measurements focus on bigger picture strategy issues on how the destination is positioned to target segments. How is the strength of that positioning? Is that positioning influencing potential visitors to visit the website and ultimately the destination? This level of measurement is really done because it tends not to focus on the immediacy of measuring the last media plan but it's of critical importance to the overall competitiveness of the destination. What if that new campaign is not positioning the destination as it was designed but people were still visiting the website. The DMO would want to be sure that the adverting/creative is having the desired effect.

Functional level measurement is the measurements we are most familiar with. The volume of measurements that can be obtained through the website and lodging reports have significantly impacted DMO and where they allocate resources. The key is to have both the strategic level and the functional level of measurements in alignment with each other.

A word about data dashboards: there are literally dozens and dozens of data that can be assembled into a dashboard for a DMO to use. The dashboard on the following page is a sample of data that can be assembled. The key is to be comprehensive but meaningful. Too often Digital companies provide reams of information, the key is to select the information that meets your objectives and is actionable.

Sample Measurement Dashboard

Dashboard Indicator	Collection Period	Collection Area	Comments	Source
Regional Performance Measurements				
Travel spending	Annual	County-wide	Lags a year in the collection	
Travel Industry Employment	Annual	County-wide	Lags a year in the collection	
Travel Industry taxes generated	Annual	County-wide	Lags a year in the collection	
Regional Performance - Lodging				
Transient Occupancy Tax Collections	Monthly	City-wide		Smith Travel Research
Occupancy Rate	Monthly	City-wide		Smith Travel Research
Average Daily Rate	Monthly	City-wide		Smith Travel Research
RevPAR	Monthly	City-wide		Smith Travel Research
Program level Measurements				
Site Performance	Monthly	DMO		DMO
Unique Visitors/Sessions	Monthly	DMO		DMO
Time on Site	Monthly	DMO		DMO
Bounce Rate	Monthly	DMO		DMO
DataBase				DMO
Email address capture	Monthly	DMO		DMO
Social Media				DMO
New Facebook likes/engagement	Monthly	DMO		DMO
New Twitter followers	Monthly	DMO		DMO
Public Relations				DMO
Ad equivalency	Seasonally	DMO		DMO
Number of editors visited	Seasonally	DMO		DMO
Number of feature articles	Seasonally	DMO		DMO
Sales				DMO
Leads generated	Seasonally	DMO		DMO
Advertising				DMO
Leads generated	Seasonally	DMO		DMO
Visitor Information Center				DMO
Number of visitors	Monthly	DMO		DMO
				DMO
DMO Level Performance	Annual	DMO	DMO website influence study	

The final component is for measurement is to add value and value is created in the eye of the beholder. Measurement means different things to different people, as such, it's important to target your measurement to the segment you are talking to.

Measurement Value Added Segmentation

Segment	Value-Added Measurement
Board members	Overall organizational performance
Staff	Functional program measurements
Public sector (city/county)	Transient Occupancy Tax collections
Tourism Business improvement district members (Lodging)	Lodging Revenue

As the chart above illustrates different segments are more interested in different types of measurements. The public sector has little interest for functional level measurements, they are interested in how much Transient Occupancy Tax is generated.

Why not add value by thinking about who needs what in terms of measurements and then customizing measurements for those segments? Add value and clarity to the organization not confusion and data overload. Your organization will be better off for it.

Measurement: The Long View

The nexus between measurement and strategy is the long view. The smart DMO is managing for the long term, where the organization and the destination are going to increase its competitiveness. To that end it is important to think about what measurement looks like over 3 years, 5 years or more. The key is constant adjustment and improvement.

The key is to measure! Think about not knowing what you measure for five years?

Long term success means constant improvement.

Constant improvement
means reducing your errors.

Reducing your errors means
making better choices.

Measurement and insight help an organization
make better choices.

SMG Recommends

In considering measurement for your DMO review the following:

1. Step back and take a big-picture strategic look. Resist the temptation just to review your Google analytics, rather take a look at your DMO's strategy and develop measurements to assess how your strategy is doing.
2. Develop functional measurements that will assess programs and help motivate and guide your staff in the implementation of specific programs. Be sure that strategic level measurements and functional level measurements are in alignment.
3. Consider how your measurements add value to all of your constituents both internally and externally. Build value for your organization by customizing your data for your target segments.

About the author:

Carl Ribaudo

Carl is a strategic thinker, thought leader and innovator in the tourism industry. As the founder and president of SMG, Consulting Carl has developed and implemented a wide range of services designed to improve the competitiveness of destinations. Most recently he has developed programs to assist an organization's, and destinations develop effective change strategies that link a DMO's capabilities to the ever-changing market environment. Carl is a trusted advisor to a CEO's and senior executives throughout the industry.

Carl has served the marketing and strategy needs of clients throughout both the public and private sectors. In each case, he and his team design solutions unique to each client's needs.

Carl is also a writer and writes a monthly op-ed page, he published a variety of marketing strategy, tourism, and motorcycle touring related articles. His most recent articles include Crisis Thinking for Destination Disasters, Remembering Why Travel Matters, Overtourism: When is There Too Much Tourism? and Is Marijuana Tourism the Next big thing in California tourism? Maybe not. He has also been both a guest speaker and panelist at industry conferences. He serves on two different State Tourism Committees including Vist California's Research and ROI Committee and the Travel Nevada's Tourism Marketing Committee.

Carl obtained a Bachelor of Science degree from California State University at Northridge. He received his master's degree in Business Administration (MBA) from San Francisco State University Graduate School of Business. He has recently completed a certificate program at Cornell University in Organizational Change Leadership and a certificate program in Strategic Thinking from Dartmouth College.

He enjoys riding his BMW motorcycle on two-lane roads throughout the west, trap shooting, river rafting, and skiing.