

# Performance metrics

*In boom times, tourist bodies typically take the credit for increased visitation and infrastructure development, while, in downturns, the same bodies blame the lack of government funding and seek increases to budgets.*

Craik (1991, p. 24)

## Aims

The aims of this chapter are to enhance understanding of:

- the challenge of quantifying a DMO's contribution to destination competitiveness
- measures of DMO effectiveness
- the measurement of consumer-based brand equity.



### Perspective

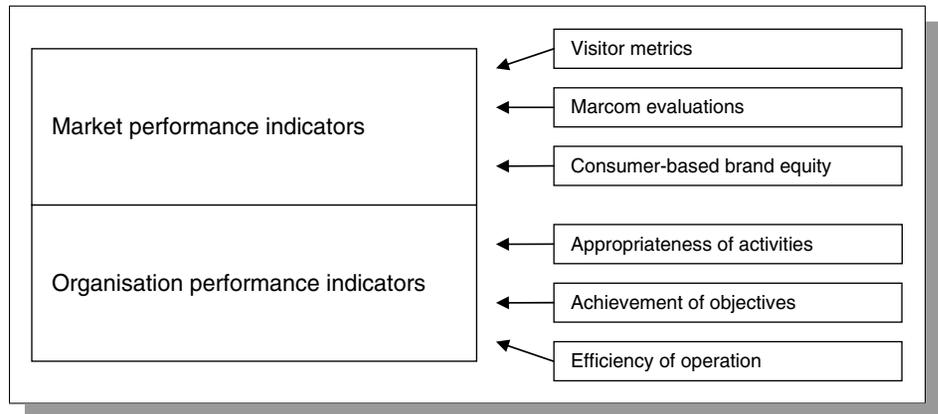
It is fitting to conclude by considering the effectiveness of DMOs. Do they generate an appropriate return for the millions spent on promotion? What is an appropriate return on investment? It is actually possible to quantify the contribution of DMO efforts towards destination competitiveness over the short term? Are such quantifiable short-run measures appropriate for DMOs? Should there not be a lasting legacy of effects of DMO efforts over time, in the quest for destination competitiveness, such as enhancement of destination image and the nurturing of fledgling tourism businesses? Instead of receiving income from sales, many DMOs rely predominantly on grants provided by government, and are not therefore accountable to shareholders in the same manner as a commercial enterprise. Destination marketers find themselves accountable to a board of directors, tourism sector groups, local taxpayers, and government. The effectiveness of DMOs therefore needs to be evaluated based on a combination of indicators relating to market performance and organisation performance.

## DMO effectiveness measurement

Monitoring DMO effectiveness is a necessary but challenging undertaking, particularly in terms of destination competitiveness. Currently there is no model to quantify the relationship between the work of DMOs over time and overall destination competitiveness. Reflect for a moment on the visitors who are in London, for example, at the time you are reading this. To what extent are they likely to be there as a result of induced initiatives by the former NTOs, the current NTO Visit Britain, the RTB Visit London, airlines, tour wholesalers, or individual tourism businesses? To what extent are they there as a result of their own organic attitude development through word-of-mouth referrals, movies, media news, or school geography lessons? If visitor arrivals are up or down this year, to what extent can this be attributed to the DMO, relative to exogenous factors such as interest rates, hallmark events, or disasters? DMOs will certainly claim credit when things go well. For example, Visit Florida celebrated 10 years of operation in 2006 with the following results achieved since 1996: visitor numbers up 78%, visitor spending and tourism taxes up 51%, tourism jobs up 18% ([www.travelindustryreview.com](http://www.travelindustryreview.com), 1/3/06).

Consider also the destination you are likely to travel to next. To what extent are you able to recall what initially stimulated your interest, and what role the DMO has played in shaping your image of the destination and intent to visit? One of the most challenging and least reported aspects of destination marketing is that of measuring performance. The extent to which DMOs are able to monitor the effectiveness of their activities is a key destination marketing management function, not only for improving future promotional efforts but also for accountability, funding purposes, and in some cases their very survival as an entity.

**Figure 19.1**  
DMO  
effectiveness



Celebrating success is important for public agencies such as DMOs, to enhance their credibility in the minds of stakeholders. However, readers should also be aware of the complexities in measurement when interpreting any such claims. The problem is of course that the DMO never knows the long-term effect of campaigns on future visitor arrivals, and of course those travellers who purchased travel independent of the campaign sponsors. A number of studies highlight the lack of market research undertaken to monitor the outcome of destination marketing objectives in Australia (see Prosser, 200; Carson, Beattie & Gove, 2003), North America (Sheehan & Ritchie, 1997; Masberg, 1999), and Europe (Dolnicar & Schoesser, 2003).

The problem of measuring performance is not unique to destination marketing. For example, the topic of brand metrics is also rare in the services marketing literature (Kim, Kim & An, 2003). Australian Marketing Institute (AMI) President Roger James (2005, p. 29) lamented the lack of mainstream media coverage about the marketing effectiveness of corporate Australia: 'We see many examples of outstanding strategic marketing, yet few boards receive comprehensive information about marketing performance.' At the time of writing, the AMI was working on the establishment of a metrics toolkit for marketers (see [www.ami.org.au](http://www.ami.org.au)).

The two main categories of indicators to address in the evaluation of DMO effectiveness as shown in Figure 19.1 are evaluations of (1) market performance, and (2) organisation effectiveness.

## Market performance

The theme of the 2004 Travel & Tourism Research Association (TTRA) conference was 'Measuring the tourism experience: When experience rules, what is the metric of success?' (see [www.ttra.com](http://www.ttra.com)). Performance metrics is a topical issue, and in the tourism literature has appeared relatively recently, particularly for DMOs. For example, Sheehan and Ritchie's (1997) literature review found very little interest in DMO market performance measures, while Faulkner (1997) suggested that most evaluations reported had been ad hoc. From a survey of local government tourism offices in

Australia's state of Victoria, Carson et al. (2003) suggested that up to one-third of shire councils lacked a system of performance monitoring for tourism objectives. In the USA as recently as the 1990s the issue was reported as being problematic. Pizam (1990) cited research indicating that only a minority of STOs actually bothered to evaluate the effectiveness of their promotions. Likewise, Hawes et al. (1991) found that only 7 of 37 STOs used measurable objectives and performance measures. In an examination of the Italian NTO's promotional plans, Formica and Littlefield (2000, p. 113) discovered that the entire section on evaluation of the plan was missing: 'Instead, spurious correlations often led to subjective evaluations of promotional performances.' Sheehan and Ritchie's (1997, p. 113) survey of CVBs identified the following as the most significant barriers to measuring non-financial performance:

- subjectivity of measures, and the difficulty in proving their importance to sceptics
- the lack of ability to measure tourism activity
- lack of research funds
- consistency in the collection or reporting of data
- lack of cooperation from partners

This section discusses three categories of market performance: visitor monitor programmes, marcom evaluations, and consumer-based brand equity (CBBE). It is likely that CBBE will become more widely adopted in the future, since the concept represents a bridge between past promotional efforts and future market performance.

## Visitor metrics

Even though it is difficult to quantify the DMO contribution to visitor metrics, common destination performance measures have included visitor numbers, average length of stay, spending, and market share. The most common method for capturing these metrics is through a visitor monitor programme. Other concepts being tested include tourism satellite accounts for NTOs and employment multipliers and yield for STOs and RTOs. For more details on such economics of destinations, the reader is referred to Vanhove (2005).

### *Visitor monitor programmes* • • •

Counting the number of visitor arrivals has long been a measure of the health of a destination's tourism industry. Most NTOs today have access to international visitor arrivals data through collection by immigration officials at arrival gateways. However, the collection of visitor data is more difficult for STOs and RTOs. It was as recent as 2000, in a keynote address at the TTRA conference in Hollywood, that the director of the Los Angeles CVB asked delegates for assistance in developing a valid method for tracking visitor flows to the region. At that time the CVB did not have an accurate measure of visitation, which impeded marketing performance evaluation.

The emergence of visitor monitor programmes has provided STOs and RTOs with a vehicle for tracking arrivals, but has occurred only recently for most DMOs. Indeed, there are still many RTOs that do not operate a visitor monitor and rely on data captured in NTO or STO intercept surveys. Many countries, such as Australia for example, still lack a national standard of regional visitor monitors. To guide Australian RTOs on regional data collection methods, the Centre for Regional Tourism Research has established a website (see [www.regionaltourism.com.au](http://www.regionaltourism.com.au)). One of the aims of the project is to progress the development of a national standard in data collection and reporting. A range of resources is available to RTOs, including case studies, as indicated in Figure 19.2.

Similarly, to foster the development of global standards in tourism data collection the WTO (1995) produced a manual for the collection of tourism statistics by NTOs. The manual provides a comprehensive guide to a range of data issues, including: visitor surveys, measuring outbound tourism, measuring domestic tourism, describing tourism supply, and measuring economic costs and benefits of tourism.



**Figure 19.2** Centre for Regional Tourism Research is a resource available to RTOs

The availability of local level data about tourism markets and business performance has consistently been identified as a critical issue for the development of Australia's regional tourism industries. The Centre for Regional Tourism Research has commenced a programme to identify the need for local level tourism data, and develop standards and protocols which will help tourism managers collect, analyse, and use locally collected data. This web site has been developed as a companion to a national series of workshops on collecting and managing regional tourism data. It attempts to summarise the principles behind good data collection, and provide some insights into the sorts of regional collections currently available, and the lessons in resource management learnt in those collections. Any comments on the nature of this web site, and its usefulness to managers considering or undertaking local data collection would be most welcome. It is also possible to arrange for a data workshop in your region.

This site provides information about what regional tourism data can be about, and how it might be used in managing destinations. It examines existing sources of regional tourism data and the quality of those sources. It provides a framework (BAD) for helping you decide whether to use existing data sources or collect your own. It illustrates management principles through a number of case studies of regional

data collections. It highlights the resource management issues involved in collecting and maintaining locally collected data, and identifies some strategies for dealing with these issues. It also points to a small number of resources which might assist you further.

As part of the research project, the Centre is seeking case studies of local level data collections from across regional Australia. If you have a case study from your region, please send an email with your contact details and a brief description of the data collection to [dcarson@scu.edu.au](mailto:dcarson@scu.edu.au).

One country that has developed a national standard for regional tourism statistics is New Zealand, which has been operating a commercial accommodation monitor (CAM) since the late-1990s. Coordinated by central government (see [www.statisticsnz.govt.nz](http://www.statisticsnz.govt.nz)), the CAM requires all commercial accommodation providers to participate. Statistics New Zealand publishes monthly data on capacity, occupancy rates, visitor nights, length of stay, and employee numbers. Among the benefits of a national standard visitor monitor is the ability for regions to undertake market-share analysis. RTOs have access to month-on-month CAM data for all regions. This enables benchmarking of performance by each RTO in comparison to previous points in time, and relative to competing regions. Also, accommodation operators are able to compare their visitor mix, length of stay, and occupancy rate with the local and national averages.

Arguably easier to implement in a small country, the New Zealand CAM evolved out of a desire to establish a national standard at a time when RTOs were developing their own measurement instruments. The first regional visitor monitor was developed by the Queenstown Promotion Board in 1990. After analysing the Queenstown programme, I established the country's second monitor six months later in Rotorua. One notable addition was a monthly survey of local households to provide a measure of visitors staying privately with friends or relatives. The monitor was not without its teething problems. For example, a national newspaper cartoonist poked fun at our office after the market research firm engaged to coordinate the data collection made a major calculation error. The error was only picked up after the results had been published. The cartoon, which appeared in the *New Zealand Herald* (10/2/95), highlights the high-profile nature of DMO performance measurement. Many aspects of the national CAM are based on the Queenstown and Rotorua models.

Critics of visitor monitor programmes argue they are flawed, due to a reliance on individual accommodation operators completing the monthly forms accurately and honestly. A key issue in the development of visitor monitors is gaining the confidence of accommodation operators; convincing them their individual data will be pooled and not accessible by a third party. In the Rotorua case it took months of sometimes heated debate with accommodation representatives to gain acceptance of the need for, and benefits of, a visitor monitor. The end result was a tracking system that became a key element of the RTO's reporting to the local government, which funded destination marketing. Clearly, however, visitor monitor

results should only be promoted as an indicator of destination competitiveness, and not, for the reasons indicated in the chapter introduction, used as a singular measure of DMO effectiveness.

## Marcom evaluations

Some aspects of destination marketing require long-term and subjective measures of effectiveness. Other aspects are more readily measured objectively and in the short term as is discussed in Case Study 19.1. The case summarises a joint venture campaign that sought, in the words of the organiser, 'to get results the old-fashioned way'. The case clearly demonstrates how it is possible to track the effectiveness of such a joint venture destination promotion.

### Case study 19.1 'Priscilla, Queen of the Desert'...getting sales the old fashioned way

**Owen Eagles, Managing Director, ANZCRO**

During the early 1990s, one of New Zealand's NTO strategies was a joint-venture fund to stimulate cooperative destination marketing offshore. The concept was to match private sector contributions dollar for dollar in campaigns that would produce measurable sales. At the time, ANZCRO ([www.anzcro.com.au](http://www.anzcro.com.au)) was starting out as a new wholesaler of New Zealand travel arrangements in the Australian market. One of the defining moments in the development of ANZCRO into a business that today generates over \$75 million annual turnover worldwide was securing \$250,000 in joint-venture funding from the NTO. As you will see, this was a very hands-on initiative, and so once the JV was approved the NTO did not play an active role. The plan was to target a sector of the Australian market that ANZCRO argued had been a missed opportunity for New Zealand country people. Australia is such a large country that destination marketers had tended to focus their efforts on city people. This case describes what might be considered an old-fashioned approach to destination marketing, but also one that provided a measurable return to the NTO, ANZCRO, and other partners.

At the time, travel patterns in New Zealand were moving away from coach-touring holidays to self-drive by rental car or motor home. Coach-tour companies disappeared and new entrepreneurs emerged. ANZCRO's mission was to become the leading wholesaler of self-drive products for Australian travel agents. The opportunity to target rural Australia was too costly for one emerging firm like ANZCRO to undertake, and so the joint-venture funding was sought to develop a cooperative approach between the NTO and ANZCRO, with the additional support of car rental, motor home, and accommodation operators at various stages. The argument for targeting rural Australia was built on the following mix of research and assumptions:

- Extensive residential postcode analyses of Australian visitor arrivals at New Zealand's international airports indicated a significant proportion from outside the main Australian cities.
- Australia's farming communities have a strong awareness of New Zealand, through a history of agricultural links.
- NTO and travel company sales reps rarely called on country travel agents.

- Rural travel agents are loyal to travel operators who do make the effort to service them.
- Country people usually have to travel long distances for their holidays, and so the length of holiday tends to be longer and more seasonal.

In comparison to many of today's electronic promotions, this joint-venture strategy was to undertake an old-fashioned sales mission to talk to country people face to face. Central to the campaign was the purchase and renovation of a bus (as shown below), which was fitted with: a kitchen that would be used to prepare breakfast for travel agents, luxury Volvo seats, a television screen for showing NTO videos, and an office for ANZCRO representatives to meet with prospective travellers. The roadshow would visit country towns in the states of Queensland, New South Wales, South Australia, and Victoria in a series of two-week bursts over 12 months. This was a very hands-on mission. Group members, who included a Maori cultural troupe as well as the travel representatives, travelled long distances on the coach, and had to assemble/disassemble displays at each stop. To save expenses the group stayed in camping grounds, and became experts at barbeque cooking!



Before each stop, ANZCRO contacted the local council for main street parking permission, let the local media know what was going to happen, and sent out a message to local travel agents. The schedule was gruelling, which was why two weeks was the limit for each trip. The team would park the coach in the best profile spot in the main shopping street by 5 a.m. and set up the street displays. Travel agents were given a breakfast presentation at 7 a.m., and then briefed on how they would benefit from the campaign. The rest of the day was devoted to providing Maori concerts and old-fashioned spruiking to passers-by about New Zealand travel options. At night the Maori troupe would often perform at local clubs.

A feature of the mission was that performance measurement could be tracked though a simple quote form that was printed in triplicate. ANZCRO would provide interested locals with a personalised suggested drive itinerary of New Zealand and provide a written quote

for transport, accommodation, and sightseeing on the spot. One copy of the quote was given to the consumer, one kept on file by ANZCRO, and the third given to the consumer's recommended travel agent. Since the itinerary had been prepared and the quote provided, all the agent had to then do was make a phone call to the consumer to convert a sale.

The rural travel agents loved it because they were being under-served by the industry at large. The costs of servicing regional Australia are enormous. The agents never saw reps...they never saw campaigns...no other destination was out there at all. While the actual sales information remains commercially sensitive, it would be an understatement to say the campaign was a winner. In fact the roadshow was so successful, that after the 12-month NTO joint venture ended, the private sector partners continued the initiative for a further 12 months. The number of bookings that could be directly traced to the mission far exceeded expectations.

### Discussion questions

- In addition to the direct tracking of bookings made, what other results could have occurred as a result of the sales mission?
- What barriers prevent other organisations from undertaking such an 'old-fashioned' method of reaching consumers?
- What do you consider the main advantages and disadvantages of such a DMO joint-venture fund?

*Note:* For readers not familiar with 'Priscilla, Queen of the Desert', this is a well known Australian movie about a dance troupe's adventurous travels to country towns by bus.

## Advertising • • •

Slater (2002, p. 155) cited the Louisiana cabinet secretary to the Department of Culture, Recreation and Tourism: 'The more money we spend, the more visitors we get.' However, the relationship between advertising and sales has yet to be established in the marketing literature (see Schultz & Schultz, 2004). A central problem is the difficulty in controlling for the range of extraneous variables over which the DMO has no control but which will be in play at the time of the advertising. Hughes (2002, p. 158) discussed the difficulties in measuring the effectiveness of Manchester's gay tourism advertising campaign:

*The campaign is ongoing and its success since 1999 has been difficult to assess given that, for obvious reasons, no record is kept of the number of gay and lesbian tourists, and even if there was it would be difficult to attribute any increase to any one cause.*

A number of studies have concluded that the link between destination advertising and tourist receipts was tenuous (see, for example, Faulkner, 1997, p. 27). McWilliams and Crompton's (1997) study of the impact of advertising on low involvement travel decisions estimated that only 24%

of leisure travellers over a two-year period requested travel literature. Nevertheless, there have been many claims over the years about the success of DMO advertising campaigns:

- It has been suggested the 'I [add love symbol] New York' promotion was so successful that it generated an increase of almost 12% in tourism receipts over the previous year (Holcolm, 1999). Between 1977 and 1981 the US\$32 million campaign was estimated to have generated at least eight times that amount in additional tax revenues and US\$2 billion in extra tourism revenue for the state (Pritchard, 1982).
- It was estimated that an initial six-week campaign in the UK, which launched Western Australia's new destination brand, resulted in 5886 visitors who spent A\$7.3 million within the state (Crockett & Wood, 1999).
- The April 28th (2003) internet newsletter of the Colorado Tourism Office reported results of a 2002 advertising effectiveness study designed to measure the return on investment for tourism advertising ([www.colorado.com](http://www.colorado.com)). The report claimed that 1.86 million visitors, who spent US\$522 million, visited Colorado as a 'direct result' of the STO's US\$2.5 million advertising campaign. On this basis it was claimed that every advertising dollar generated US\$205 in visitor spending and US\$12.74 in tax revenue.
- Hopper (2002) reported the results of the London Tourist Board's £720,000 foot and mouth outbreak recovery strategy, which included 202,000 views of the campaign web page and 7290 bed nights.

In addressing the question of whether destination advertising increases sales, Woodside (1990) found no published research in the tourism literature other than conversion studies. A conversion study estimates how many enquiries from advertising are converted to visitors, and what the characteristics are of the converted visitors. To do so involves surveying a sample of consumers who have responded to a DMO promotion during the year. A number of authors have been critical of tourism conversion studies. For example, Faulkner's (1997) literature review identified a number of common methodological deficiencies in their application, of which two of the most significant were:

- improper sampling techniques, and a failure to not take sampling error into account when interpreting results
- not considering non-response bias, since those who visit a destination are more likely to respond to a survey.

Other difficulties identified in McWilliams and Crompton's (1997) literature review included:

- respondent problems in recalling expenditure at the destination
- problems of measuring without considering the stage of the decision process
- failure to take into account advertising by competitors
- a lack of focus on programme objectives.

While acknowledging that advertising conversion studies will capture some respondents who had already made a decision to visit the destination prior to requesting the information package, Perdue and Pitegoff (1990) proposed four major benefits for DMOs:

- the ability to monitor changes that result from advertising campaigns over time
- the ability to assess how well the advertising is reaching the target segment
- the opportunity to assess the quality of the information package and its contribution to visitor satisfaction
- the opportunity to undertake pre- and post-campaign surveys.

Woodside (1990) proposed that the most effective means of examining the relationship between advertising and sales is through field experiments. Separate groups can be exposed to different advertising in what are termed split-run techniques. A famous example of this approach used by Budwieser Beer in the USA was reported by Ackoff and Emshoff (1975, in Keller, 2003). The experiment, which tested seven advertising levels, ranging from no advertising at all through to +200% advertising spend, ran for a full year. Interestingly, the 'no advertising' market achieved the same level of sales as the 'same level of advertising', and the -50% advertising achieved an increase in sales. The researchers concluded strong brands do not require the same level of advertising as lesser known or liked brands. Readers should be careful with this! An example of a destination application of an experimental design is summarised in Research Snapshot 19.1.

### Research Snapshot 19.1 Using an experimental design to test advertising impact

An example of a split-market variation used to analyse destination advertising was reported by Schoenbachler et al. (1995) in an analysis of the effectiveness of an advertising campaign run by a USA STO. They used three geographic markets, two of which were exposed to the same advertising, while a control group received no advertising. Following the advertising campaign, a mail questionnaire was sent to 3000 consumers in each of the three markets to measure unaided recall, awareness of destination features, image, and intent to visit. It was found that intent to visit and awareness of destination features was much higher in the two test markets compared to the control group that received no advertising.

*Source:* Schoenbachler, C., di Benetto, A., Gordon, G.L. & Kaminski, P.F. (1995). Destination advertising: Assessing effectiveness with the split-run technique. *Journal of Travel & Tourism Marketing*, 4(2), 1–21.

### Publicity • • •

PR performance measurement is also problematic. For example, Barry (2002) reported the finding of a survey of UK PR consultants, where one in five revealed they did not believe the success of their PR efforts could

be measured. In acknowledging this difficulty, Trout (1995) argued that most PR activities are not positioning strategies. Rather they are 'name in the press' tactics, which are measured in the same way you measure chopped liver – by the pound! Trout argued that content seemed to be largely irrelevant. Weight is all that counts.

DMOs have tended to focus on this publicity aspect of PR measurement. Equivalent advertising value (EAV) has been a popular means for DMOs to monitor the results of their media activities, in the absence of more comprehensive approaches. EAV is a simplistic measure of the amount of advertising dollars required to purchase the equivalent amount of air time or column centimetre generated by the PR initiative. As an example, for 1996–97 the Australian Tourist Commission reported EAV in excess of A\$675 million (ATC, 1998, in Dore & Crouch, 2003). Similarly, measuring EAV has been an important aspect of marketing for the Colorado Tourism Office, which has suffered from a lack of state-government funding. For the year ending June 2003, the STO claimed EAV of US\$22 million through the placement of 1172 media clips.

While EAV can be a useful public-relations tool in a DMO's efforts to enhance credibility among stakeholders, there are a number of problems that should be factored into reporting:

- EAV figures do not provide any indication of who actually read the article or viewed the screening, and more importantly how many were part of the DMO's target segment(s).
- The old adage 'any publicity is good publicity' should be considered in terms of how the publicity reinforced brand associations.
- Not all media articles included in EAV figures can be directly attributed to DMO initiatives.
- There can be a significant time lag between organising and hosting a media visit and subsequent publication, which can skew reporting of year-on-year activities and results.

Qualitative analyses are also required. As the corporate press officer for the BTA, Frisby (2002, p. 98) indicated that the results of the NTO's PR campaign during the foot and mouth outbreak included: 600 articles and broadcast features, 151,000 square centimetres of print, and 2700 seconds of broadcast coverage of Britain as a tourism destination. While Frisby calculated that the overall result represented '216 million positive opportunities to see' worth £1.9 million, he also advised that the results were measured using both qualitative and quantitative assessment of media coverage:

*The media evaluation system measures individual items of overseas print and broadcast coverage, incorporating the type of publication, content, story angle, audience and readership and impact – scoring each. Other information is also recorded to develop data and aid customer relationship management with individual journalists.*

Barry (2002) suggested that the golden rule is about knowing where you started from. What is the current position, and what is the publicity campaign objective?

### *Travel trade events* • • •

Travel trade events can be difficult to evaluate. The success of familiarisation tours of a destination by intermediaries could be assessed in terms of image improvement and bookings. However, it has been suggested that formal evaluations of these initiatives have not generally been conducted by DMOs (Perdue & Pitegoff, 1990). Likewise, monitoring the effectiveness of participation at travel exhibitions has proven difficult and time-consuming, and as a result often neglected by DMOs. At one level the influence of travel show interaction on actual travel is difficult to measure. At another level, it is even difficult at consumer shows to screen genuine enquirers from brochure collectors, and identify those with a propensity to visit the destination. However, most consumer exhibitions now charge admission fees, which does provide an element of screening compared to setting up a display in a shopping mall. DMOs often distribute coupons, for which the redemption rate can be measured, or attempt to collect database listings through competitions. Pizam (1990) reported that USA STOs had generally used 'rough' measures of travel show effectiveness. The most common methods included: numbers of enquiries, numbers of contacts, amount of literature distributed, staff evaluations, conversion studies, number of group bookings, and surveys.

### Consumer-based brand equity (CBBE)

*The power of a brand lies in the minds of consumers (Keller, 2003, p. 59).*

Generally, there has been a tendency in tourism marketing to focus on short-run measures of marcom effectiveness. This is a reflection of the short-term focus that pervades many boardrooms. Relatively few current DMO decision-makers are likely to still be in office in ten years time, since the high profile and political nature of DMOs management inhibits long periods in governance and senior management. While short-run performance indicators are important, they should also be supplemented with indicators addressing a longer-term view of sustainable destination competitiveness.

An emerging concept for monitoring market perceptions is the model of CBBE, which was presented in Chapter 10. CBBE measurement is based on the premise of developing an understanding of how marketing initiatives are impacting on consumer learning and recall of brand information. However, given the time-consuming, costly and more subjective nature of market research, it is perhaps not surprising that this has been a relatively new activity for DMOs at state and regional levels. For example, in

evaluating the initial effects of the Brand Oregon campaign, Curtis (2001, p. 76) lamented the lack of perceptions research:

*In terms of evaluation of the initial campaign, the Tourism Commission essentially took account of two factors; first, the number of visitor enquiries received, and, second, the number of awards won from the advertising industry for the campaign. Unfortunately, no consumer evaluation of the image campaign nor a critical analysis of the campaign's effectiveness was ever conducted.*

In Chapter 10, Aaker's (1991) model of CBBE was introduced as comprising brand awareness, brand associations, brand resonance, and brand loyalty. CBBE can be viewed as a bridge between previous marcom and future performance. Research Snapshot 19.2 shows how the model was operationalised to benchmark an emerging destination's CBBE at the launch of a new brand positioning campaign in 2003. At the time of writing, the results of a repeat study in 2007 were being analysed to determine any changes in CBBE after four years of the brand campaign.

### *Destination awareness* • • •

The first goal of marcom is to enhance awareness of the brand. However, as discussed in Chapter 11, measuring the number of destinations in a consumer's awareness set is likely to be prohibitive and indeed pointless given the sheer number of destinations consumers are likely to be aware of. Awareness in itself is not therefore an indicator of attitude. What is important is understanding where the destination lies within the hierarchy of awareness levels, which range from non-awareness to an intent to visit. Of particular interest are the issues of top of mind awareness (ToMA), decision set composition, and behavioural intent. I have used this approach in a number of short-break destination positioning studies (see, for example, Pike, 2002b). ToMA was operationalised using an unaided question. Fishbein and Ajzen (1975) proposed that any question exploring the relationship between attitude and behaviour must include the following:

- The behaviour, which for the study was a holiday.
- The target object at which the behaviour is directed, which were domestic destinations.
- The situation in which the behaviour is to be performed, which was self-drive short breaks.
- The time at which the behaviour is to be performed, which was within the next 12 months.

The question designed to incorporate all four points was: Of all the short-break holiday destinations that are available for you to visit in the next 12 months, if you were driving, which destination first comes to mind? The destination named is representative of ToMA at that point in time.

Following this, the decision set composition was addressed by asking respondents to list the names of any other destinations they would also probably consider. Some researchers (see, for example, Woodside & Carr, 1988) have prompted respondents to mention at least three destinations. Such a prompt can however limit respondents' thinking. Identification of the decision set composition is important in understanding the competitive set of destinations, which is critical in positioning analysis.

### *Destination brand associations* • • •

An important area of market research for DMOs is investigating the congruency between brand identity and brand image. This is a measure of how successfully the positioning strategy has enhanced the desired destination brand associations over a given period of time. As previously discussed, what is most critical is that brand associations are strong, favourable, and unique, in that order (Keller, 2003). A range of qualitative and quantitative techniques are available to measure these. My review of 142 destination image studies provided a categorisation of approaches used in measuring the strength and favourability of associations (Pike, 2002a).

### *Destination brand resonance* • • •

Resonance relates to the level of engagement with the brand. For destinations, there are two important variables: previous visitation and intent to visit in the future. For example, Tourism New Zealand reported research indicating the success of its *100% Pure NZ* global campaign (*Inside Tourism*, IT454, 10/6/03, pp. 1–2). The research in the USA, UK, and Japan focused on interactive travellers, described as 'TNZ's target market of high-spending, environmentally and socially aware travellers.' The report cited CEO George Hickton as describing key success indicators as being the extent to which respondents in the target market expressed a desire to visit New Zealand. In each market the number of respondents indicating such intent had increased since a previous survey in 2000.

However, it must be acknowledged that without a longitudinal research component any stated intent to visit cannot be regarded as an accurate indicator of future behaviour. As previously indicated, little has been published in the tourism literature concerning the relationship between stated intent and actual travel. More longitudinal designs could be used to monitor the relationship between stated intent and actual travel.

### *Destination loyalty* • • •

Word of mouth referrals and repeat visitation are the ultimate measure of a consumer's loyalty towards a destination. Milman and Pizam (1995) demonstrated how familiarity with a domestic USA destination, measured by previous visitation, led to a more positive image and increased likelihood of repeat visits. While repeat purchase behaviour was introduced in the marketing literature during the 1940s (Howard & Sheth, 1969), little

research has been undertaken in the area of destination loyalty (Oppermann, 1999). Accurately measuring this is likely to be beyond the capacity of most regional visitor monitors. Instead, approaches to collecting information range from intercept surveys of visitors at the destination (see, for example, Gitelson & Crompton, 1984; Gyte & Phelps, 1989; Oppermann, 1996b; Pyo et al., 1998) to mail surveys that captured previous visitors and non-visitors (see Fakeye & Crompton, 1991; Crompton et al., 1992; Pike, 2002b). Such studies can be useful in identifying the demographic characteristics, influences, motivations, as well as the behavioural patterns such as expenditure and length of stay, of those most likely to have the propensity for repeat visits. This can in turn inform more targeted promotional efforts, which are likely to be more cost-efficient than attempts to attract first-time visitors (see, for example, Reid & Reid, 1993).

### Research Snapshot 19.2 CBBE for an emerging destination

In Queensland, Australia, there are 14 tourism regions officially recognised and supported by the state tourism organisation (STO), Tourism Queensland (see [www.tq.com.au](http://www.tq.com.au)). The STO provides financial and human resources to each RTO for the development of destination brands. In recent years most RTOs have developed new brand campaigns for use in the Brisbane market. Brisbane, the state capital, is the most important market in terms of visitor arrivals for numerous contiguous destinations in Queensland and northern New South Wales. The paper focuses on Bundaberg and the Coral Coast (<http://www.queenslandholidays.com.au/destinations/bundaberg-coral-coast-and-country/index.cfm>), which has been categorised by the STO as an 'emerging destination'.

During 2002, exploratory research undertaken by Tourism Queensland found that while Bundaberg had strong name recognition in the Brisbane market as the home of Bundaberg Rum and Bundaberg Ginger Ale, the region lacked a clear identity as a holiday destination. Consumer focus groups suggested that three key barriers to visiting the region were the perception there was 'nothing to do', the driving distance, and lack of nightlife, restaurants, cafes, and shopping (Tourism Queensland, 2003). In response to these findings, a new destination brand was launched in February 2003. The new brand positioning theme was *Take time to Discover Bundaberg, Coral Isles and Country*. The objectives of the new brand were (1) to raise awareness of the destination, (2) to stimulate increased interest in and visitation to the region, and (3) to educate the market about things to do.

To benchmark CBBE for the destination at the time of the brand launch, a longitudinal design was used. Two mail surveys were distributed, three months apart. The first used questions to analyse participants' short-break preferences, while the second examined actual travel. The results provide measures of brand salience, brand associations, and brand resonance for a competitive set of destinations in their most important market, in the context of short breaks by car.

For the Coral Coast, the results indicated that the destination held weak CBBE in its most important market at the time of the launch of a new brand campaign. While the hierarchy of brand salience, brand associations, and brand resonance did not provide a single

measure of CBBE, the structure of the results does provide indicators, related to the brand campaign objectives, for which the effectiveness of future promotional activity can be evaluated. The results clearly highlight the challenge facing the destination in what is a crowded and competitive market.

*Note:* At the time of writing, data from a follow-up survey undertaken during 2007 was undergoing analysis. The purpose of the 2007 study was to measure the extent to which the brand campaign during the previous four years had been successful. Early indications were that, in relation to the brand objectives, the level of CBBE had not improved.

*Source:* Pike, S. (2007). Consumer-based brand equity for destinations: Practical DMO performance measures. *Journal of Travel & Tourism Marketing*, 22(1).

## Organisational performance

*Good management starts with good measurement*

*(Aaker, 1996, p. 316).*

Organisation performance evaluation is concerned with the degree to which an entity has achieved its objectives, the appropriateness of those objectives, and the efficiency of implementation. Akehurst et al. (1993, p. 59) found the main performance indicators for European NTOs to be:

- the amount of activity of the NTO, such as the number of trade fairs attended
- promotion cost per tourist or per additional tourist, or per dollar of expenditure
- grants per job created.

An independent marketing audit is recommended as a systematic process for evaluating marketing practice. An audit would be expected to examine the following (Hooley et al., 1993):

- marketing environment audit – to assess changes in the macro and operating environments
- strategy audit – to assess the appropriateness and clarity of corporate and marketing objectives and the appropriateness of the resource allocation
- analysis of the structure, efficiency, and interface efficiency of the marketing department
- analysis of marketing systems such as information system, planning system, and control system
- cost-effectiveness analysis
- analysis of marketing mix

Elliott (1997, p. 12–14) proposed the following questions to address organisational efficiency:

- Have objectives been achieved for the lowest cost?
- Have resources been used efficiently?
- Has the return on public investment been reasonable?

Heath and Wall (1992, p. 185) offered the following questions:

- Is the mission of the DMO for the region clearly stated in market-oriented terms? Is the mission feasible in terms of the region's opportunities and resources? Is the mission cognizant of tourist, environmental, business, and community interests in a balanced way?
- Are the various goals for the region clearly stated, communicated to, and understood by the major tourism businesses in the region?
- Are the goals appropriate, given the region's competitive position, resources, and opportunities?
- Is information available for the review of progress toward objectives, and are the reviews conducted on a regular basis?

## Stakeholder perceptions

Such internal audits might not be sufficient for DMOs, given the range of active stakeholders. Monitoring stakeholder perceptions or organisation performance should also be considered, as was the case in Research Snapshot 19.3.

### **Research Snapshot 19.3 Using IPA to monitor perceptions of DMO performance**

Evans and Chon (1989) trialled the applicability of importance-performance analysis (IPA) in the formulation and evaluation of tourism policy at two USA destinations. The first destination was at the 'maturity' stage, and had a number of community conflicts regarding tourism policy. The second destination was classified 'immature', in that the small rural community did not have an established tourism industry and was exploring the possibility of developing tourism. IPA requires participants to firstly rate the importance of a series of attributes and then to rate the performance of the destination of interest across the same range of attributes.

In addition to the tourism policy research objectives, local business operators at the 'mature' destination were surveyed in relation to the perceived performance of the local DMO:

- Did members of the business community feel that the DMO was performing well?
- Was the DMO mission clear?

The results indicated that the DMO was not perceived to be performing well in relation to community expectations. Also, the mission was not clear for most participants. The IPA results were helpful to the DMO in resolving a community conflict and in clarifying the organisation's

mission. Evans and Chon recommended that the DMO repeat the IPA each year to monitor the business community's perceptions of performance.

*Source:* Evans, M. R. & Chon, K. (1989). Formulating and evaluating tourism policy using importance-performance analysis. *Hospitality Education & Research*, 13(2), 203–213.

Tourism Vancouver management have long recognised the need to report performance tracking to stakeholders. The CVB introduced monthly tracking of around 70 measures, and quarterly reporting to the industry was introduced in 1993 (Vallee, 2005). These include an investment effectiveness index that analyses the accomplishment of goals against investments.

## Destination marketing awards – the chance to celebrate success!

Successful destination marketers are usually hard-working, creative, and highly competitive, and so enjoy the recognition of their peers. For example, in a media release distributed in October 2005, Tourism Australia Managing Director Scott Morrison welcomed news that the destination had been awarded 'cool brand' status in the annual Cool Brand Leaders list in the UK:

*We are thrilled that the Brand Council in the UK has named Australia as one of the world's Cool Brand Leaders, especially as this is the first time that a country has been included on its annual list.*

One of the academic reviewers of my previous text criticised having a section on destination marketing awards. However, anyone with any practical marketing experience will appreciate that awards represent rare tangible (albeit subjective) recognition, such as in the 'best stand award' shown in Figure 19.3. For example, over 2500 people attended the 2007 Australian Tourism Awards ceremony. Examples of prestigious destination marketing awards include:

- The 2006 National Council of Destination Organizations (USA) awards were presented to the Alexandria Convention and Visitors Association (Virginia), the Alaska Travel Industry Association, and the Finger Lakes Visitors Connection (New York).
- The 2006 ICCA marketing award went to Glasgow City Marketing Bureau.
- The 2006 National Council of State Tourism Directors (USA) award for best overall state tourism marketing program went to Virginia Tourism Corporation.
- The 2006 Australian Tourism award for destination marketing went to Destination Noosa.



**Figure 19.3**  
Best stand award at the  
Singapore Travel Expo

### In practise

At the 53rd annual PATA conference in 2004, Tourism New Zealand was awarded the Grand Award for Marketing, for reversing a declining share in major tourism markets during the 1990s. Under the heading 'TNZ 100% Pure Champion', PATA (<http://patanet.org/archives/news@pata/17mar04.htm#3>) summarised the 100% Pure New Zealand campaign success factors as:

- Pre-planning research showed that of those international travellers who recognised New Zealand as a potential destination, 87% never intended to visit – the problem was branding and proposition.
- TNZ defined its target market as 'interactive travellers', constituting about 4% of the international holiday travel market.
- '100% Pure New Zealand' branded New Zealand's natural beauty and indigenous culture by portraying warm welcomes, interactive experiences, freedom of movement, and 'being at one with the way the world should be'.
- The campaign's promotional media and materials were consistent, creative, and of high quality, the two highlights being the PATA Gold Award-winning website [www.newzealand.com](http://www.newzealand.com) and poster.
- TNZ had successfully captured its target market, contributed to a significant increase in visitor arrivals, and helped New Zealand tourism recover from recent global crises much faster than its competitors .

## Key points

### 1 The challenge of quantifying the DMO contribution to destination competitiveness

Isolating and quantifying a DMO's contribution to destination competitiveness is currently an impossible task. Ultimately, the success of a destination will be as a result of a combination of factors, many of which will be exogenous to the DMO. Examples include the global economy, hallmark events, government visa policies, the weather, disasters, and the marketing activities of others. DMOs at all levels should be wary of staking claims to overall credit for the success of a tourism season, in exactly the same way that they should not accept sole responsibility for a poor industry performance.

### 2 Measures of DMO effectiveness

There are three dimensions in modelling measures of DMO effectiveness. The first two are internal organisation measures: the appropriateness of activities and the efficiency of the plan in relation to stakeholder expectations. The third, and more challenging task, is that of measuring the effectiveness of marcom. With the exception of advertising conversion studies there has been relatively little published about measuring the success of DMO marcom.

### 3 Measuring consumer-based brand equity

The reliance on short-run return on investment measures of effectiveness misses the DMO's full contribution to destination competitiveness. Efforts should also be made to model and measure consumer-based destination brand equity. This requires market research to estimate levels of destination awareness, brand associations, perceived value, and destination loyalty.

## Review questions

- Why is it so difficult to quantify a DMO's contribution to destination competitiveness?
- What range of measures are reported by your DMO to monitor market performance?
- What range of measures are reported by your DMO to monitor organisation performance?
- How is your DMO capturing visitor metrics such as arrivals, length of stay, spend, and repeat visitation? What limitations can you identify in the data collection?