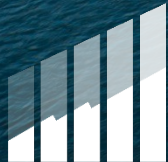


2018 Tourism Research Summit

Benjamin Gill, Economist
Joe Ramler, Senior Economist
Office of Tourism & Business Development
Montana Department of Commerce



MONTANA
DEPARTMENT OF COMMERCE

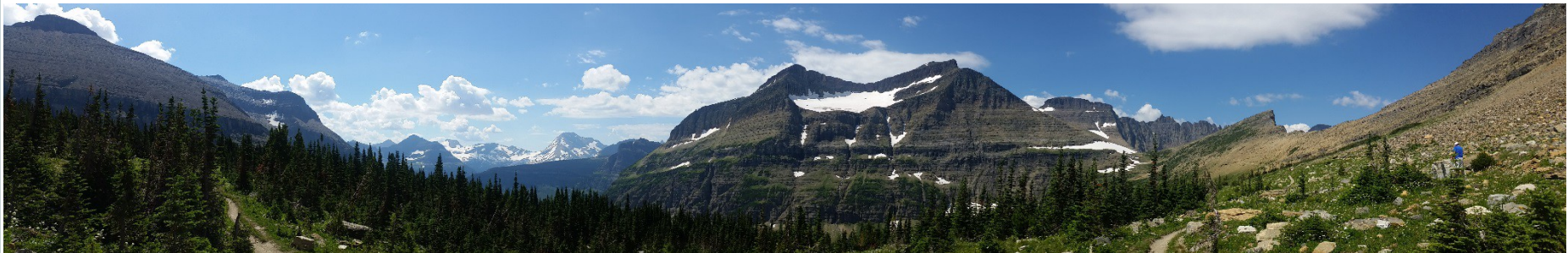
TODAY'S GOALS

We hope to answer two questions...

- Why is MOTBD doing tourism research?
- How are we tackling this research?
- This afternoon...
 - How can what we're doing be leveraged & integrated by our partners
 - How can we be a research asset to our partners

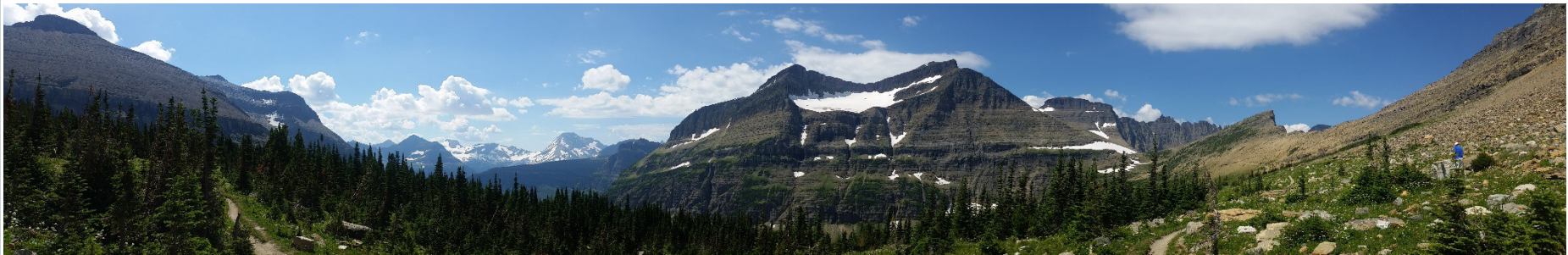
THE NEXT 2 HOURS...

- Why is MOTBD doing tourism research?
 - Our research mission and what we're trying to achieve through our efforts
- How are we tackling this research?
 - Data tools and partners we're working with
 - How we're using these tools
 - Limitations of these tools



THE NEXT 2 HOURS...

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WHY IS MOTBD DOING TOURISM RESEARCH?

Ultimately, what's our goal?

Mission – *We want to influence individuals to visit Montana at the right time and spend money...*
Heads – In – Beds.

However, the “path to purchase” of a prospective traveler is mired with distraction and anything but direct...



WHY IS MOTBD DOING TOURISM RESEARCH?

Our goal is to build brand awareness creating a higher level of familiarity ultimately influencing travelers to visit Montana



Brand Awareness



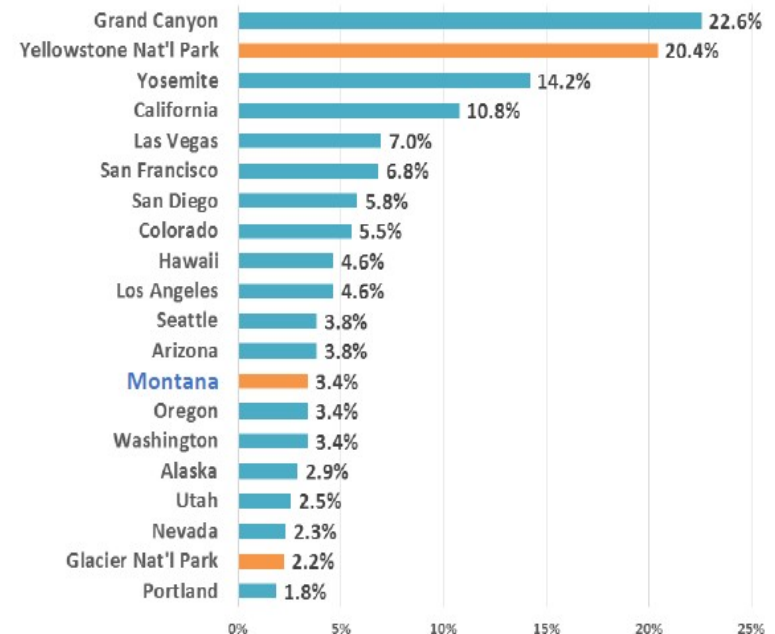
Heads in Beds

WHY IS MOTBD DOING TOURISM RESEARCH?

3.4% of American travelers have Montana top-of-mind as a travel destination in the western US for a place to enjoy outdoor activities and scenic beauty

Summer 2016,
Destination Analysts MT Brand Research
n = 6,200

Top Destinations in Western U.S. of Interest for Enjoying Outdoor Activities and Scenic Beauty



Question: Please think about travel destinations in the western United States (states, cities, parks, attractions, etc.) that you would like to visit specifically to enjoy outdoor activities and scenic beauty. Source: Montana Brand Exploration Survey, 2016.

WHY IS MOTBD DOING TOURISM RESEARCH?

We're competing against travel destination brands with more resources...

NOTE—below figures are not exclusively marketing dollars; other State tourism office spend is included (i.e. operations, grants, etc.)

2015-2016 Total State Tourism Marketing Budgets

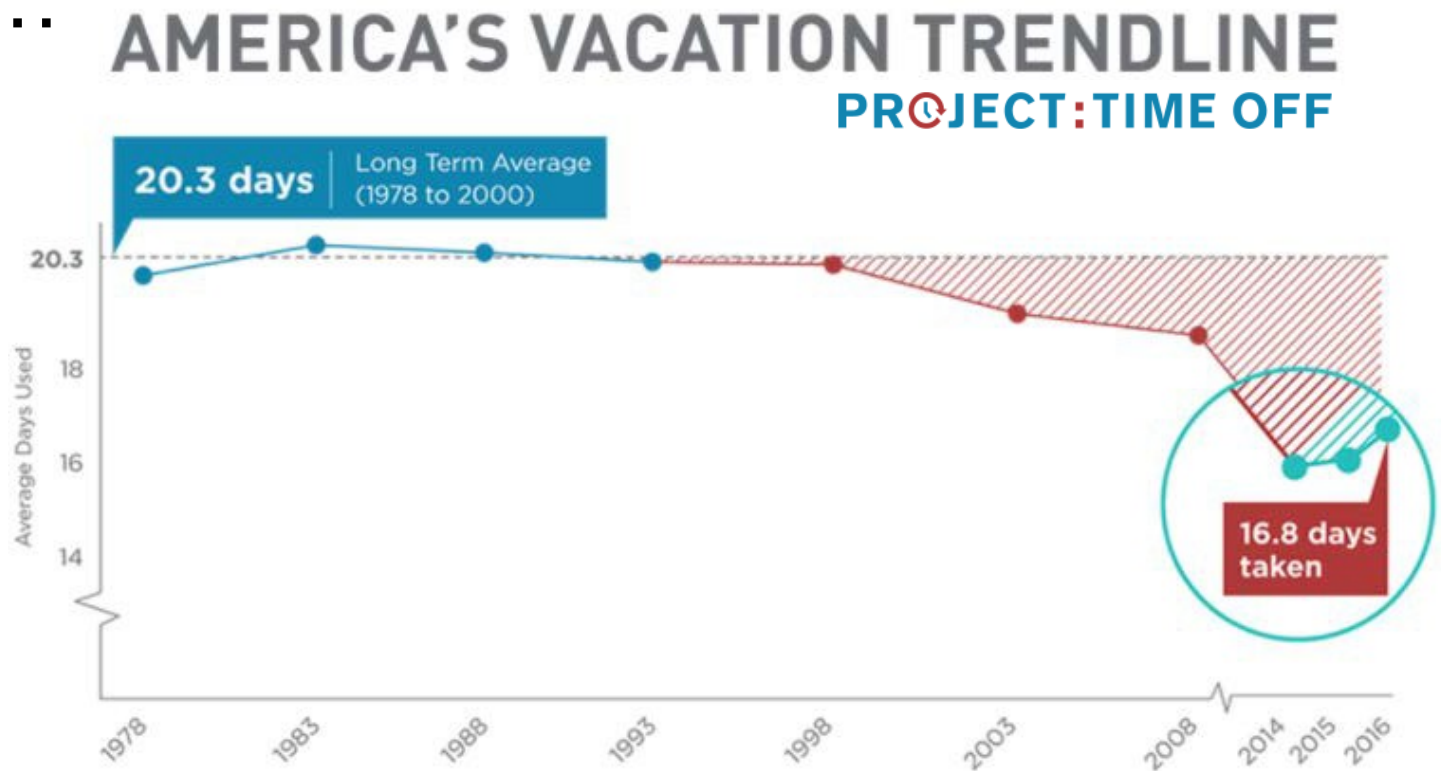
California	\$119.9 million	Montana	\$18.7 million
Hawaii	\$93.3 million	Nevada	\$17.9 million
Texas	\$46.6 million	New Mexico	\$12 million
Arizona	\$22.2 million	Wyoming	\$10.6 million
Utah	\$19.8 million	Alaska	\$9.7 million
Colorado	\$19.8 million	Idaho	\$5 million
Oregon	\$19.4 million	Washington	n/a

Source: US Travel Administration. Figures reported to USTA by state marketing offices

NOTE – figures only include state office budgets; sub-state marketing organization budget dollars not included

WHY IS MOTBD DOING TOURISM RESEARCH?

We're competing against an increasing resistance to taking time off from work and traveling...



Source: Project Time Off, USTA

WHY IS MOTBD DOING TOURISM RESEARCH?

We're combating relatively low brand awareness in a highly competitive tourism market where prospective travelers are taking less time off work...

The only way to be successful is to create marketing strategies founded on solid research and data...



WHY IS MOTBD DOING TOURISM RESEARCH?

MISSION – *Influence travelers to visit Montana at the right time and spend money...*
Heads – In – Beds.

- **Be Effective**

- Influencing travelers to visit Montana
- Identifying and targeting specific types of visitors
 - Quality vs. quantity

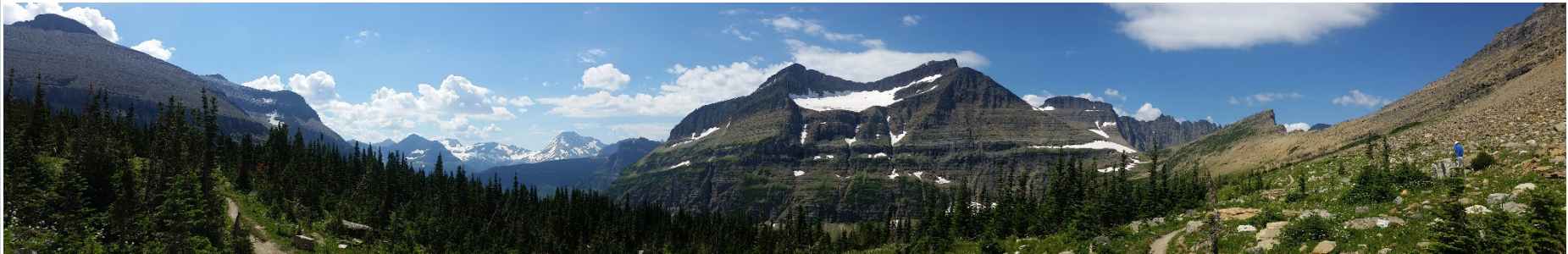


- **Be Efficient**

- Get the biggest “bang for the buck”
- In broad terms, lowering the “cost” to get travelers to visit MT

THE NEXT 2 HOURS...

- Why is MOTBD doing tourism research?
 - Our research mission and what we're trying to achieve through our efforts
- How are we tackling this research?
 - Data tools and partners we're working with
 - How we're using these tools
 - Limitations of these tools



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Destination  Analysts



VisaVue[®]
Travel
Real-World Intelligence
For The Tourism Industry



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Destination  Analysts

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH



Destination Analysts (DA) is a tourism research and marketing company based in San Francisco, California.

They have a team of travel industry experts with extensive, hands-on experience working with some of the world's greatest tourism and Destination Marketing Organizations

www.destinationanalysts.com

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

We have and continue to utilize Destination Analysts in a couple different ways

- Brand audit, brand competitive positioning and target audience segmentation research (summer 2016)
- Winter audience segmentation research (winter 2017/2018)
- On-going campaign and ROI research (started FY 2016 cold season)

Destination  Analysts

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Montana Brand Research (summer 2016)

- It had been nearly a decade since the last brand research had been done for MT
- DA won the contract through a competitive RFP process – spring 2016
- This research had multiple objectives...

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Montana Brand Research (summer 2016)

Objectives:

- What are the notions, ideals and dreams the Brand represents to its current and potential consumers
- What are the values – both positive and negative – the Brand is perceived to deliver to its current and potential consumers
- The Brand's potential

Destination  Analysts

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HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Montana Brand Research (summer 2016)

Objectives (continued):

- MT's overall familiarity, awareness and appeal as a travel destination
- SWOT analysis of the Brand
- Brand's competitive positioning among other travel brands
- Identify "high-potential" visitor segments
- Strategies for targeting high-potential visitors

Destination  Analysts

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

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Destination  Analysts

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Winter Audience Research (winter 2017/2018)

- The 2016 brand and segmentation research didn't dive into the details of Montana's high-potential winter audience
- We wanted to better understand the "Winter Enthusiast"
 - Travel patterns; motivations for travel; how they choose their destinations for snow-based activities; what type of creative content most inspired them

Destination  Analysts

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HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS

- Because of the 2016 Brand research and now our winter audience segmentation study, we have laser focus on who our target audience is, what channels to reach them in, and how to set ourselves apart from competing destinations
- Results from on-going campaign and ROI research are proving that our data driven decisions are paying off

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

We have and continue to utilize DA in a couple different ways

- Brand audit, brand competitive positioning and target audience segmentation research (summer 2016)
- Winter audience segmentation research (winter 2017/2018)
- On-going campaign and ROI research (started FY 2016 cold season)

Destination  Analysts

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HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

On-Going Campaign Research

- Our on-going barometer for how we're doing
 - Aided and unaided awareness of MT as a leisure travel destination
 - Likelihood to visit Montana
 - Perceptions of the State as a leisure travel destination
 - Aided and unaided recall of campaign's advertising creative
 - Earned and paid media recall
 - Effectiveness of advertising in motivating interest in visiting Montana
 - Campaign "return on investment"

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH



ARRIVALIST

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH



Arrivalist is a location-change attribution analytics platform that measures the way media moves us

Formed in 2012, the platform allows us to evaluate which media exposures motivate consumers to travel to destinations

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

How it works

- By pixeling all of our owned and paid digital assets, we can track every digital exposure across the world
- If an exposed device subsequently shows up in Montana, we can track it



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

How it works



Types of Media

- Site Visit
- Video
- Banners
- Mobile
- Email

This technology allows us to track all of our digital advertising across the globe and over time



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

How it works

- Each of the “pixels” we embed in our digital content is unique to that content
 - Because of this, we know exactly which ad a device was exposed to, at what time, and where it was located on the globe before it subsequently showed up in Montana
 - We can also see sequences of ads that a particular device was exposed to between the time it was initially exposed and when it showed up in the State



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

- Verified Arrival – a device that has been exposed to our pixelated owned/paid digital advertising outside of Montana that shows up in the State sometime in the future
- Exposure – synonymous with the number of impressions of pixelated owned/paid digital advertising
- Arrivals per 1,000 Exposures (APMs) – a normalizing metric measuring relative efficiency



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

- We get this data in almost real time
 - The platform updates every 24 hours
 - This gives us the ability to make digital marketing decisions in the midst of a campaign cycle
- The originating geographic detail very specific
 - We know – down to the metropolitan area – where a device was exposed to our digital advertising all across the world



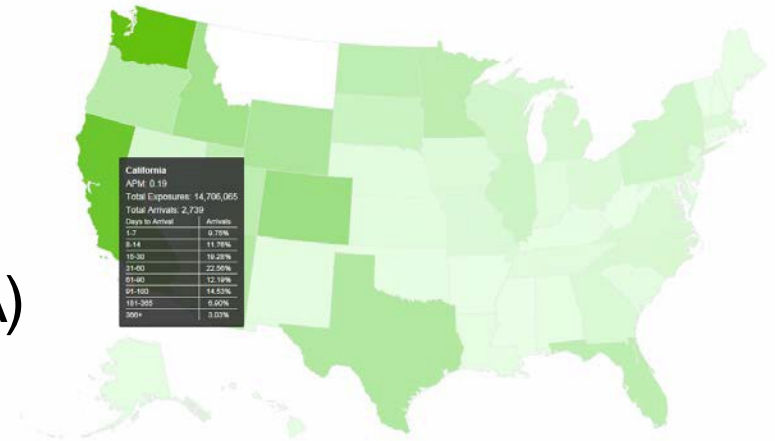
HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Geographies

- Origin Geography
 - City
 - Designated Market Area (DMA)
 - State (or Canadian Province)
 - Country
- Arrival Geography*
 - City
 - County
 - Montana

5 - Arrivals By State



*Only accounts for the first 'ping' within Montana



HOW ARE WE TACKLING THIS RESEARCH?

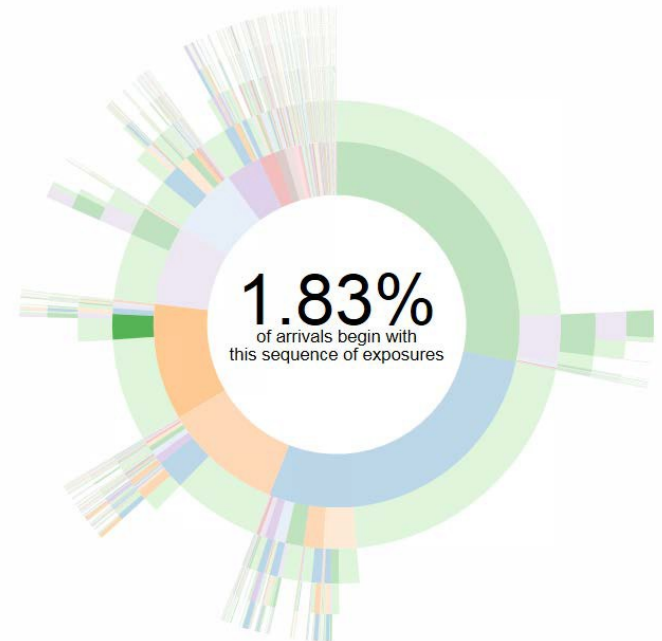
DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Available

- Arrivals
- Exposures
- APMs
- Time to Arrival
- Distance to Arrival
- Exposure Frequency
- Exposure Sequence
- ...and more

11.1 - Arrival Sequences

FY18 Shoulder FY18 Winter 469 Arrivals



HOW ARE WE TACKLING THIS RESEARCH?

LIMITATIONS OF THESE TOOLS

- Digital advertising attribution
 - Especially in neighboring markets, the assumption that *all* verified arrivals came to MT because of our digital marketing efforts may be a stretch.
- However, not every MT traveler exposed/influenced by our marketing efforts are tracked through the Arrivalist platform
 - Between 1% - 10% of MT travelers exposed to our digital advertising are tracked
- Non-digital advertising isn't tracked through this platform for obvious technological reasons



HOW ARE WE TACKLING THIS RESEARCH?

LIMITATIONS OF THESE TOOLS

- Our current contract only specifies whether or not an arrival happens in Montana
 - Other than some exceptions, within-state arrival analysis isn't available
- Currently, the platform doesn't allow for us to "track" the arrival (i.e. device) while it travels throughout the State
 - Arrivalist does have a new platform – A3 – that utilizes GPS technology to track devices down to a 3 meter area on the globe while they're "in-market"
 - However, they want a lot of money for it...



HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS

- Arrivalist allows us to measure verifiable attribution of our owned and paid digital advertising in real time
- We can measure relative effectiveness – total number of verified arrivals by geography over time
- We can measure relative efficiency – number of paid/owned digital exposures per verified arrival to Montana



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

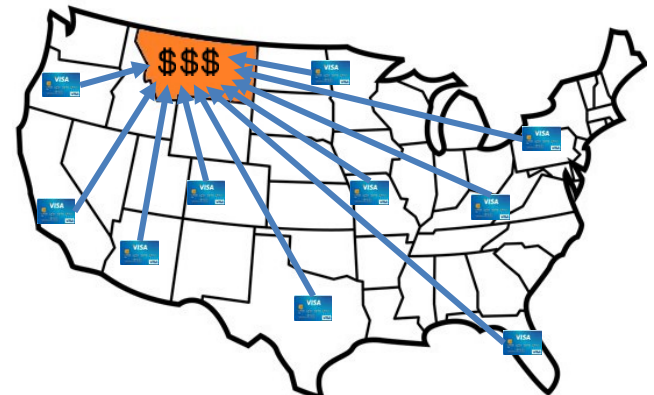


HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH



- VisaVue for Travel is a subsidiary of Visa Inc.
- The company's sole function is to monetize credit card data by marketing it to destination marketing organizations
- We partnered with VisaVue in 2015 for international spend data and 2017 for domestic market data



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HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

- Depersonalized, aggregated card spending data that takes place in Montana by cards that “aren’t from Montana”
- Two different data packages:
 - International Originating Markets Data – all cards originating from outside the United States
 - Domestic Originating Markets Data – all cards originating outside of Montana but inside the United States

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

Data Available:

- Total sales
- Cash withdrawn from an ATM in Montana
- Number of unique cards swiped in Montana
- Number of transactions
- Average transaction amount

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

Domestic Originating Markets Data Tabulation:

- By origin state and major metro city
- By month
- By type of card
 - consumer vs. commercial credit cards
- By market segment
 - retail sales, gasoline, lodging, restaurants, etc.

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Description

International Originating Markets Data Tabulation:

- By origin country
- By calendar quarter
- By type of card
 - consumer vs. commercial credit cards
- By market segment
 - retail sales, gasoline, lodging, restaurants, etc.

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Data Geographies

- Origin Geographies
 - VisaVue Custom: Metropolitan Statistical Area (MSA)
 - State
 - Country
- Arrival Geographies
 - Custom regions (defined based on ZIP codes)
 - Montana

HOW ARE WE TACKLING THIS RESEARCH?

LIMITATIONS OF THESE TOOLS

- Not every traveler uses a credit card...
 - In 2016, 75% of U.S. consumers prefer credit or debit cards over cash (TSYS 2016 U.S. Consumer Payment Study)
- Not every credit card is a Visa...
 - As of 2016, Visa owned 50.6% of the credit card market in the U.S. and 70% of the debit card market (SEC filings; WalletHub)
- Consumer behavior within the credit card market can deflate or inflate growth numbers within the dataset

HOW ARE WE TACKLING THIS RESEARCH?

LIMITATIONS OF THESE TOOLS

- Point of Sale (POS) system processing locations...
 - Some larger companies host and process their POS system software outside of Montana
 - Travel accommodations purchased through OTAs may be missing from the data
 - These transactions are “lost” in the dataset

HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS

What does Visa card spend data give us?

- Utilizing this data on it's own we're able to track and analyze uninhibited spending patterns – on a monthly basis – by visitors from major US cities, states, and countries
- However, mashing Visa data up with Arrivalist data is where it gets fun

HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS



HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS

Arrivalist + VisaVue

- Arrivalist allows us to monitor the efficiency and effectiveness of our digital advertising campaigns
- VisaVue allows us to track spending behaviors by Montana travelers
- These two datasets are stitched together by time (month) and geography (states & metro-areas)



HOW ARE WE TACKLING THIS RESEARCH?

HOW WE'RE USING THESE TOOLS

Arrivalist + VisaVue

- Together, these two datasets allow us to:
 - Apply value to an influenced traveler
 - Measure ROIs over time and space
 - Compare markets by efficiency and effectiveness in terms of dollars
 - Ex. High spend-per-traveler markets (highly effective) vs. Low cost-per-arrival (highly efficient)
 - Identify low risk – high reward markets
 - High tendency to travel to Montana
 - Higher than average spend-per-traveler



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH



HOW ARE WE TACKLING THIS RESEARCH?

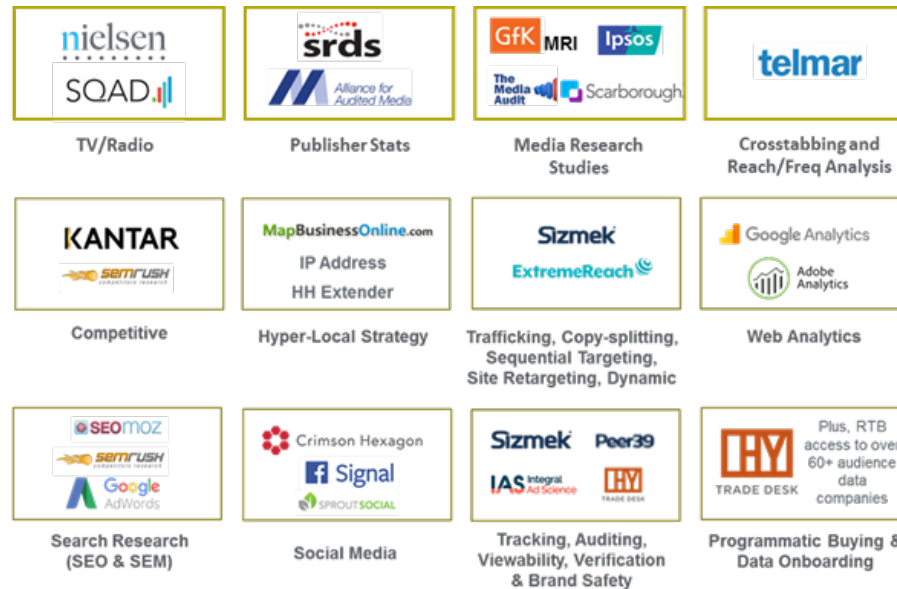
DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Hoffman York



Our agency of record, Hoffman York, uses data and research as the cornerstone of every decision they make on our behalf.

Available Tools and Resources:



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Target Audience Development



Tools used to identify which audiences and geographies are most likely to be influenced by our marketing.



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Media Targeting



National and local survey-based research used to determine media consumption trends.



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Local and National Media Auditing



Third party resources that provide insights on audience sizes, demographics and relative costs of media.



HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Competitive



Monitoring tools that can provide competitive insights including dollars spent, seasonality, and creative insights.

KANTAR



SRUSH
competitors research

MOAT

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Content Development



Tools that help us discover where our audience is taking interest so we can develop relevant messaging.



Google Analytics



Google
AdWords

 TRENDKITE

HOW ARE WE TACKLING THIS RESEARCH?

DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Reporting & Optimizations



Analytics tools that help garner insights on media effectiveness and efficiencies on achieving key performance indicators.



HOW ARE WE TACKLING THIS RESEARCH?

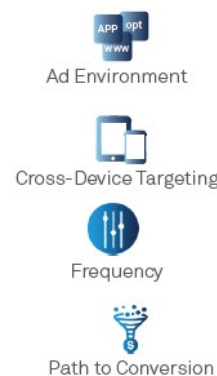
DATA TOOLS AND PARTNERS WE'RE WORKING WITH

Licensed Demand-Side Platform: HY Trade Desk

Facilitates direct access to real-time-bid (RTB) inventory for display, video, mobile, and native inventory. Ability to run campaigns across all channels and optimize/report on individual performance metrics.



Available targeting tactics/optimization tools



IN CONCLUSION

Hopefully this morning gave you some insight into what research we're taking on at the MOTBD in the tourism space...

And that research isn't an after thought... It's our first thought when making tourism marketing decisions.

We look forward to the discussions this afternoon!

Questions?*

* Hopefully we didn't talk to much and there's time...



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