# Visit Mendocino/Mendocino County Lodging Association

## DMO influence/Conversion Study

# Overview

- One of the biggest challenges for destination marketing organizations (DMOs) is the issue of measurement.

- While many DMOs are able to measure their effectiveness at the program level including such measurements as website user sessions, bounce rates, and social media programs.

-  The biggest challenge remains is how to measure the organization's effectiveness through the number of room nights generated, the amount of revenue generated and the return on the invested capital.

# Understanding the Role of the DMO

- 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 influence prospective visitors to visit the destination**.
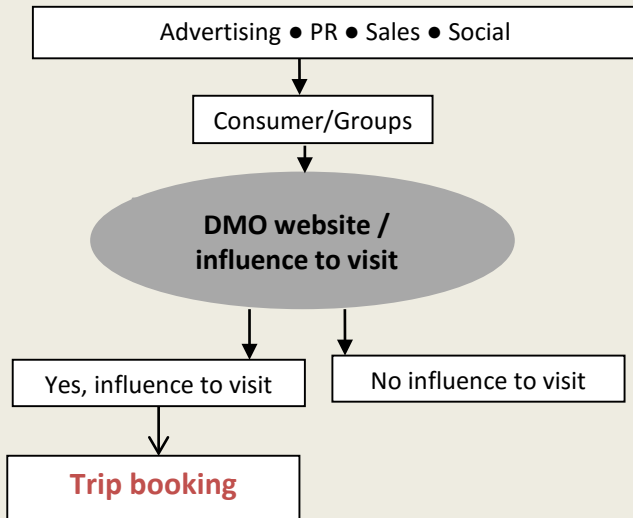
# Understanding the Role of the DMO

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# The DMO Role

Destination awareness

Destination **influence** to visit the area

Consumer conversion to visit

# Understanding the Process

Advertising ● PR ● Sales ● Social

Consumer/Groups

DMO website / influence to visit

Yes, influence to visit

No influence to visit

**Trip booking**

The SMG DMO measurement system objective is **to understand the effectiveness of the DMO in influencing potential visitors to visit the destination.**
**This process works to continually improve the effective of performance of the DMO in several ways by improving efficiency over time.**

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# Methodology

# Phase 1 – Information Collection

**1.1 Preliminary Survey**

- SMG will developed a preliminary pop-up survey that was attached to the DMO website. Consumers that came to the DMO site were asked to participate in a short five question survey. Those who participated were asked to leave their email address to further participate in the survey program.

**1.2 Trip Survey**

- Once 6 months had passed SMG sent those that have agreed to participate a follow-up trip survey that asked approximately 20-25 questions related to whether or not they took a trip, lengths of stay, trip expenditures and specifically if they were influenced on their trip decision in any part by the DMO site.

**1.3 Google Analytics**

- Once the trip survey was tabulated SMG integrated Google Analytics and the survey results and develop the appropriate financial impact model data inputs.

# Information Collection Flow

# Phase 2 – Information Analysis/ Financial Model Building

- Once the data is collected from Phase 1 above, SMG will then developed a custom financial model(s) to assess the number of rooms generated and the economic impact of those that have been influenced to visit the destination.

- The financial models will be developed using specific assumption for this destination and will be presented and reviewed by the DMO and stakeholders in the lodging industry for input and agreement.

- The financial impact model will be calibrated based on the unique situation in that destination.

# Phase 3– Information presentation

- SMG will developed the following presentation that includes the survey and financial modeling results, including the following:

- Room nights generated

- Lodging revenue generated

- Return on Investment (ROI)
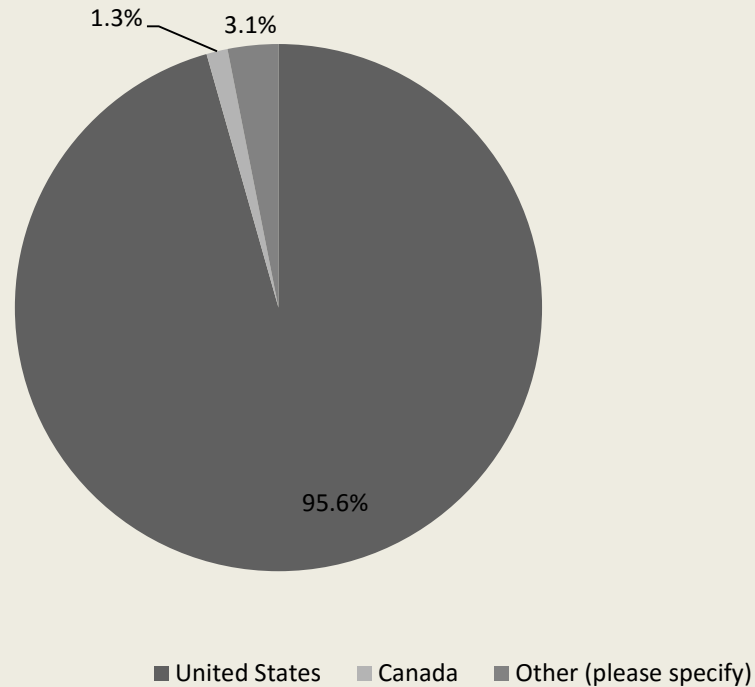
# Phase 4 – Ongoing Management

- Ongoing measurements system management and model calibration.
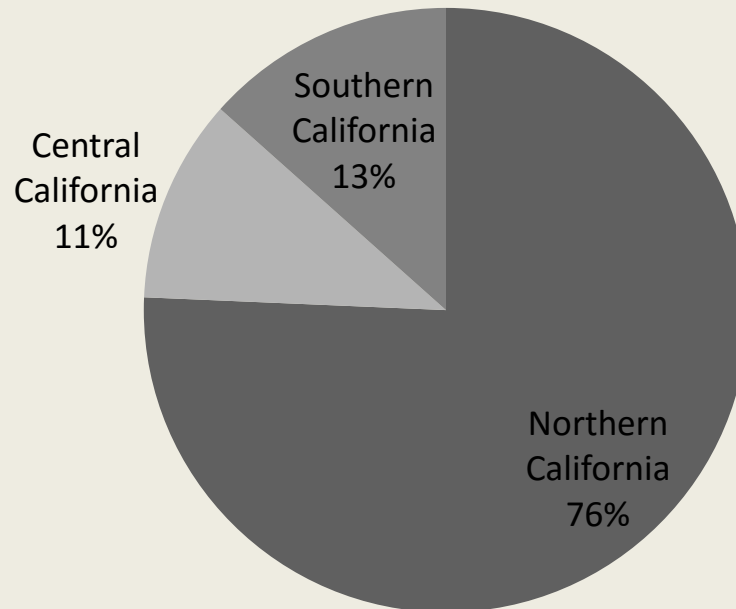
# Summary Results

# Country of Residence

**In which country do you live?**



1.3%    3.1%

95.6%

■ United States    ■ Canada    ■ Other (please specify)

# California Residence

**Which of the following best describes where you live in California?**



Southern California 13%

Central California 11%
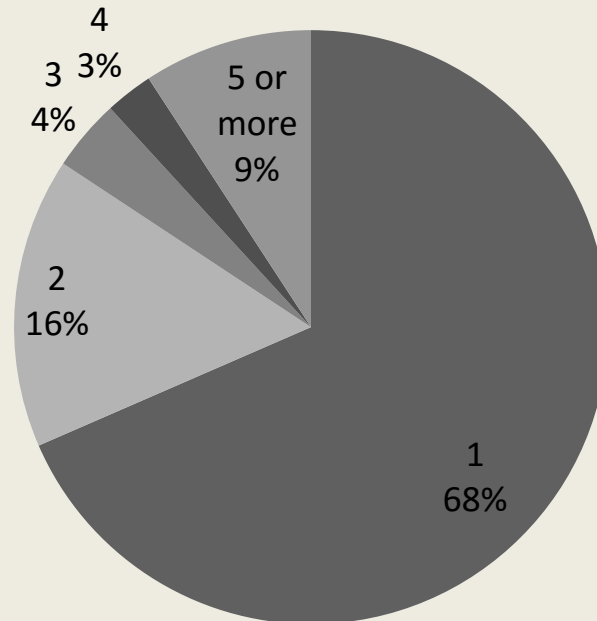
Northern California 76%

# Took a Trip To Medndocino



**Did you take an overnight trip to
Mendocino County in the past six months?**
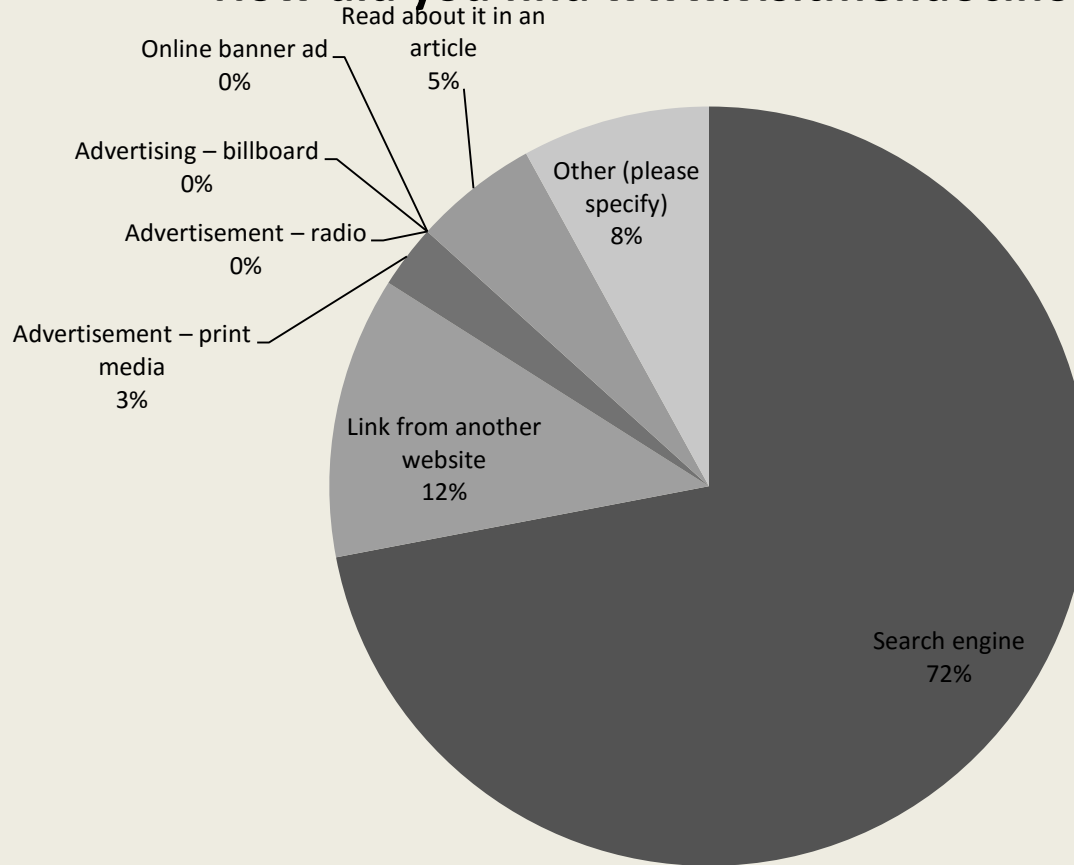
Yes
48%

No
52%
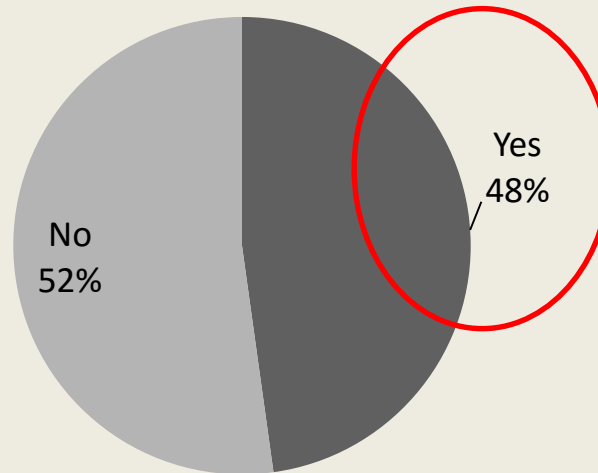
# Number of Trips to Mendocino

**How many overnight trips did you take to Mendocino County in the past six months?**
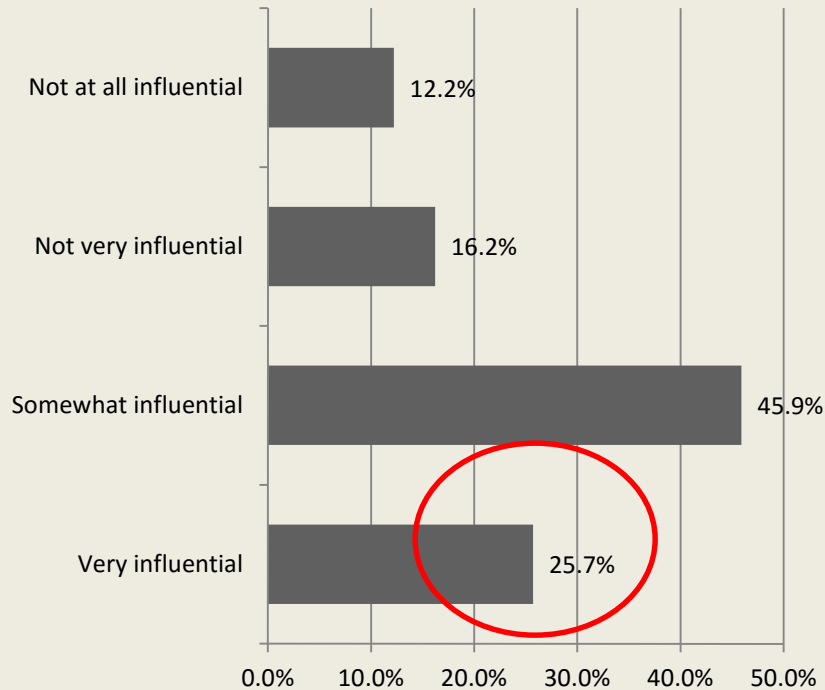
# How Found the Website

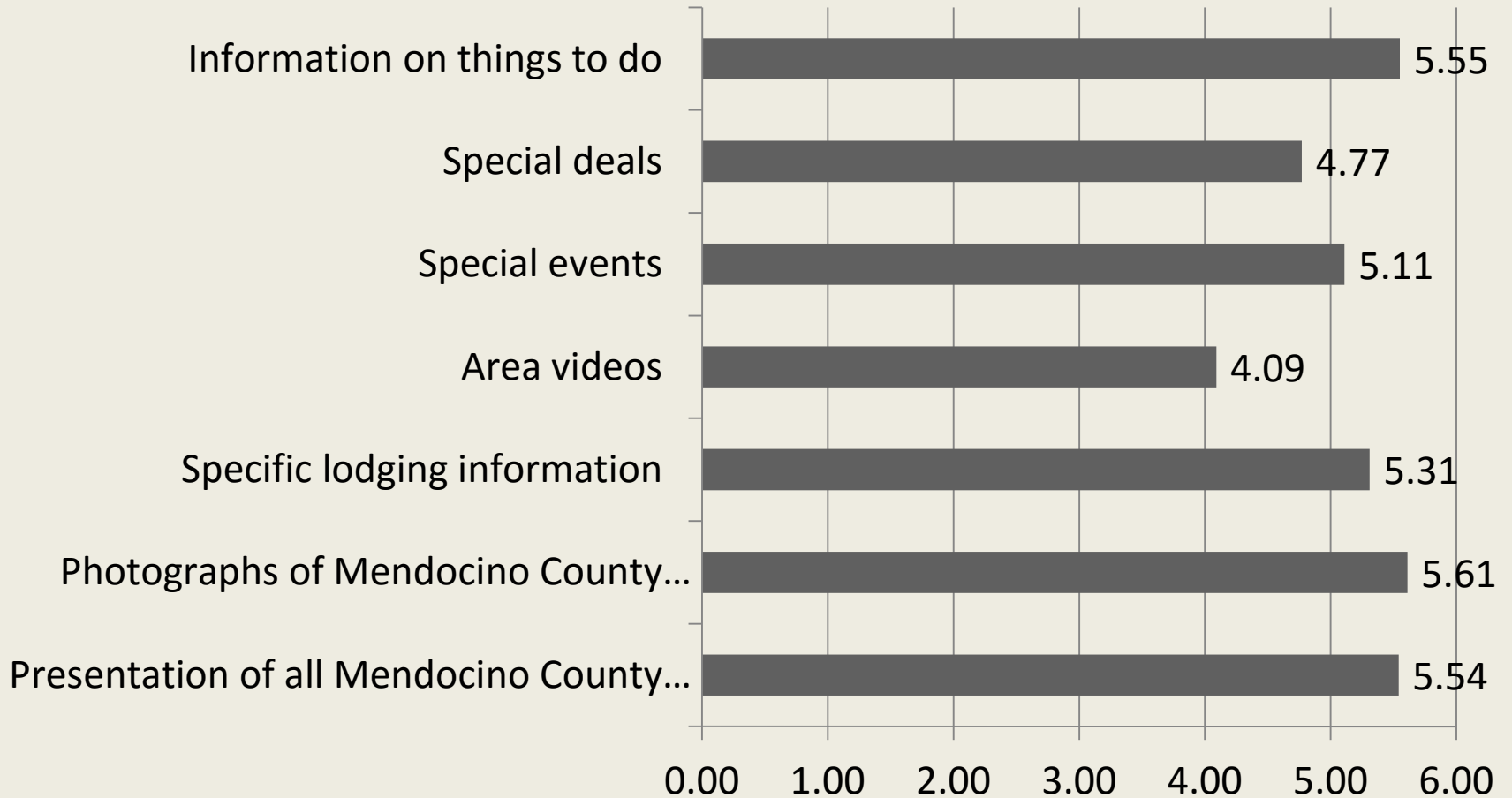**How did you find www.visitmendocino.com?**

# Website Influence

**How influential was the Visit Mendocino website
in your decision to take an overnight trip
Mendocino County in the past six months?**

# Website Element Helpfulness

1= Not at all helpful, 7=Very helpful in decision to visit

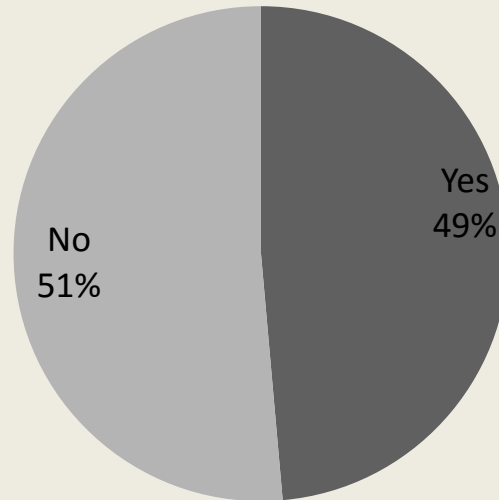| Element | Score |
|---|---|
| Information on things to do | 5.55 |
| Special deals | 4.77 |
| Special events | 5.11 |
| Area videos | 4.09 |
| Specific lodging information | 5.31 |
| Photographs of Mendocino County... | 5.61 |
| Presentation of all Mendocino County... | 5.54 |

0.00  1.00  2.00  3.00  4.00  5.00  6.00

# Number of Visits in Past Six Months

**How many separate times in the past six months have you visited the Visit Mendocino County website?**



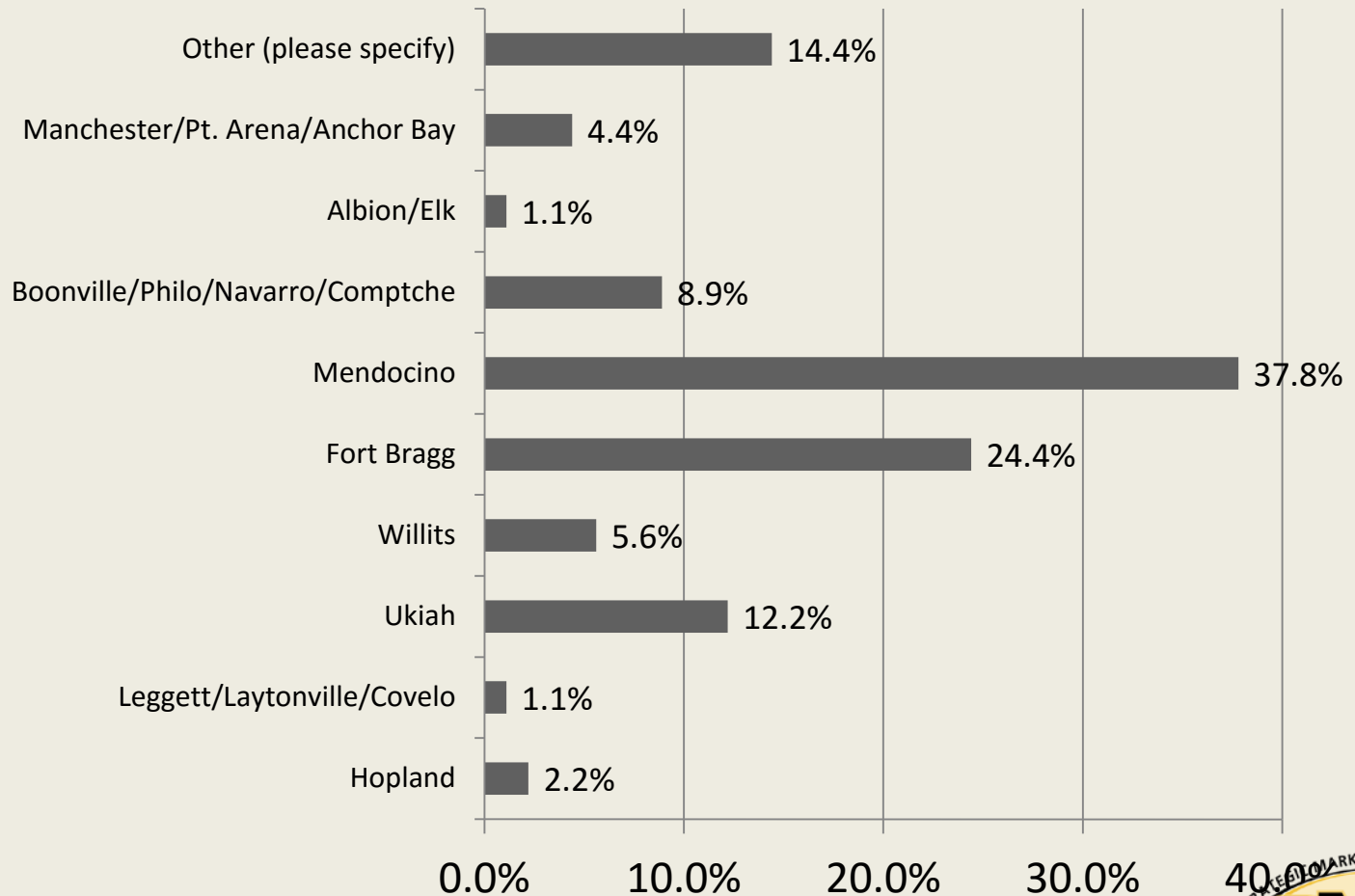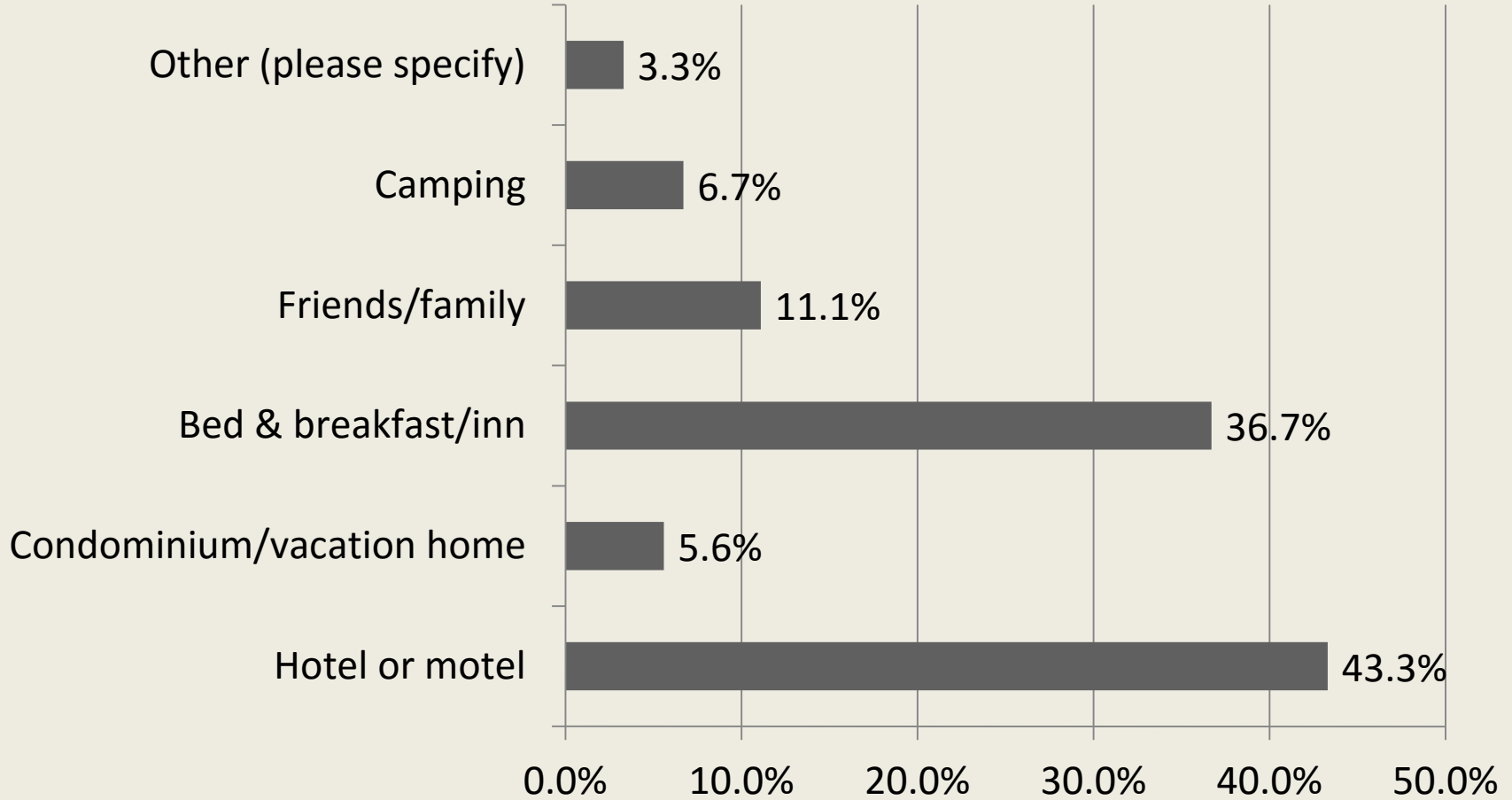| Category | Percentage |
|---|---|
| 7 or more times | 11.1% |
| 6 times | 4.2% |
| 5 times | 5.6% |
| 4 times | 12.5% |
| 3 times | 26.4% |
| 2 times | 18.1% |
| 1 time | 22.2% |
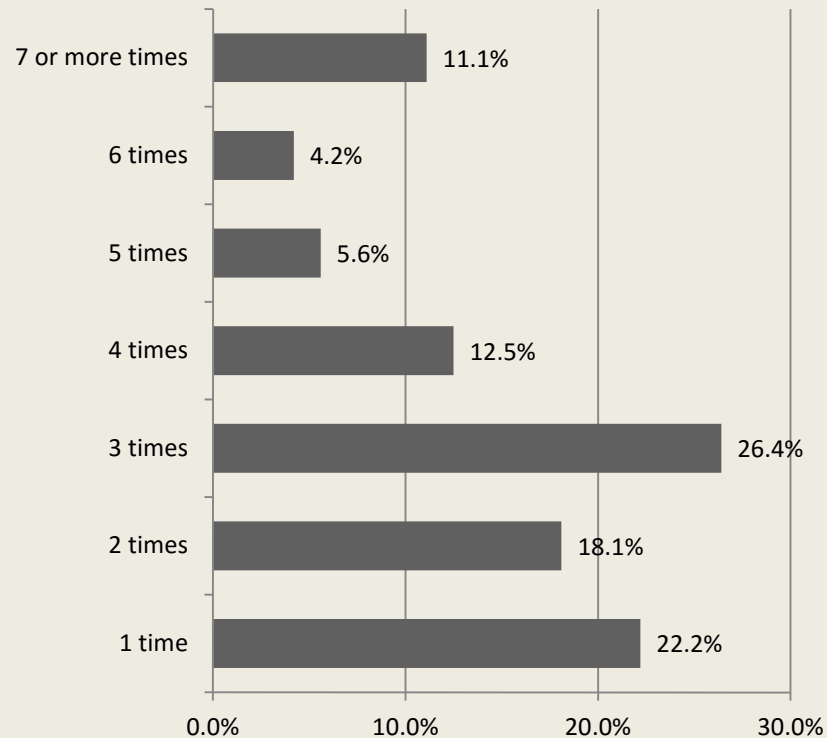
# Previous Visit to Website

**Had you previously visited
www.visitmendocino.com more than 6 months
ago?**

# Location of Last Trip Overnight Stay

# Type of Lodging



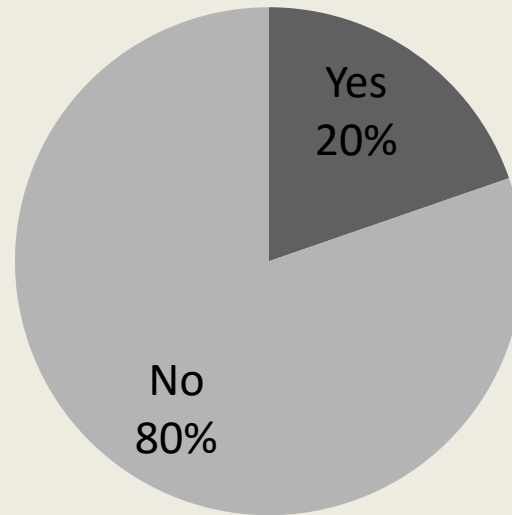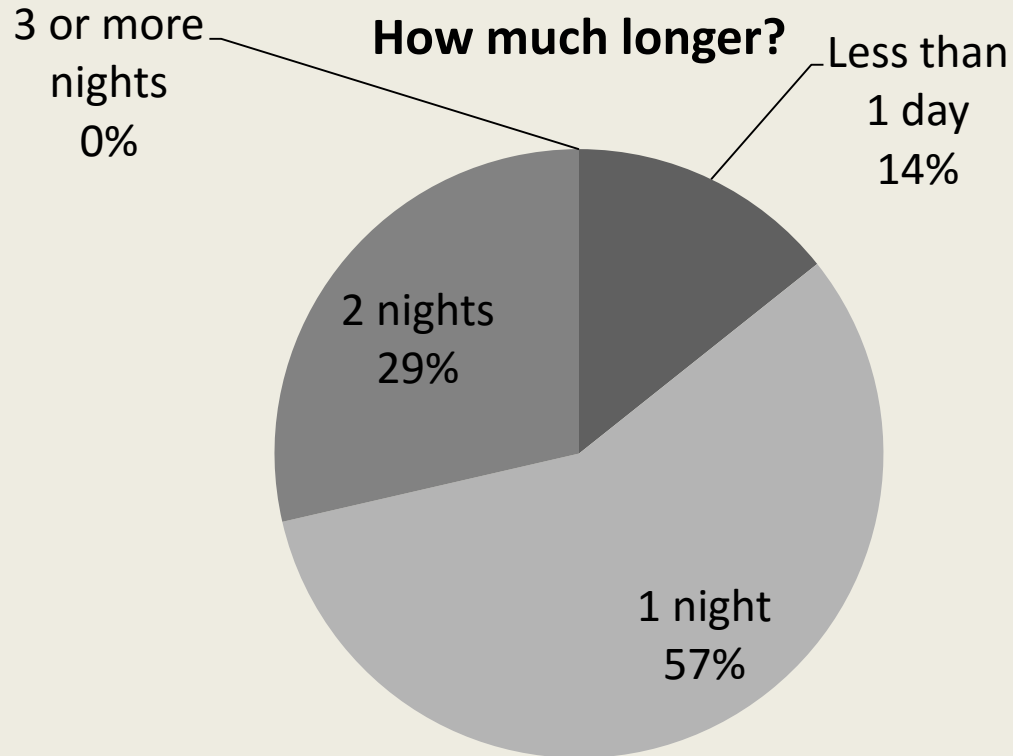| Category | Percentage |
|---|---|
| Other (please specify) | 3.3% |
| Camping | 6.7% |
| Friends/family | 11.1% |
| Bed & breakfast/inn | 36.7% |
| Condominium/vacation home | 5.6% |
| Hotel or motel | 43.3% |

# Video/Photo Encourage You to Visit

**Did the videos/photos/ information you reviewed on www.VisitMendocino.com encourage you to stay longer than originally intended?**



Yes 20%

No 80%

# Incremental Stay



**How much longer?**

3 or more nights 0%

Less than 1 day 14%

2 nights 29%

1 night 57%

# Activity Participation

# Per Party Trip Expenditures

Total $741

| Category | Amount |
|---|---|
| Other $ | 96.11 |
| Recreation $ | 15.05 |
| Daily Transportation $ | 21.57 |
| Retail Shopping $ | 105.71 |
| Entertainment $ | 29.90 |
| Food and Beverage $ | 187.52 |
| Lodging $ | 253.24 |

.00   50.00   100.00   150.00   200.00   250.00   300.00
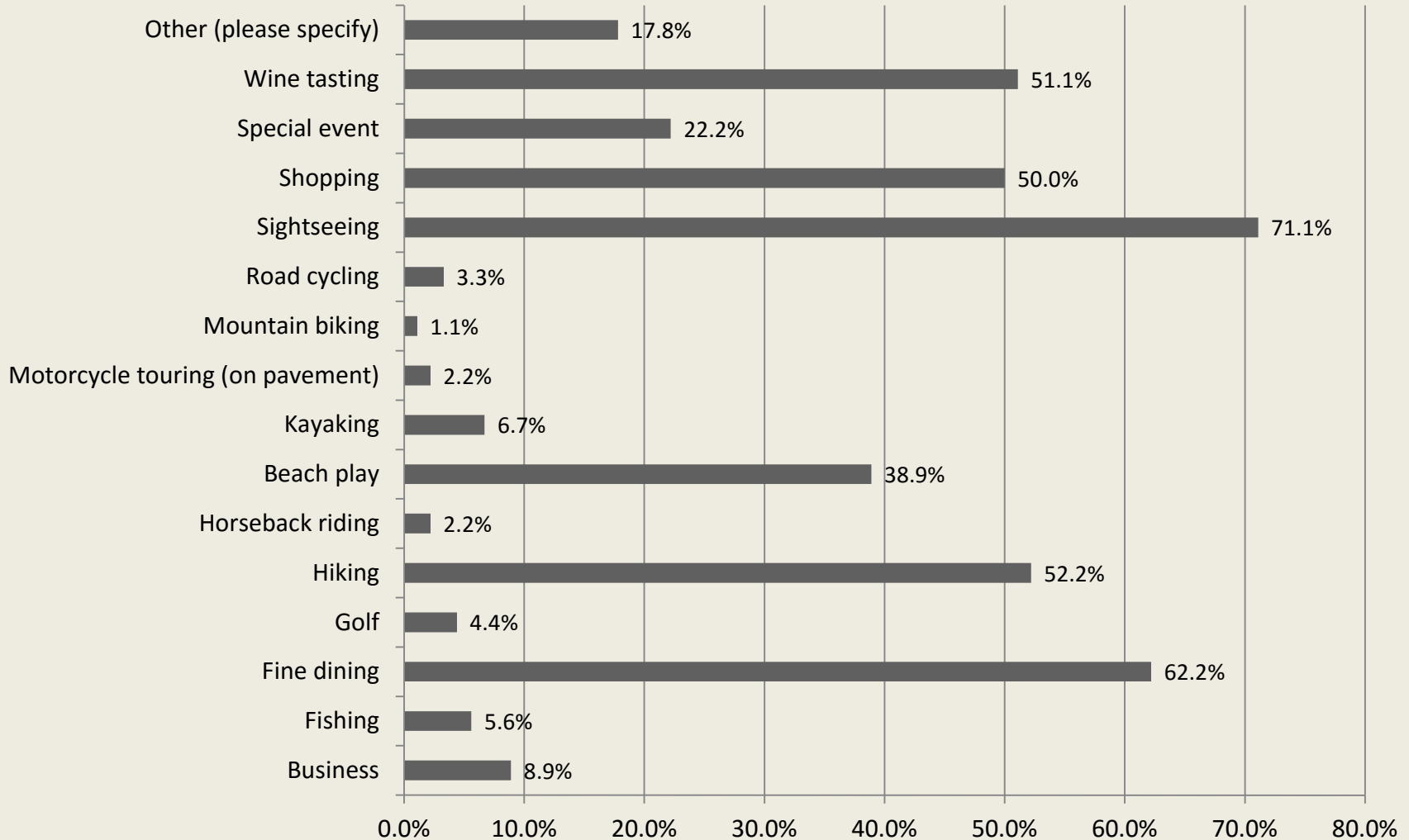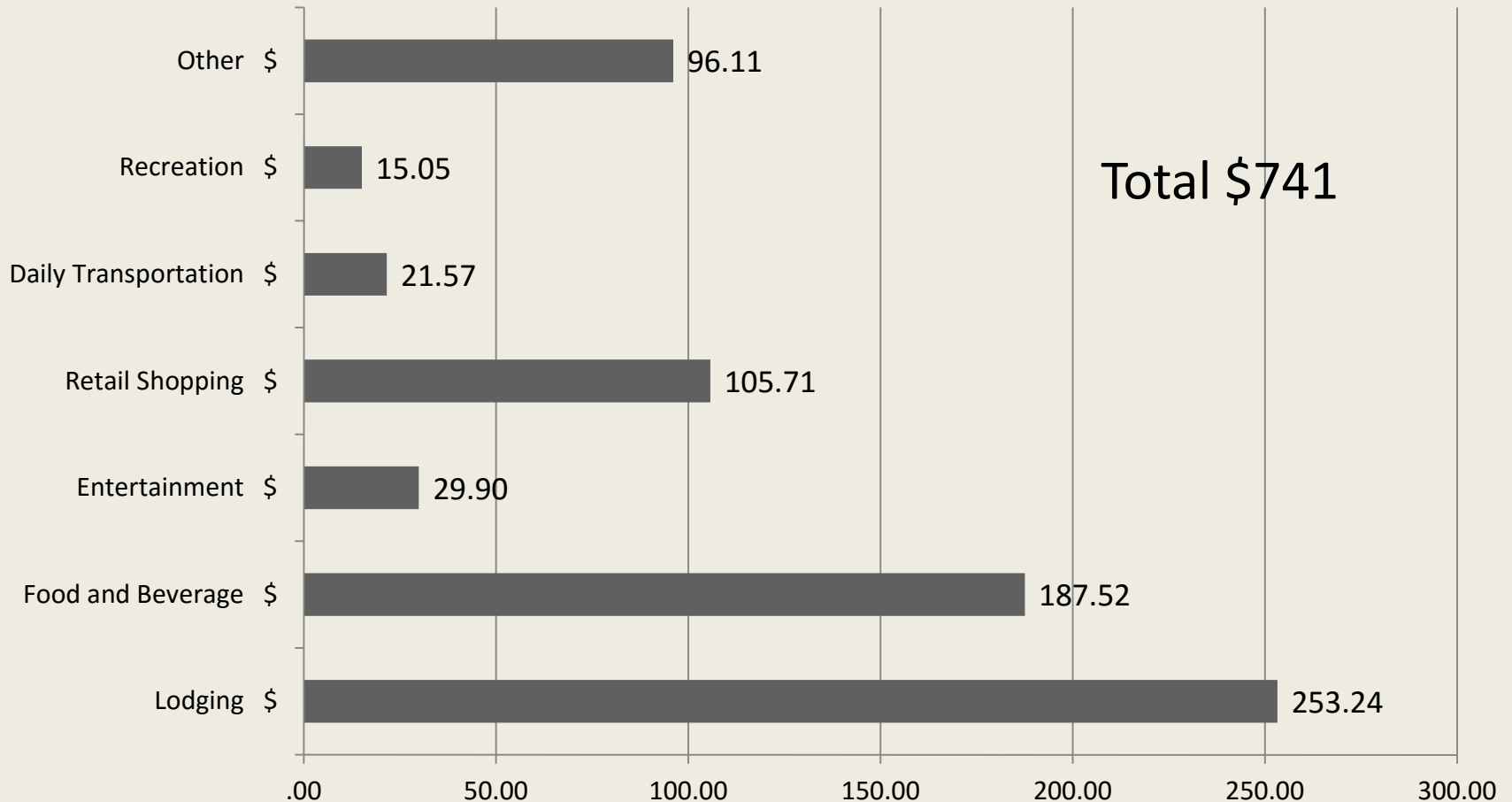
# Overall Trip Satisfaction

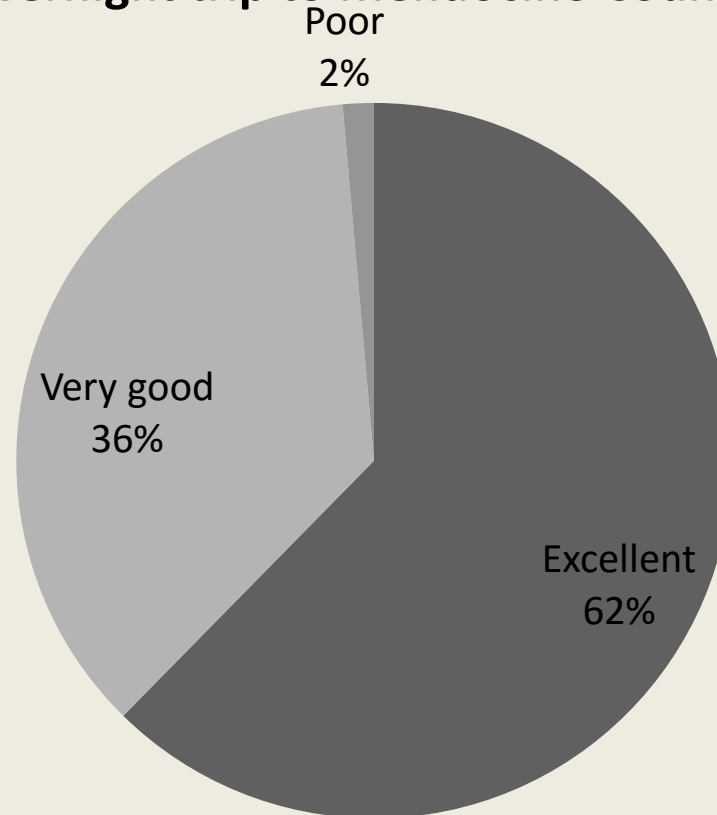**How would you rate your overall satisfaction with your most recent overnight trip to Mendocino County?**



Poor
2%

Very good
36%

Excellent
62%

# Primary Reason for Not Visiting

**What was the primary reason for not visiting Mendocino County for an overnight trip during the past six months?**



It is too far
7%

Lodging rates
4%

Impact of the recession; we are cutting back our trips
12%

Friends/family who we travel with can't make it
6%

Going to a different destination
15%

Gas prices
2%

Just never thought about it
7%

No Nightlife
1%

Other (please specify)
46%

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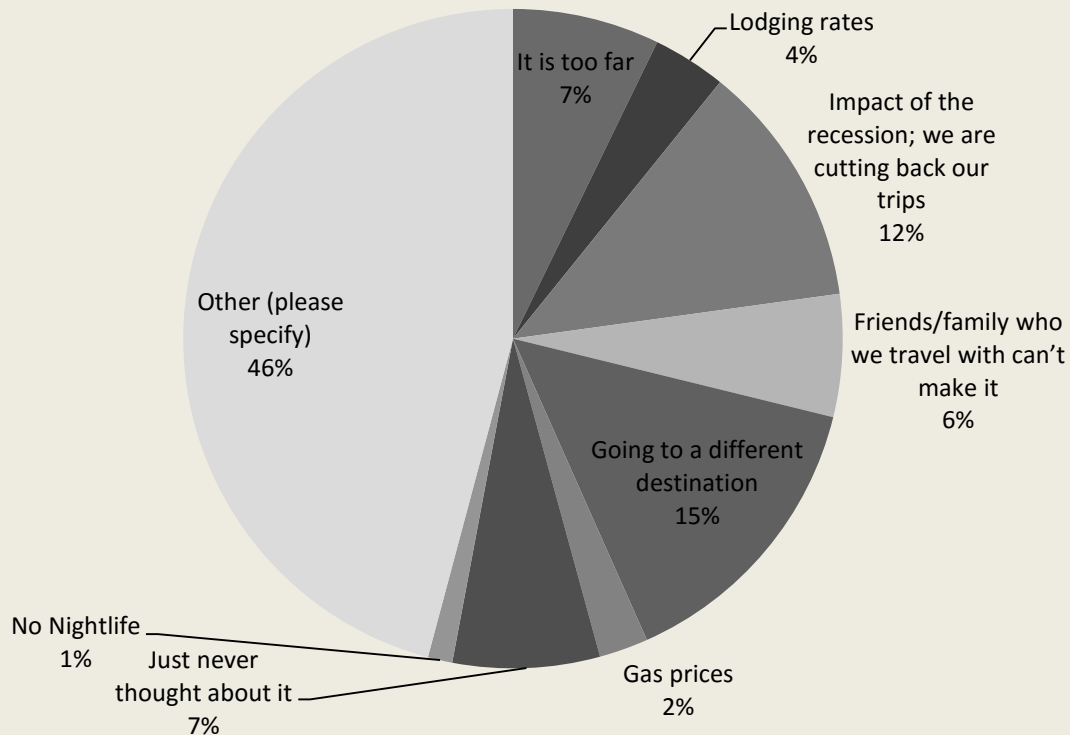
# Types of Destinations Visited in Past Six Months
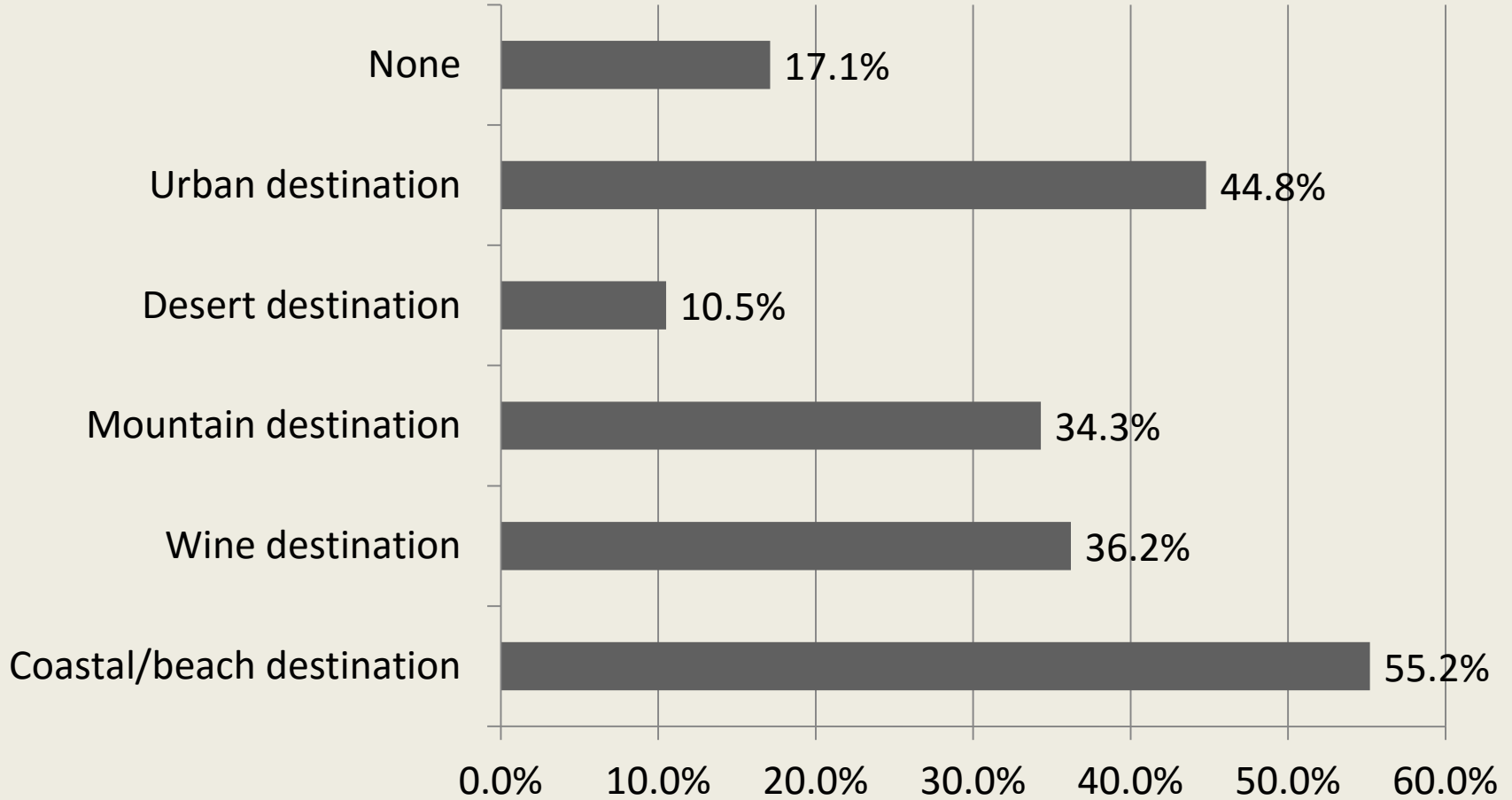
# Gender

**What is your gender?**
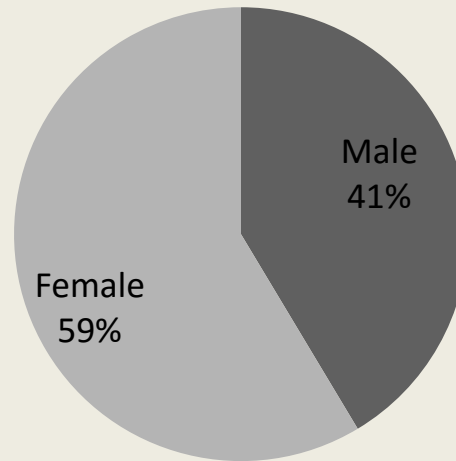
# Age Demographic
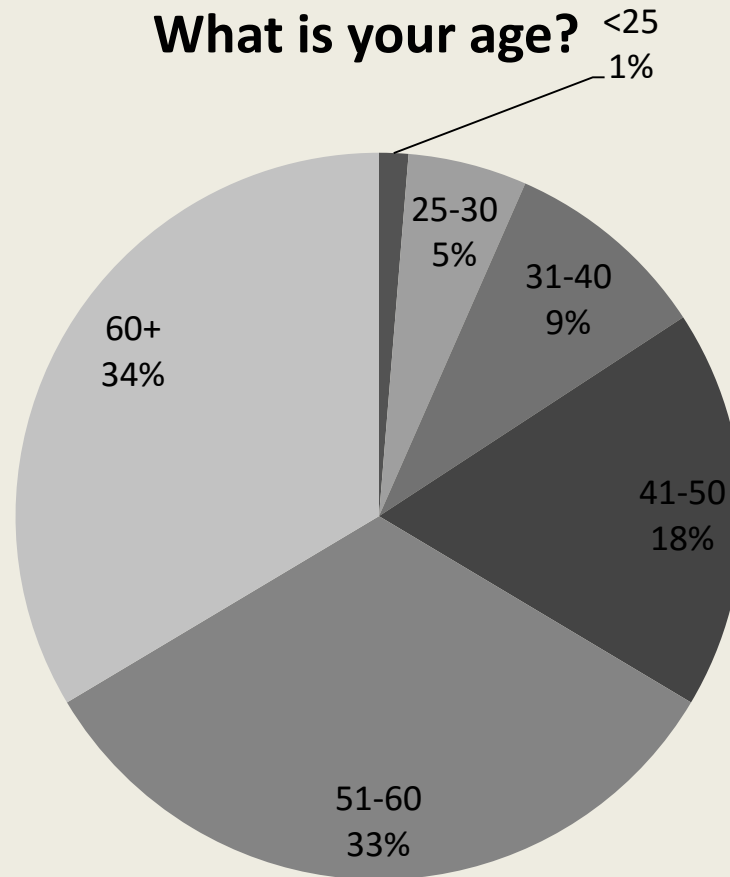


What is your age?

# Annual Household Income



What is your annual household income?

# Annual Household Income



Bar chart showing annual household income distribution:

- $200,000+: 10.6%
- $150,000–200,000: 11.1%
- $100,000–149,999: 28.0%
- $70,000–99,999: 21.2%
- $60,000–69,999: 6.9%
- $50,000–59,999: 7.9%
- $40,000–49,999: 6.3%
- $30,000–39,999: 1.6%
- <$29,000: 6.3%

X-axis: 0.0%, 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%
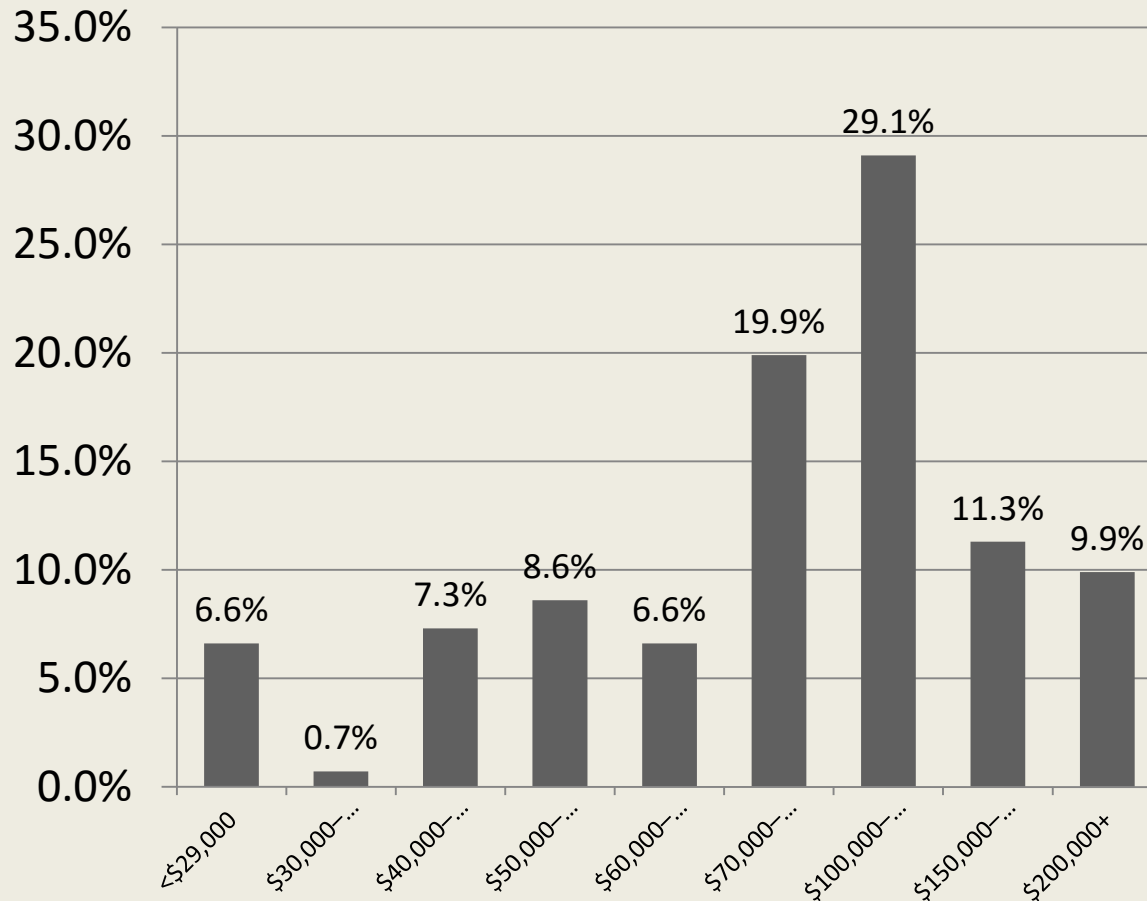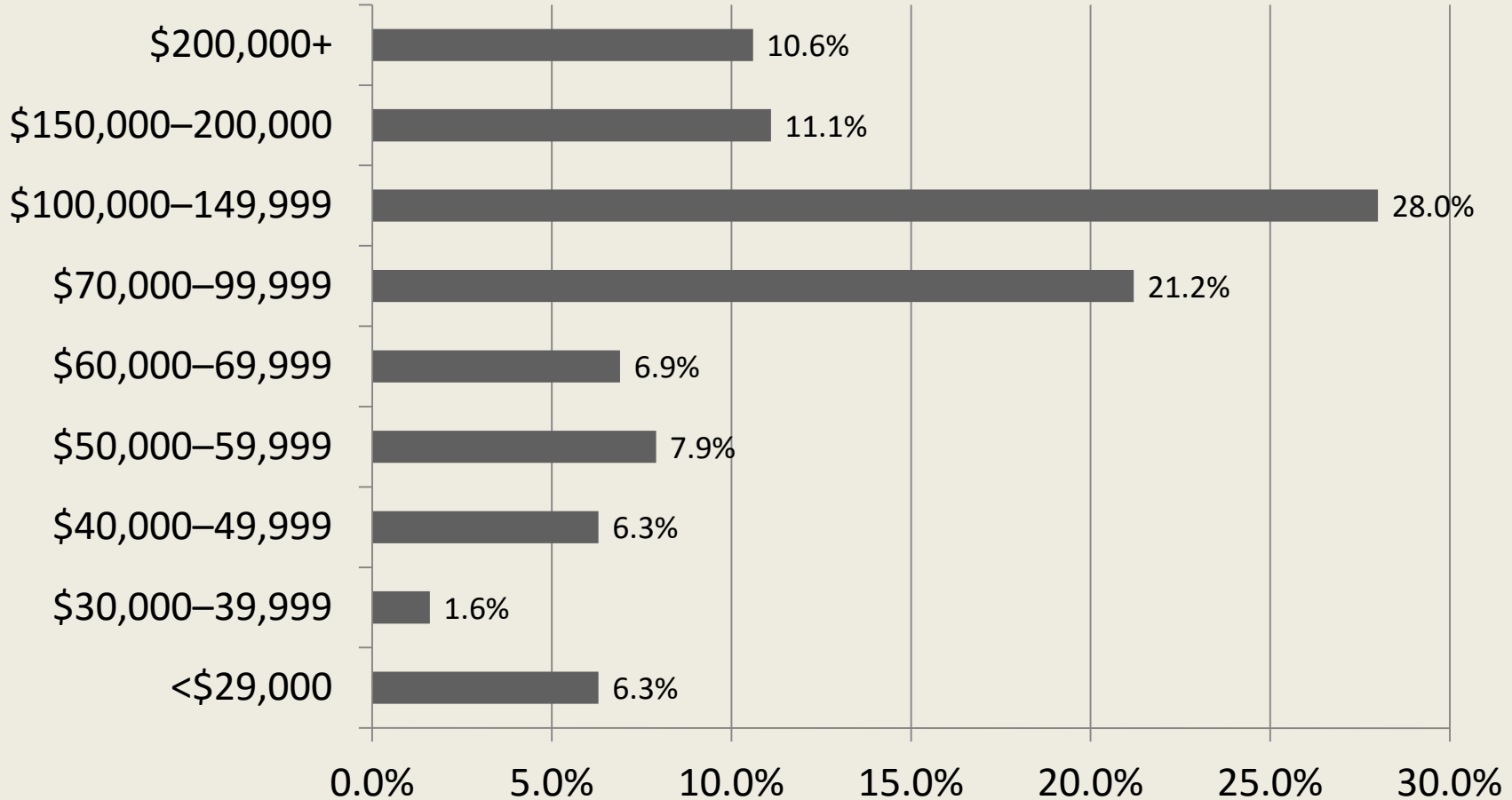
# Presence of Children



**Do you have children?**
- Yes, children at home 15%
- Yes, empty nester 38%
- No children 47%
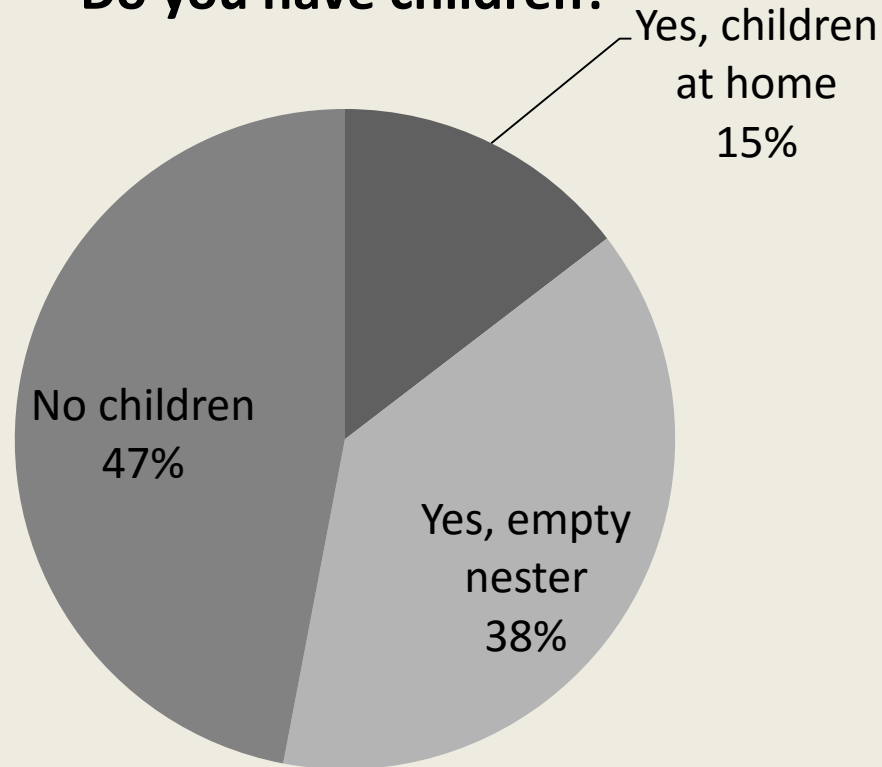
# Marital Status
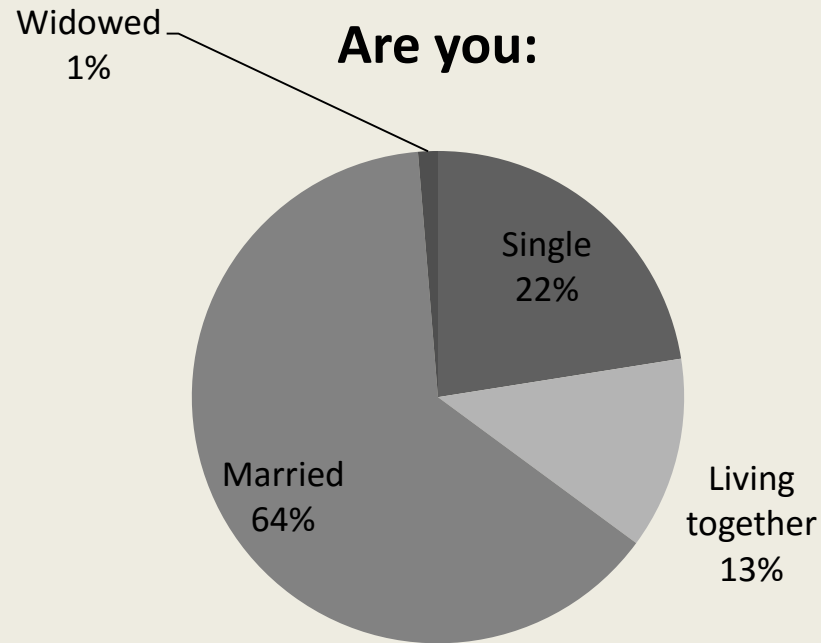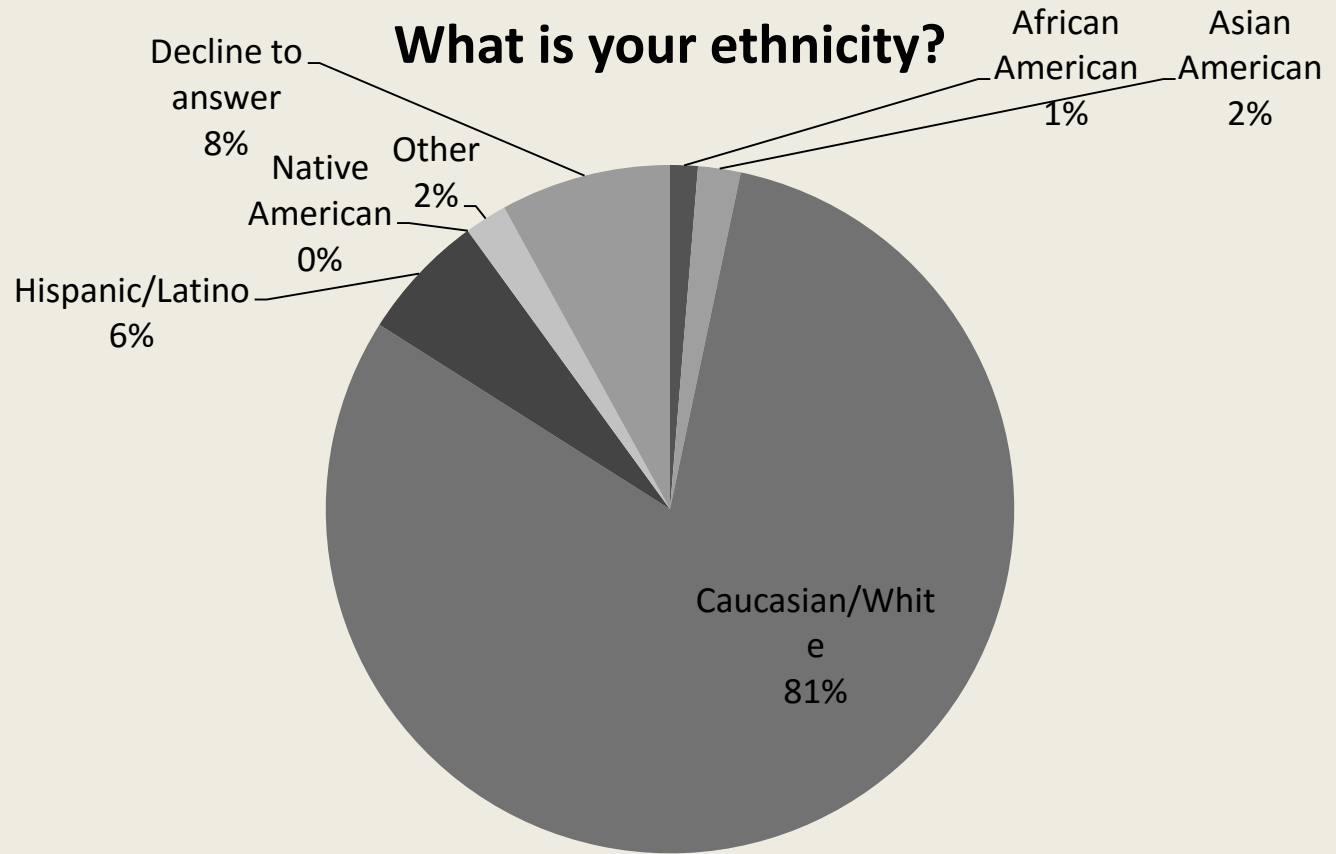
# Return On Investment Analysis

# Mendocino County Return on Investments Projections
# Total Visitor Spending

| Total Number Unique Visitors | | | Per Party Daily Expenses | Amount |
|---|---|---|---|---|
| April 2013-March 2014 | | | Lodging | $223 |
| 160,060 | | | Food and Beverage | $193 |
| | | | Entertainment | $35 |
| Percent unique VMC website visitors who took a trip to Mendocino | | | Retail Shopping | $100 |
| 47.80% | | | Daily Transportation | $23 |
| | | | Recreation | $15 |
| Percent unique VMC website visitors who were influenced to Visit | | | Other | $123 |
| 20.21% | | | Total | $712 |
| | | | | |
| Number of unique v isitors who were infleunced to visit | | | Trip Length | 2.8 |
| 15,462 | | | | |
| | | | Per Party /Trip Expenditure | $1,994 |

| Total Visitor Spending | |
|---|---|
| Visitor Spending | $30,825,849.07 |
| Budget | $1,015,000 |
| Total ROI | $30 |

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# Mendocino County Return on Investments Projections
## Lodging

| Total Number Unique Visitors | | | Per Party Daily Expenses | Amount |
|---|---|---|---|---|
| April 2013-March 2014 | | | Lodging | $223 |
| 160,060 | | | Food and Beverage | $193 |
| | | | Entertainment | $35 |
| Percent unique VMC website visitors who took a trip to Mendocino | | | Retail Shopping | $100 |
| 47.50% | | | Daily Transportation | $23 |
| | | | Recreation | $15 |
| Percent unique VMC website visitors who were influenced to Visit | | | Other | $123 |
| 20.21% | | | Total | $712 |
| | | | | |
| Number of unique Visitors who were infleunced to visit | | | Trip Length | 2.8 |
| 15,365 | | | | |
| | | | Per party/ Trip Exp. | $1,994 |
| | | | | |
| | | Total Visitor Lodging Spending | Total Mendocino County Lodging Revenue | |
| | | $9,594,130.69 | $60,723,531 | |
| | | | | |
| | | TBID Contribution | $540,000 | VMC generated lodging |
| | | TBID ROI | $18 | revenues as % of total lodging revenue |
| | | Total Budget | $1,015,000 | 15.8% |
| | | Lodging/TotalBudg | $9 | |

# Want to increase your results?

Advertising ● PR ● Sales ● Social

↓

Consumer/Groups

↓

**DMO website / influence to visit**

↓                    ↓

Yes, influence to visit          No influence to visit

↓

**Trip booking**
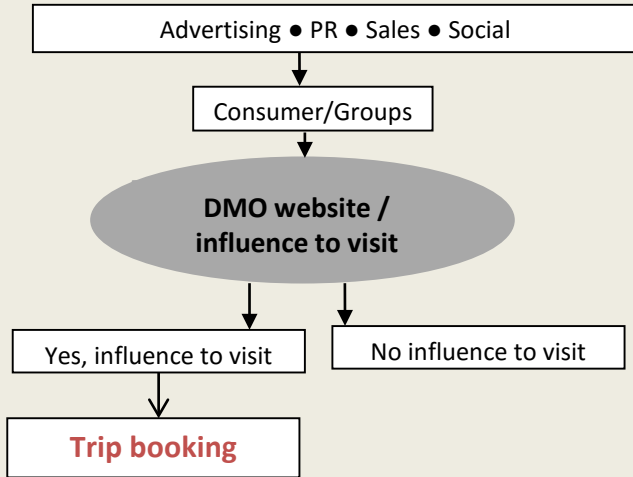
# Drive the Model!

# How to do it.

- Increase efficiency

- Increase conversion rate

- Increase revenues

# Increase Efficiency

|  | Baseline | 10% Productivity | 20% Productivity |
|---|---|---|---|
| Unique Visitors | 160,000 | 178,070 | 195,877 |
| Conversion Rate | 0.1228 | 0.1228 | 0.1228 |
| Rooms Sold | 2,075 | 2,075 | 2,075 |
| Total Visitor Spending | $40,769,600 | $45,374,017 | $49,911,418 |
| Acquisition Cost | $6.34 | $5.70 | $5.07 |

Lower acquisition costs of targeted website visitors.

# Increase Conversion Rate

| | Baseline | 15% Conversion | 17% Conversion |
|---|---|---|---|
| Unique Visitors | 160,000 | 160,000 | 160,000 |
| Conversion Rate | 0.1228 | 0.15 | 0.17 |
| Rooms Sold | 2,075 | 2,075 | 2,075 |
| Total Visitor Spending | $40,769,600 | $49,800,000 | $56,440,000 |

Increase the effectiveness of your website.

# Increase Revenues

|                        | Baseline     | 10% Productivity | 20% Productivity |
|------------------------|-------------:|-----------------:|-----------------:|
| Unique Visitors        | 160,000      | 236,593          | 315,457          |
| Conversion Rate        | 0.1228       | 0.1228           | 0.1228           |
| Rooms Sold             | 2,075        | 2,075            | 2,075            |
| Total Visitor Spending | $40,769,600  | $60,286,278      | $80,381,703      |
| Acquisition Cost       | $6.34        | $6.34            | $6.34            |
| Available Budget       | $1,015,000   | $1,500,000       | $2,000,000       |
|                        |              |                  |                  |

# Projections

| | Base Year 2013/14 Actual | 2014/15 Projection | 2015/16 Projection |
|---|---|---|---|
| Unique Website Visitors | 160,060 | 168,063 | 176,466 |
| | | | |
| **Lodging Revenue Generated:** | | | |
| Conversion Rate | 10.00% | 10.00% | 10.00% |
| Estimated Bookings | 16,006 | 16,806 | 17,647 |
| Length of Stay | 2.8 | 2.8 | 2.8 |
| Rooms Generated | 44,817 | 47,058 | 49,411 |
| ADR | $223 | $230 | $237 |
| Lodging Revenue Generated | $9,994,146 | $10,808,669 | $11,689,576 |
| | | | |

Notes:

1. Unique visitors annual growth rates projected 5%.

2. Average Daily Rate growth projected at 3% annually.

# Summary Results

- Estimated number of room nights Influenced
  - 54,840

- Estimated lodging revenue generated
  - $13,820,000

- Estimated ROI
  - $26:$1