



## **Research/Consulting Services**

**to Assess and Enhance**

**Convention & Visitor Bureau**

**Organizational and Program Effectiveness**

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*California Travel Industry Association, American Marketing Association, Travel & Tourism Research Association*



## **What IS Market Research?**

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Market research is the process of obtaining credible information as the basis for strategic marketing and/or organizational planning, or to answer a specific question or solve a problem.

Within the travel industry market research typically is used to:

- Identify target markets and target audiences (segments)
- Track trends for the overall market or for specific industry sectors
- Identify marketplace conditions and/or changes
- Measure the economic impacts of destination tourism programs or special events
- Explore and develop new themes, concepts, branding, market positioning
- Assess customer perceptions and satisfaction with a destination or specific product

The results from research can be used for a wide variety of applications including:

- To improve programs and services
- To guide marketing efforts, media placement
- To drive geographic and segment market decisions
- To guide program funding allocations
- To promote organizational performance or program results
- To develop the organization through membership, sponsorships and/or grant programs.
- To help document the use of or to increase public funding support

Well designed and executed research can enhance the credibility and raise the visibility of the entity conducting it by putting numbers to opinions, and drawing attention to its programs and activities. Research can raise public awareness for the Bureau and tourism offering the opportunity to generate additional community and funding support.

Research should be best viewed *as a key component of a planned strategic marketing program*. As research provides an organization with credible data for more effective decision making and deployment of valuable resources, it is a valuable marketing, organizational and competitive tool.



## Typical Types of Market Research Studies for Convention & Visitors Bureaus

### ◆ Destination or Special Events Economic (and Fiscal) Impacts

**What:** Measuring the economic impacts, specifically visitor volume, total and category visitor spending, and related local tax impacts and employment is an effective means for assessing visitor marketing programs and/or special events. An economic impact study also provides visitor demographics and trip behaviors including geographic origin, planning resources, purposes for visiting, lodging type, length of stay, group size, and other attributes.

**How:** Typically, on-site surveys are conducted among visitors/attendees to obtain basic trip behavior, demographic and spending data. Responses are input into an economic impact model, which outputs visitor volume, visitor days and visitor spending for a specified time period, e.g., annually or quarterly. Studies should be performed on a recurring basis, e.g., every two- five years, both to establish benchmarks and to chart progress over time.

**Beneficial Uses:** Such studies help measure operating and marketing program effectiveness, to guide program development and media placement, to improve a destination's competitive position, to develop strategies to optimize tourism impacts and to help guide development of visitor serving infrastructure and amenities. Event impacts can help secure sponsor funding or reduce required municipal costs.

### ◆ Marketing/Advertising Effectiveness – Conversion/Return on Investment "ROI"

**What:** Marketing & fulfillment programs are high-cost items. To assess critical questions of how many people may visit from among those who requested information, and what level of influence did materials have on trip-taking; that is, how many potential visitors *converted* to actual visitors, a *conversion study* is conducted. While many factors influence a traveler's decision-making process, the bureau's advertising, promotion and customer service programs should be credited for a portion of the visitor volume. From that volume, further analysis estimates of resulting spending and tax impacts accruing to and benefiting the local economy, is the *return on investment/ROI* study.

**How:** LSC conducts a conversion/ROI study by surveying visitors who request visitor information. The survey includes questions to identify the sources and purposes of the inquiry, visitor demographics, trip behaviors (length of stay, lodging, transportation, etc), and visitor spending. Such data is analyzed resulting in conversion and return on investment rates, related visitor volume, aggregate spending impact and local taxes generated.

**Beneficial Uses:** Marketing conversion studies help the Bureau to evaluate its allocation of market and media resources and the effectiveness of the Bureau and its marketing programs. The results also provide Bureaus with credible results data for use with funders, public agencies, the media and other interested parties.



◆ **Demographic Profiles & Visitor Perception/Satisfaction Studies - "Visitor ID Card"**

**What:** Who are your customers, where are they from, what do they want, how do they perceive your product and how satisfied are they when they have visited? These and other key questions can be addressed by conducting market research studies.

**How:** Actual, non-visitors or potential visitors are surveyed to identify destination or product awareness, visitation frequency, trip satisfaction and demographics and other areas of interest.

**Beneficial Uses:** These studies are invaluable in helping to plan services, programs, advertising and promotion and identifying future development needs.

◆ **Destination Amenities and Inventories/Feasibility Studies**

**What:** How viable is the visitor serving infrastructure? What are peak periods which may have turn-away demand, and when are the low periods that need to be filled? What amenities/infrastructure need to be developed to fill the gaps or better service the destination? Inventories can identify market supply and demand, and competitive factors, and recommend the type of development that best meets market needs.

**How:** An inventory of the destination's current visitor serving infrastructure/amenities is conducted from a supply and demand perspective. Such amenities include: hotels, meeting space, restaurants, attractions, parking, cultural amenities, transportation, etc.

**Beneficial Uses:** An inventory can provide the initiative for the Bureau and the local visitor industry to begin critical discussions with leaders and the community about the types of development needed to optimize its tourism market potential. Such development can increase the destination's market share overall or among specific market segments, and its ability to increase visitor economic and fiscal impacts.

◆ **Marketing/Business Plans – "Marketing Blue-Print"**

**What:** Marketing is expensive, but no entity can grow without it. Marketing plans capture and communicate the marketing program's rationale, objectives and strategies, and detail competitive market position, strategies and action plans, including media. Business/operational plans focus on the broader operation such as strengths/weaknesses, opportunities/threats, and sets goals/objectives. Both should be based on credible assumptions and market intelligence.

**How:** LSC's market planning process is a collaborative effort among the key internal and external stakeholders who should be working together for mutual benefit. Relevant market research may be included in this process.

**Beneficial Uses:** Market and business plans are the blueprint for growth and development. They commit to strategies to optimize market position and to provide accountability and performance measurements for more effective marketing efforts and results.



◆ **Organizational Effectiveness “Internal Check-Up”**

**What:** Is the organization doing its best? Does it have identified goals, accomplish goals in a timely and cost efficient manner? How do communications flow and are they effective? Such questions can be answered in an organizational effectiveness study. It acts as an internal check-up for the organization.

**How:** LSC reviews internal records and performance indicators in conjunction with its stated goals and objectives. LSC interviews key personnel to identify processes, then holds sessions to discuss findings and means to address gaps to improve effectiveness. An organizational development plan, with specific performance indicators, results from this work.

**Beneficial Uses:** Reveals problems and presents solutions reduce operating costs, and/or improve program effectiveness, staff morale and customer loyalty (to help repeat visitation).

◆ **Organizational Performance Audits – “External Check-Up”**

**What:** Performance audits serve as an external check-up to help assess the extent that it is achieving stated goals. Questions include: Is the organization meeting its stipulated contract goals? Are the performance measures appropriate or do they need to be adjusted? Are the organization’s submitted reports accurate, timely, useful, relevant? How is the relationship with the funding agency and/or what improvements may be needed? Such an audit can be considered “preemptive” to alert the entity of problems while solutions are achievable.

**How:** LSC reviews the contract and performance indicators along with stipulated contract goals and measurements. LSC interviews key organizational personnel and stakeholders to identify issues and ways to address gaps to improve the relationship and organizational compliance. Results are documented in a report with findings and recommendations, especially related to mutually beneficial changes in the contract.

**Beneficial Uses:** Reveal problems and present solutions to improve organizational compliance and the relationship between the organization and the funding agency. Useful for the organization’s officers, its Board of directors and its major funders.

◆ **Feeder Market Activity - “MarkeTrack”**

**What:** An analysis of current and expected economic and related indicators that influence travel of your key domestic and/or international markets.

**How:** LSC obtains relevant economic indicators and analyzes their expected influence on travel.

**Beneficial Uses:** Helps the destination understand timely with longer-term market planning or to make adjustments in current programs.