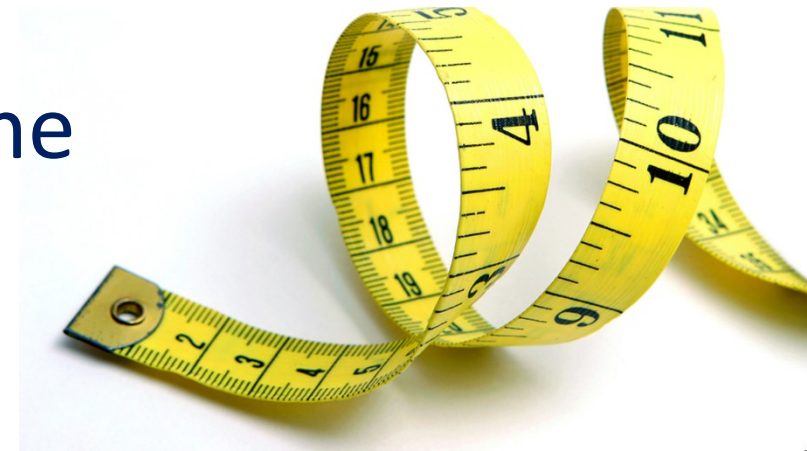




# The Measurement Imperative

What Every DMO Needs to Know in the  
New Accountability Environment

eTourism Summit  
*October 23, 2015*



# Overview



- The need for DMO specific measurement will only increase as funding sources change.
- DMOs should not be held accountable for rooms sold, but rather how much they influence consumers to select a destination.
- Measurement is imperative to continually optimize your marketing efforts.



# Measurement Challenge for DMOs

## EASIER TO MEASURE

Program level effectiveness:

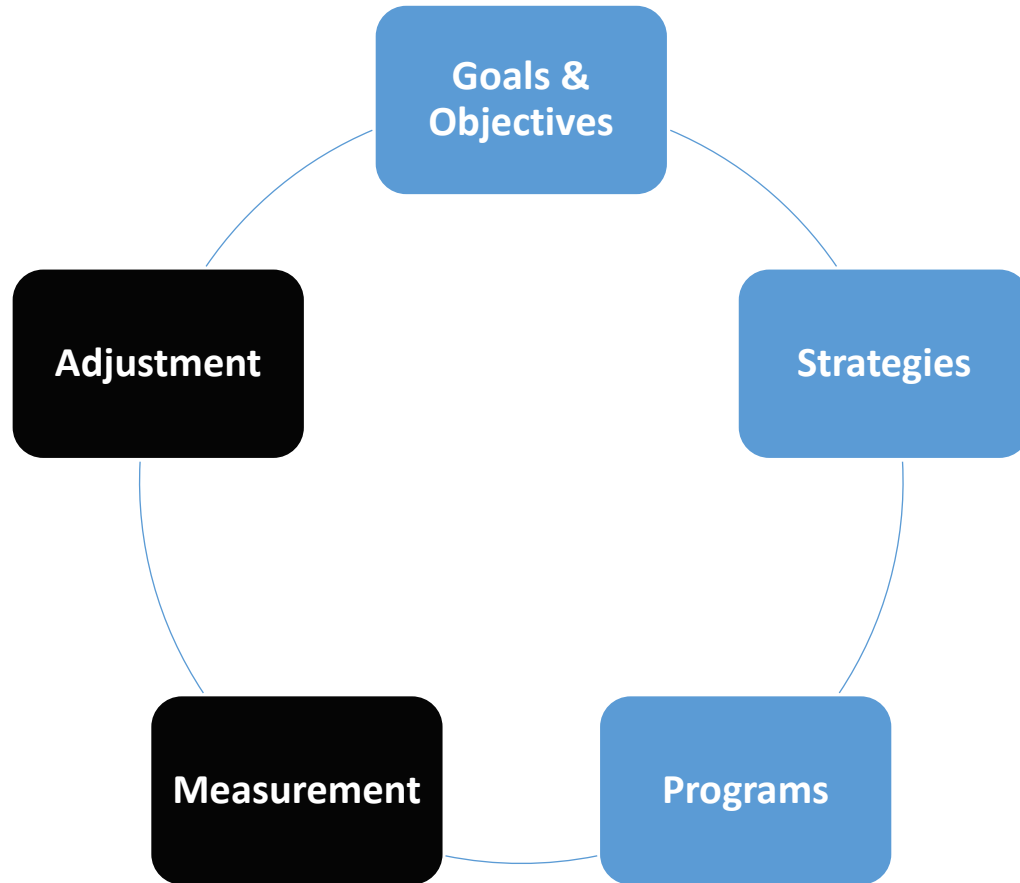
- website user sessions
- bounce rates
- social media programs

## DIFFICULT TO MEASURE

DMO effectiveness in relation to:

- number of room nights generated
- revenue generated
- return on the invested capital

# Why is Measurement Important?



- If you don't know and don't measure the right things, how can you make constant improvements?
- Imagine not knowing what you are measuring for five years...



# The Measurement Black Hole

## PROGRAM LEVEL

- Trade Show Attendance
- Promotion Participants
- Event Attendance
- Impressions
- Website Visits
- Ad Insertions
- Visitor Center
- Facebook Likes
- Twitter
- Instagram
- and more...

## BLACK HOLE

How much revenue did the DMO generate using its funds (Municipal + TBID) irrespective of the destination performance?

## DESTINATION LEVEL

City County  
T.O.T. Reports  
Smith Travel  
PKF

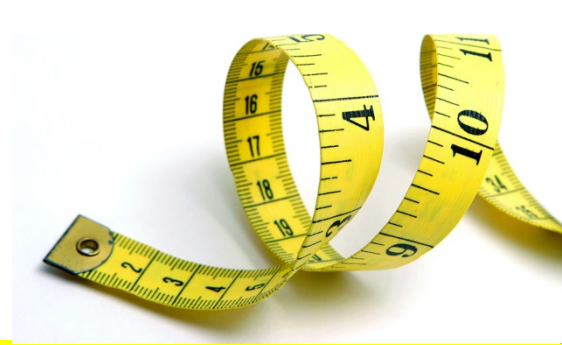
# Premise of Macro-Level Measurement



- Lodging Properties are responsible for booking transactions.
- That is not the DMO's role, nor should it be their performance measure.



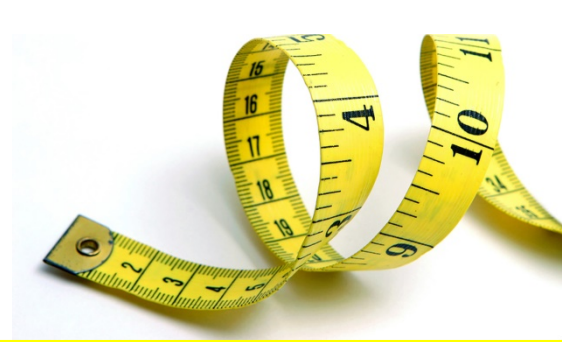
# The Role of the DMO



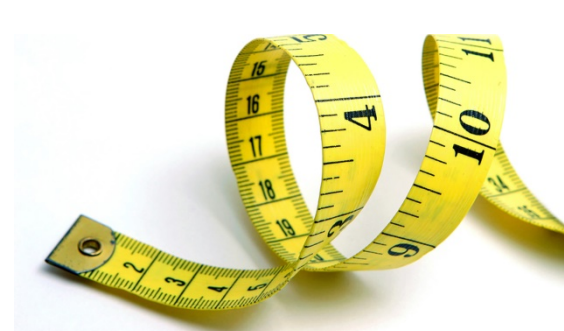
THE POTENTIAL



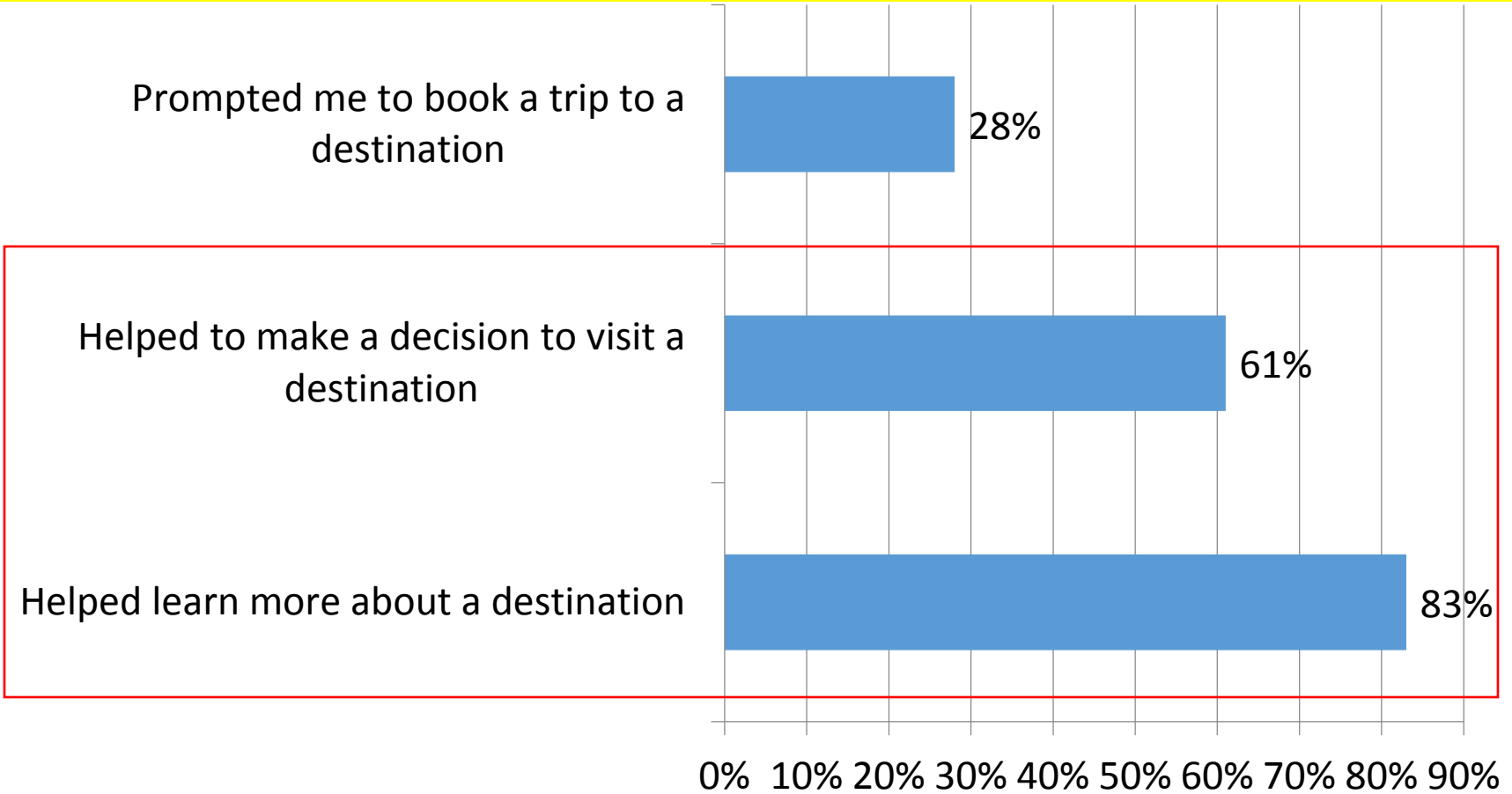
# DMO's Most Important Influence Tool







# Impact of the DMO Site on Last Trip



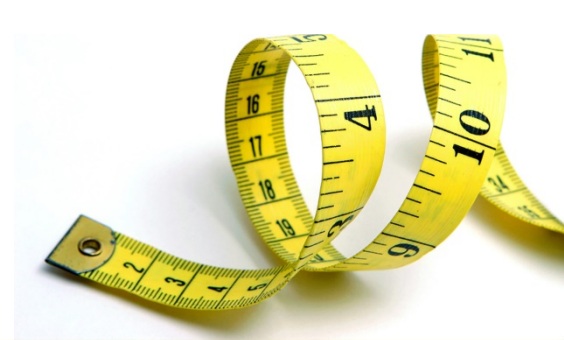
# How Effective is your Website?



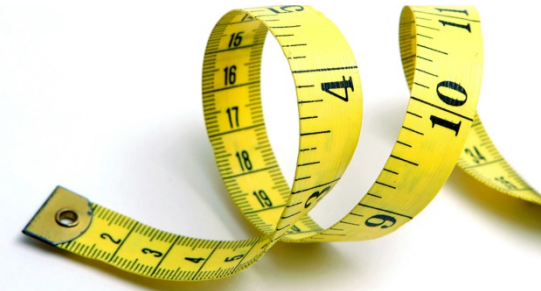
If you don't know how effective your website and communications are in influencing consumers' decisions to visit your destination, do you really know what is going on?



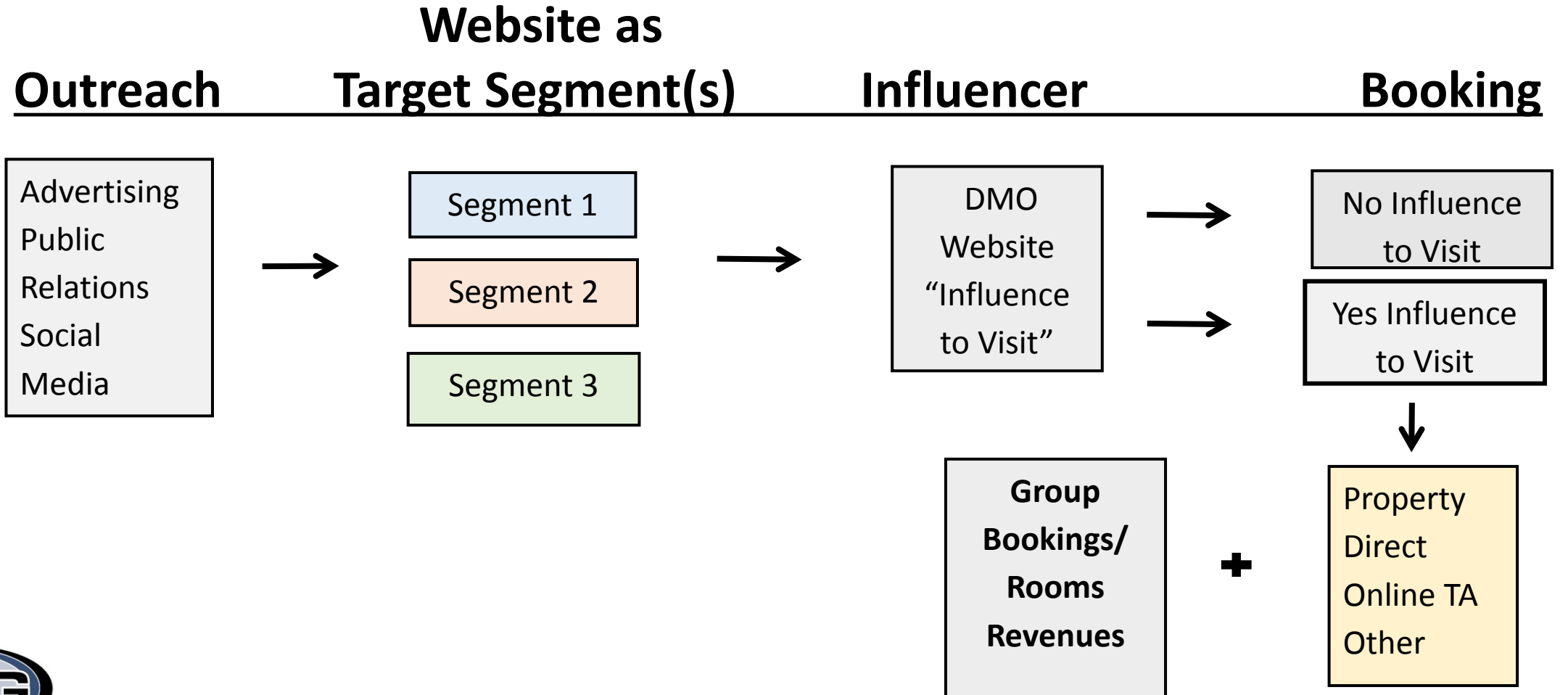
# DMO Measurement System



- The objective is to understand the effectiveness of the DMO in influencing potential visitors to visit the destination.
- The methodology works to continually improve the DMO performance effectiveness by improving efficiency over time.

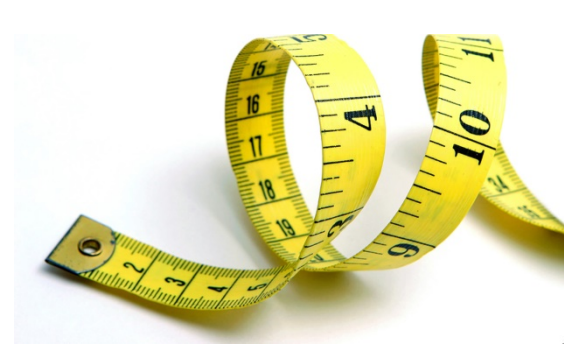


# The DMO Measurement Process



**SAMPLE**

Measurement Model Data



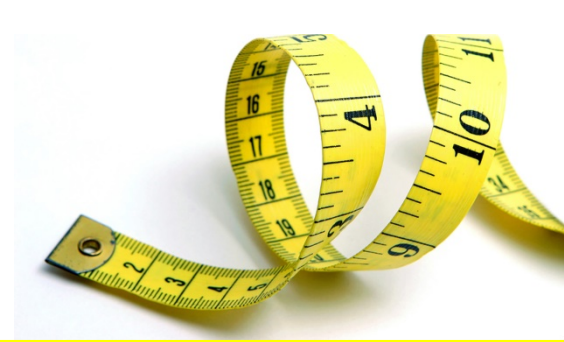
# Destination and DMO Performance



	Beginning Base Year	End of Period
<b><i>Destination Level</i></b>		
Rooms available	3,500	3,500
Number of nights	365	365
Occupancy Rate	0.55	0.57
Avg. Daily Rate	\$125	\$129
Projected Destination Revenue	\$87,828,125	\$93,570,488
<b><i>DMO Level</i></b>		
Unique website visitors	300,000	400,000
Conversion Rate	0.12	12%
Length of stay	3	3
Avg. Daily Rate	\$125	\$129
Projected Revenue	\$13,500,000	\$18,504,000
<b><i>DMO as a % of Total Market</i></b>	15.4%	19.8%
Projected DMO Generated Revenue @ 15.4%		\$14,382,655
Actual DMO Generated		\$18,504,000
Incremental Revenue		\$4,121,345
<b>TBID ROI Analysis:</b>		
TBID Budget		\$1,000,000
Incremental Revenue		\$4,121,345
Return on Total DMO Investment		4.1



# Implications



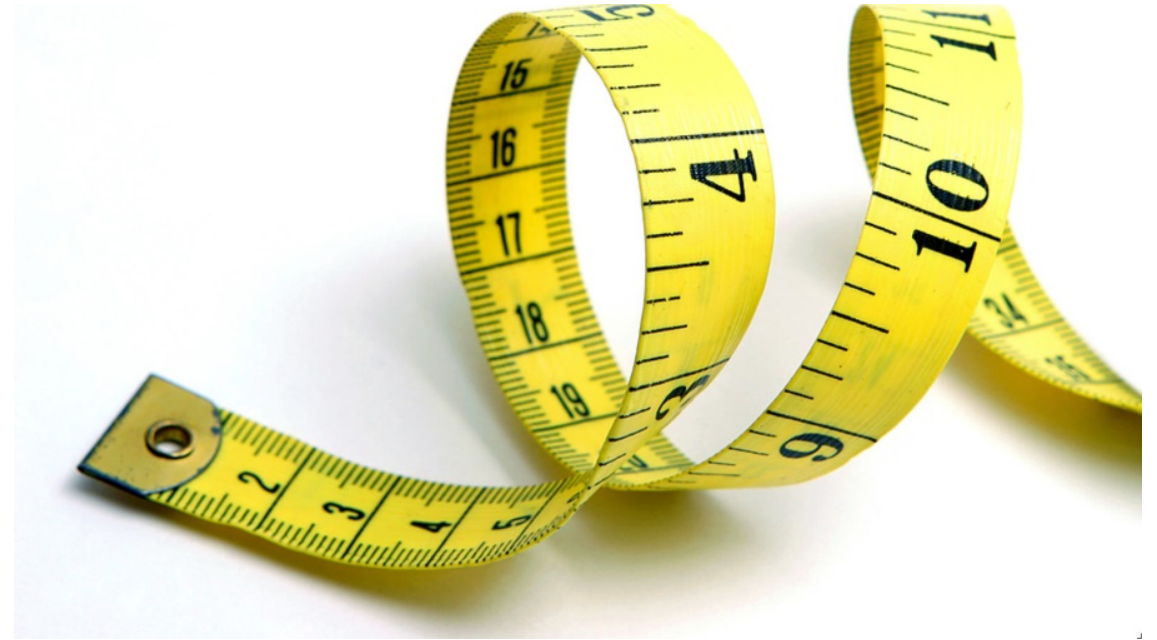
- This type of model is the language of TBID funders.
- TBID funding will be increasingly a part of tourism promotion funding going forward.
- The model enables the DMO to constantly evaluate marketing investment decisions vs. revenue generated and ROI measures.
- The concept of measurement is changing from an old “City Council” model to an analytical ROI based model.

# Conclusion



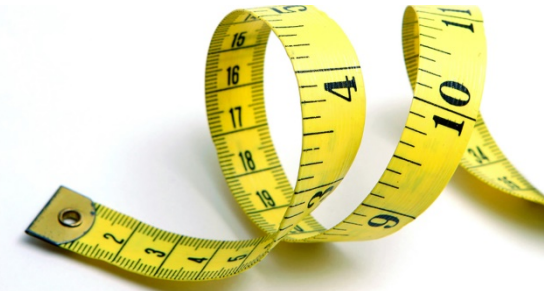
- For continued success, act now.
  - Change what and how you measure (focus on influence)
  - Focus on ways to influence visitors to choose a destination
  - Measure to continuously improve marketing efforts





**Questions?**

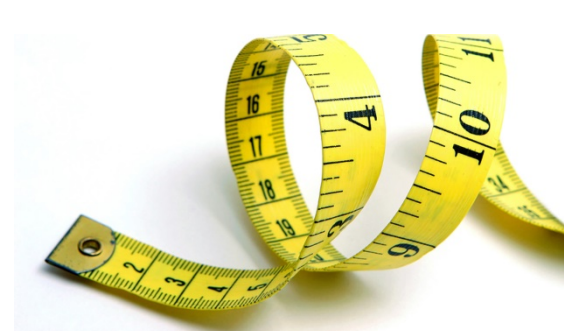
Contact: Carl Ribaudó | [carl@smgonline.net](mailto:carl@smgonline.net) | 530.541.2462 x101



# DMO Performance

	Beginning Base Year	End of Period
Unique DMO Website Visitors	300,000	400,000
		100,000
12% Influence Rate	12%	12.00%
Estimated Bookings		12,000
Length of Stay		3
Incremental Rooms Generated		36,000





# Destination Market Performance

<b>Annual Market Projection</b>	<b>Beginning Base Year</b>	<b>End of Period</b>
Rooms Available	3,500	3,500
Occupancy	55%	57%
Rooms Sold	702,625	728,175
Incremental Rooms	0	25,550
ADR	\$125	\$128.75
Total Lodging Revenue	\$87,828,125	\$93,752,531
Incremental Revenue	\$0	\$3,289,562

