

Visit Mendocino

DMO INFLUENCE AND ROI STUDY



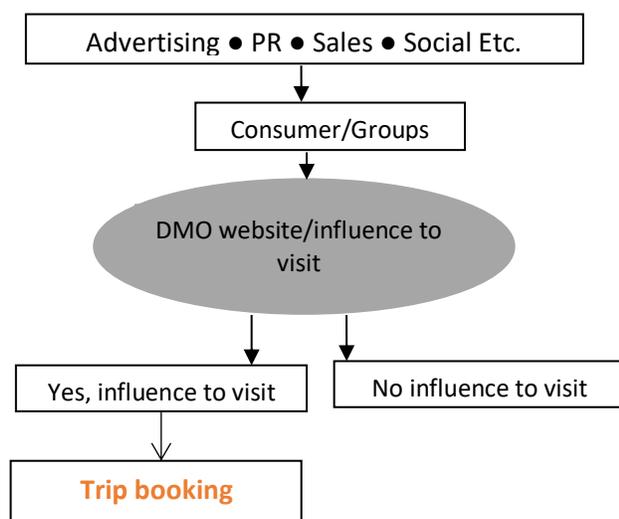
Overview

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 measurement challenge remains. Namely how to measure the organization's effectiveness through the amount of travel spending generated and the return on the invested capital.

To that end TAG believes many of the 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? 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.

At TAG 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**. Once a DMO has accomplished that, the consumer is free to book a trip through any number of distribution channels to the type of lodging that best meets their needs.

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 to drive as many targeted people to its website in an effort to present the destination in such a way that consumers are influenced to visit the area. The figure below illustrates this concept.



Our objective is to understand the effectiveness of the DMO in influencing potential visitors to visit the destination.

Measurement Goals & Objectives

Project Goal:

To assist Visit Mendocino in effectively measuring their efforts to **generate a return on investment metric**.

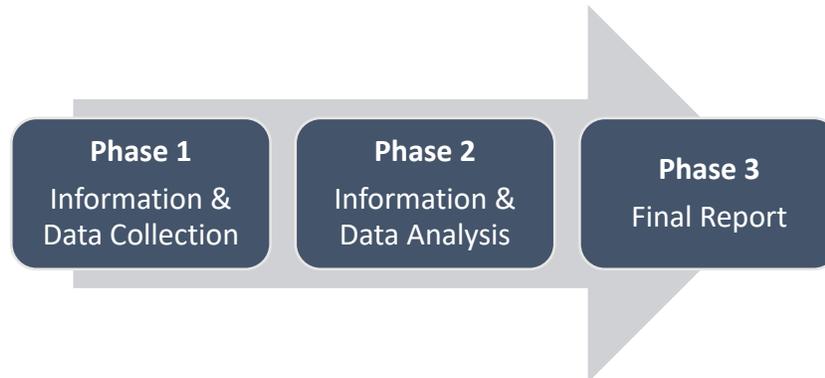
Project Objectives:

- ▶ Determine the influence of DMO marketing efforts on the consumer decision making process to visit the area.
- ▶ Estimate the economic impact and return on investment of website users.
- ▶ Identify key visitor segments characteristics.
 - Better understand those individuals who did not visit the area, including specific reasons why they chose not to visit.
- ▶ Identify the effectiveness and efficiency of Visit Mendocino marketing programs including:
 - "Gross" conversion rates
 - "Net" conversion rates
 - Cost per inquiry
 - Cost per visitor
 - Return on Investment (ROI)
 - Method of response
- ▶ Continually improve the effectiveness and efficiency of DMO marketing programs thus improving invested capital return on investment.

Project Scope & Methodology

Project Scope

In an effort to achieve the project goal and objectives TAG proposes the following project scope:



Phase 1 – Information Collection

Implement primary research data collection process.

Phase 2 – Information Analysis & Synthesis

Review collected information and analyze with an eye toward synthesizing information and crafting a final report and recommendations.

Phase 3 – Final Report

TAG develops the final report with analysis and recommendations.

Methodology

Phase 1 – Information Collection

TAG has developed the following proprietary methodology that includes multiple surveys to assess the influence of a DMO website and develop the needed information to assess the return on invested capital.



1.1 Preliminary Survey

TAG will develop a preliminary pop-up survey that will be attached to the DMO website. Every consumer that comes to the DMO site will be asked to participate in a short five question survey in exchange to win a weekend trip to Mendocino County or a gift card. Those who participate will be asked to leave their email address to further participate in the survey program.

1.2 Trip Survey

Once three/four months has passed TAG will send those that have agreed to participate a follow-up trip survey that will ask 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 is completely tabulated TAG will integrate Google analytics and the survey results and develop the appropriate financial impact model data inputs.

Phase 2 – Information Analysis/ Economic Impact Analysis

Once the data is collected from Phase 1 above, TAG will then develop a custom economic impact model(s) to assess the number of rooms generated and the economic impact of those that have been influenced to visit the destination. TAG will provide additional economic analysis using Implan economic impact software. This will provide the DMO with travel spending, secondary spending, jobs created and tax revenue generated data. Implan is the state of the art for economic analysis.

The logo for IMPLAN, consisting of the word "IMPLAN" in white, uppercase, sans-serif font, centered within a teal rectangular background.

Information Deliverables

TAG analysis will provide the following economic impact deliverables that have been generated by Visit Mendocino through its marketing efforts. It should be noted that this approach is conservative in that it measures activity generated through the organization's website and measures only those that have been influenced to take a trip. It does not measure for example, those that had already decided to visit the area.

Economic Impact Deliverables:

- Visitor Travel spending in total and by category
- Jobs created
- Local tax revenue created
- Return on Investment (ROI)

Additionally, the analysis will provide a variety of efficiency measure which the organization can use to benchmark future efforts:

- "Gross" conversion rates
- "Net" conversion rates
- Cost per inquiry
- Cost per visitor

Phase 3 – Final Report/Information Strategy

TAG will develop a final report with findings and recommendations. TAG can assist Visit Mendocino in Developing a information strategy for presentation to constituents. Our extensive experience we can help shape your strategy and messaging for maximum benefit.

Timeline

The estimated timeline for project completion is illustrated below.

	Month 1	Month 2	Month 3	Month 4
Participation Survey Development				
Participation Survey Implementation				
Email Collection				
Trip Survey Implementation				
Data Tabulation				
Data Analysis				
Economic Analysis				
Return On Investment Analysis				
Final Report				

Project Fees

Visit Mendocino DMO Influence and ROI Study

Phase 1 Information and Data Collection

- Website survey development implementation
- Follow-up survey development and implementation

Phase 2 Information & Data Analysis

- Travel spending analysis
- Implan Analysis
- Includes all information deliverables outlined

Phase 3 Final Report/Information Strategy

- Final Report
- Assist Visit Mendocino is developing an information strategy for report findings

\$22,000.00

Our standard payment program to be mutually agreed upon by TAG and Visit Mendocino is one-half payment upon project agreement and final payment upon delivery of the final products/ reports.

Thanks again for your consideration of TAG Consulting for this important project.

About the Travel Analytics Group

Carl Ribaldo

Carl Ribaldo is an analyst, strategist, and tourism industry thought leader with experience in over sixty-five destinations. Carl is also a writer who has written extensively on business and strategy issues for the tourism industry. Carl previously served on Visit California's Research and ROI Committee on Travel Nevada's Tourism Marketing Committee. Carl is also a partner in the OHV Partners and a strategist in the Insights Collective, a national tourism think tank.



Carl designs breakthrough insights, sustainable strategies, and plans that help leaders lead and get the change and results needed to be more effective. As the President and Chief Strategist of SMG Consulting, Carl has developed new destination tourism strategy approaches that tap into a destination's creativity as a unique competitive asset. He also develops effective change strategies that link a DMO's capabilities to the ever-changing market environment. Carl is a trusted advisor to CEOs and senior executives throughout the industry.

He enjoys riding his BMW motorcycle on two-lane roads throughout the west, trap shooting, mountain biking, and downhill and cross-country skiing.

Lauren Schlau

Lauren has offered market research/consulting services since 1992 for private, not-for-profit, and public entities. Lauren's focus is on economic development sectors including travel/tourism; assessment districts; hospitality; retail; arts/culture/leisure.

Lauren has assisted entities for which the ultimate goals are building value for consumers and businesses, growing the tax base, employment, and improving quality of life now and for future generations, all aligned with her own operating philosophy of *research for good*.

Lauren has a background in a variety of research services:

- **Quantitative:** Economic Impact, Brand development; Customer/visitor Demographic and Behaviors; Satisfaction studies
- **Qualitative:** Focus Group facilitation and in-depth interviewing

Lauren has extensive market research/consulting experience. Prior to forming LSC, she was a senior manager at the Los Angeles office of PKF Inc., Consulting (now CBRE), and research director at the San Diego Convention & Visitors Bureau.

Ms. Schlau is involved with professional organizations including; CalTravel (board), Travel & Tourism Marketing Association (board, past president), Travel & Tourism Research Association, L A Tourism & Convention Board, LA5 Rotary.

Ms. Schlau earned a Master of Public Administration, University of Southern California and Bachelor of Science, Northwestern University. She holds two professional certificates; Leadership Development from UCLA Extension, and Management Development for Entrepreneurs from the premier UCLA Anderson School. She taught hospitality marketing at UCLA Extension.