DESTINATION NEXT

A STRATEGIC ROAD MAP FOR THE NEXT GENERATION OF GLOBAL DESTINATION MARKETING

PHASE 1

FUNDED BY DESTINATION & TRAVEL FOUNDATION

POWERED BY DESTINATION MARKETING ASSOCIATION INTERNATIONAL

Destination Marketing
Association International

100 YEARS OF ADVANCING DESTINATIONS

July 22, 2014

Dear Reader,

Few industries are the subject of such widespread conversation and analysis as the tourism industry and destination marketing. And are we really surprised? With over 1 billion people traveling internationally each year and with one out of every 11 jobs supported by tourism, thousands of communities are enriched because of the industry. It is imperative that DMOs and the industry not take anything for granted as we prepare to ensure we have community-embraced tourism in our destinations.

This is where today's DMOs find themselves – destination leaders charged with collaboratively activating a community vision for tourism in a high-stakes, hyper-competitive global marketplace, with an incredible pace of change.

DMAI's DestinationNEXT initiative is designed to respond and make a difference for DMOs everywhere.

As we move into DMAI's 100th anniversary, DMAI is taking a bold leadership step with the DestinationNEXT initiative and its vision for providing practical, clear actions and strategies for sustainable success for its DMO members in a rapidly changing future.

DestinationNEXT focuses on the development of a transformational road map to the future for DMO leaders and their stakeholders. Actionable strategies will allow DMO stakeholders to benchmark themselves and their communities against a defined spectrum of destination scenarios, community expectations, and marketplace opportunities. Ultimately, the road map will culminate with a number of co-created DMO prototypes to guide DMO stakeholders toward successful implementation based on their situation.

The timing for DestinationNEXT is ideal. The ability for DMOs to make a difference has never been greater, and the need for leadership action has never been more compelling. This phase 1 report from DestinationNEXT is designed to assist DMOs when considering their current position in the globally competitive tourism industry as well as preparing for activating the necessary transformational strategies on the phase 2 road map.

Welcome to the first-step in an exciting journey.

Sincerely,

Co-Chairs, DestinationNEXT Advisory Group

Scott Back
President & CEO, Visit Salt Lake

Tammy Blount
President & CEO, Monterey County Convention & Visitors Bureau

EXECUTIVE SUMMARY

On its 100th anniversary, Destination Marketing Association International (DMAI) is taking a bold leadership step with the DestinationNEXT initiative. The vision is to provide Destination Marketing Organizations (DMOs) with practical, clear actions and strategies for sustainable success in a dramatically changing world. This road map will culminate with a number of co-created transformational strategies and DMO prototypes based on the specific characteristics of their communities and destinations.

This initiative was made possible through a generous grant from the Destination & Travel Foundation. After an extensive review process, a project team was selected, led by Inter*VISTAS* Consulting Inc. (Inter*VISTAS)*, along with a number of experienced executives from the DMO community (GainingEdge, Bandwidth Management, and Global Meetings & Tourism Specialists).

The project team completed a detailed review of industry trends, supported by a futurist and industry panel. An extensive survey was sent to industry leaders in March 2014. The response was strong: 327 DMOs from 36 countries participated in the survey, one of the best response rates of any DMAI survey.

The top 20 trends were plotted on a grid that assessed each trend based on:

- Degree to which the trend will have a positive or negative impact on the DMO and destination
- Degree of control the DMO has to influence this trend

Rather than a conventional SWOT analysis, this approach helps organizations focus on trends and issues that they can impact or affect (e.g., the upper quadrants of the grid where a DMO can exploit opportunities and mitigate threats).

The analysis identified a number of opportunities to exploit (e.g., upper right quadrant of the grid). They revolved around the following areas:

- Playing an expanded role in the community on broader economic development issues
- Improving branding of a destination in leisure and meetings and conventions markets
- Capitalizing on social media and smart technology to engage and access residents, industry, and markets

This is good news for DMOs, who will have many opportunities to continue making a positive and significant impact on their communities in the future.

The detailed analysis of trends, strategies, and organization of the future concludes that DMOs have three transformational opportunities to effectively address the changing world. DMOs will have to move in each of these directions given that they are highly interrelated.

Fig. 1: Future Map — Top 20 Trends

AVERAGE LEVEL OF IMPORTANCE
1 – Not Significant • 5 – Very Significant

3.5 3.4 3.3 3.2 3.1 3.0 2.9

HIGHER   LOWER

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MITIGATE   CONTROLLABLE   EXPLOIT

More personalized information
Brand impact on leisure
Mobile platforms & apps primary engagement
Geotargeting & localization
Social media prominence
Brand impact for groups
Tourism integrated with economic development
Smart technology opportunities
Personalized travel experience
Technology enabling faster decision-making
Ordering products online
Big Data
THREAT
Short-stay trips
OPPORTUNITY
Customers going directly to suppliers
Experience locals' way of life
Hotel taxes vulnerable to alternative politically based projects
Governments facing budget pressure
Peer-to-peer buyer influence
Highly volatile economic conditions
More third-party information

CONTINGENCIES   UNCONTROLLABLE   MONITOR

1. DEALING WITH THE NEW MARKETPLACE
BROADCAST TO ENGAGEMENT

2. BUILDING & PROTECTING THE DESTINATION BRAND
DESTINATION MANAGERS

3. EVOLVING THE DMO BUSINESS MODEL
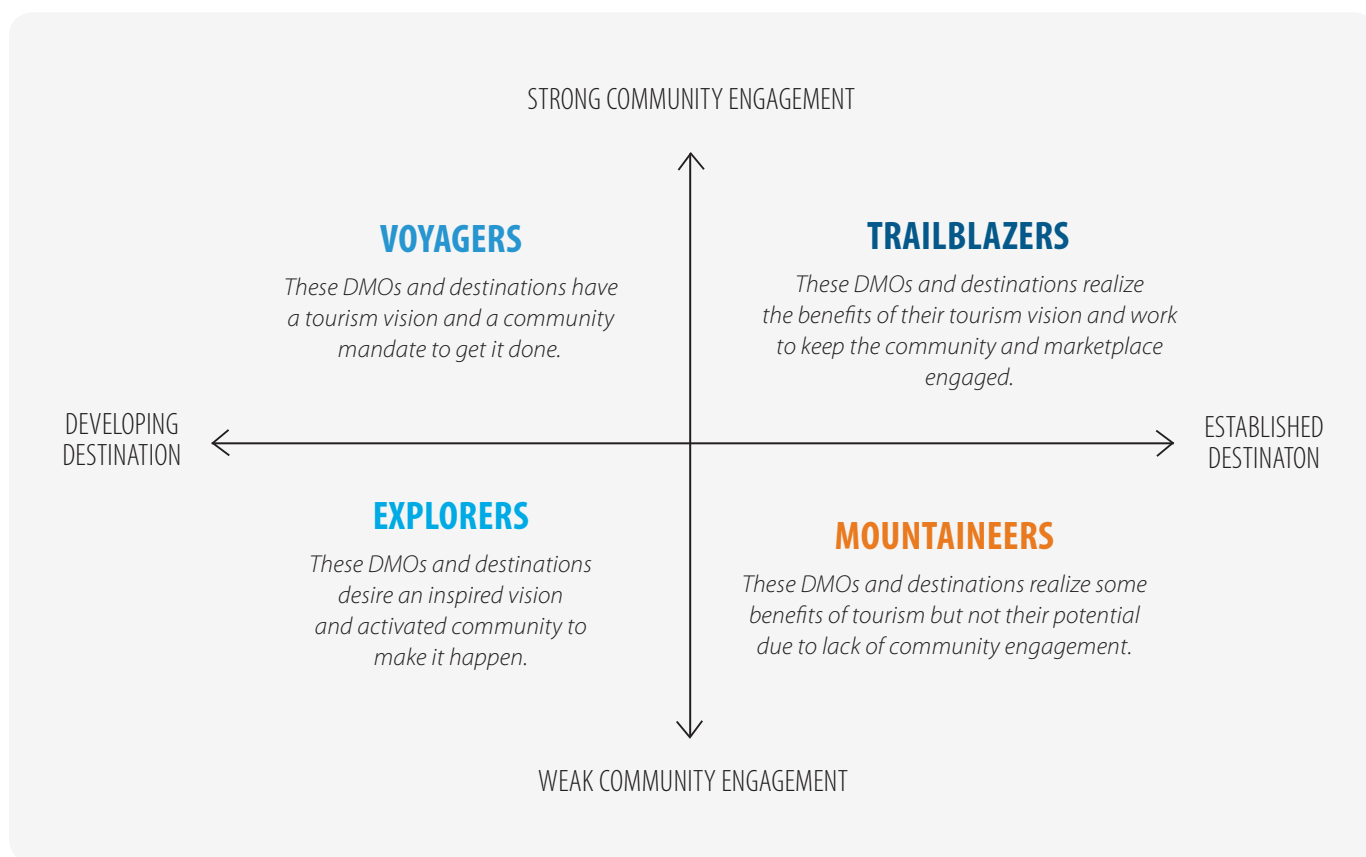**COLLABORATION AND PARTNERSHIPS**

To help develop effective strategies, the practical realities of different destinations and DMOs must be considered. The analysis clearly demonstrates that one size does not fit all. Strategies and organizational prototypes need to recognize these significant differences.

A scenario model was developed based on two driving factors:

- Strength of destination (e.g., current market position, brand power, air capacity, quality of service, and infrastructure)
- Level of community support and engagement (e.g., political support, regional support, community understanding of tourism impact, and potential membership satisfaction)

The intersection of these two major, independent factors generates four dramatically different scenarios described below. Each DMO can generally find itself in one of these quadrants.

Fig. 2: Scenario Model

STRONG COMMUNITY ENGAGEMENT

VOYAGERS

These DMOs and destinations have a tourism vision and a community mandate to get it done.

TRAILBLAZERS

These DMOs and destinations realize the benefits of their tourism vision and work to keep the community and marketplace engaged.

DEVELOPING DESTINATION

ESTABLISHED DESTINATON

EXPLORERS

These DMOs and destinations desire an inspired vision and activated community to make it happen.

MOUNTAINEERS

These DMOs and destinations realize some benefits of tourism but not their potential due to lack of community engagement.

WEAK COMMUNITY ENGAGEMENT

The overall goal of DestinationNEXT is to help DMOs become Destination Trailblazers, to help them increase community engagement and support as well as build their destinations.

The primary objective for the next phase of DestinationNEXT is to identify best practices (i.e., NEXTPractices) around the world to help adjust and effectively deal with the three transformational opportunities.

A work plan for phase 2 has been developed and approved by the Advisory Group. The vision is to create an online self-diagnostic questionnaire and tool kit with recommendations of specific NEXTPractices for DMOs in each of the scenarios. Another key element is a plan to update the DMO leadership survey every two years. In the alternate years, a similar survey focused on the marketplace will be administered to key customers and other stakeholders to identify changing market requirements.

The key elements of phase 2 include:

- Development of a scenario model and diagnostic tool kit to help DMOs assess their current positions
- DMAI hosting a series of two-day workshops in different world regions to co-create and assess NEXTPractices and strategies
- Administering a marketplace survey in spring 2015 to identify key trends and market requirements

A report will be produced with key findings and recommendations in time for the 2015 Annual Convention. The end result will be a powerful tool kit with practical recommendations, tested and validated by industry leaders, to help DMOs and destinations rise to the NEXT level.

Fig. 3: DestinationNEXT Phase 2 Action Plan

AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL

SCENARIO MODEL
WORKSHOPS
MARKETPLACE SURVEY
PHASE 2 REPORT

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INTRODUCTION

1. INTRODUCTION

DMOs have been in business for more than 100 years, rooted in the principle that the whole is greater than the sum of the parts. For communities focused on benefiting from the visitor economy, the notion that an organized and collective approach to the market is the most effective and efficient way forward. A total visitor experience entails a myriad of touch points from staying in a hotel to enjoying an attraction to experimenting with the local cuisine to taking in a show or attending a speech or exhibit. DMOs have designed their value proposition around being a connector of these touch points for individual travelers and travel influencers from tour operators to meeting planners to incentive buyers. They create congress bids to bring the world's top surgeons to town. They put together deals to expand community air service. They create festivals and undertake research. They usually get the first call when something has gone wrong.

A plethora of DMOs of all types have sprung up in all corners of the world. Whether at a local, regional, or national level, various ways of organizing an aggregated destination marketing and management effort have been attempted. Convention bureaus, convention and visitor bureaus, chambers of commerce, economic development offices, and government departments represent suppliers and generate economic value around the globe. North American, European, and Australian DMOs have led the way, but entrants from Asia, Africa, the Middle East, and South America have pushed the boundaries far beyond those traditional destinations.

DMOs are dynamic networks that play a unique role in the tourism ecosystem. No other organized force, including technology companies, can make claim to the level of intimate and personalized local knowledge, passion for place, and connectors of people and businesses that DMOs have. Yet, DMOs continue to struggle with their role and identity in an operating environment with distinct characteristics:

- Need to have long-term perspective yet short-term industry pressure to drive ROI and political priorities based on election cycles
- Desire to be focused in an environment that demands building consensus amongst diverse stakeholders.
- Want to be market driven while being sensitive to the interests of local residents
- Need to demonstrate broad economic benefits with only fledgling tools to measure such impact
- Expectation to be difference makers while having lack of control over quality and pricing of product in destination.
- Desire to be stable with constantly changing faces, whether it is industry people moving around or government officials departing

- Expectation to be impartial in an environment where sector issues and industry politics can distract attention
- Need to carve out a niche in a complex industry with varying degrees of overlap and duplication
- Need to overcome perception that destination marketing is more than advertising and promotion

With these distinguishing features in mind, the role and function of DMOs is being disrupted with the massive change in how travelers, travel influencers, and meeting planners reach, choose, and experience destinations. The global question is: How can the core essence of DMOs (as advocates of the collective) overall approach remain relevant in the future?

DMOs have seen the impact of significant technological innovations and new social policy mandates create momentum for the conscious evolution of their business-development mandate. But what can tomorrow's DMO look like? And how can today's DMO leaders get their organizations on a path that preserves tourism benefits, secures their marketplace position, and engages their diverse community interests in the process? These are no small challenges in a hyper-competitive marketplace and dynamic socioeconomic landscape.

DMAI understands the significance of helping DMOs define the future of the travel and business-event industry ecosystem rather than simply being swept along in the mega-trends of today. DMAI commissioned DestinationNEXT to create a practical road map for the DMO of the future, building upon the proactive work of the 2008 DMAI Future Study, including the strategic radar model.

> Specifically, the objectives of DestinationNEXT are to gather key input from industry leaders and other stakeholders to:
>
> 1. Define the current state of the DMO industry and position in the marketplace
>
> 2. Identify major trends and issues for DMOs model over the next five years
>
> 3. Recommend real, actionable strategies to address industry-specific issues
>
> 4. Determine possible new DMO prototypes of the future
>
> 5. Prepare a powerful tool kit to assist DMOs on an ongoing basis

And so begins the world of DestinationNEXT.

ACKNOWLEDGEMENTS

The Destination & Travel Foundation generously provided a grant for this project. DestinationNEXT would not be possible without their support.

DMAI would also like to thank the members of the DestinationNEXT Advisory Group, which was established to lead and guide this important initiative. Special thanks to the Advisory Group Co-Chairs Scott Beck and Tammy Blount.

DestinationNEXT Advisory Group:

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Visit Salt Lake

Tammy Blount, FCDME, Co-Chair
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President & CEO
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WORK PLAN &
DMO LEADERSHIP SURVEY

2. WORK PLAN & DMO LEADERSHIP SURVEY

WORK PLAN

Since January 2014, the following activities have been completed. The primary objective has been to gather key input from industry leaders and other stakeholder groups on the current state of DMOs and their future roles.

1 **PROJECT INITIATION & CONSULTATION PLAN**
- Worked with Advisory Group and DMAI management team to finalize work plan
- Reviewed 2008 Futures Study
- Discussed strategic framework for overall project and report

2 **CURRENT & FUTURE STATE OF GLOBAL DMOs**
- Completed detailed literature review of key trends affecting the tourism and travel industry as well as DMOs (including published reports, articles, and blogs)
- Established two expert panels and held in-depth interviews to provide detailed insights into potential trends
- Developed and administered extensive survey to obtain feedback from DMOs around the world

3 **DMO Scenario Model**
- Completed cluster analysis to determine critical forces affecting DMOs responses
- Developed scenario model with four unique scenarios

4 **Next Steps & Final Report**
- Discussed with Advisory Group and DMAI management team proposed activities and priorities for phase 2
- Prepared final report and presentation for DMAI Annual Convention

PANELS ON KEY TRENDS

The project team established two panels to identify and discuss key trends affecting the industry:

- A Futurist Panel of experts on a broad range of topics and different parts of the world
- An Industry Panel of experts on specific aspects of the tourism and travel industry

Detailed interviews were conducted with each of them to gain their insights on major trends. The members of each panel are shown on the next page. Their valuable contributions to this project are very much appreciated.

The strategic radar model, utilized in the 2008 Futures Study, was used to organize trends in eight major categories.

Fig. 4: DMAI 2008 Futures Study, Strategic Radar Model

FUTURIST PANEL

Dr. Nawal Taneja
Ohio State University & MIT
Published Author & Airline
Business Strategist

Juan Carlos Baumgartner
Thinkspace.biz
Designer

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Business Strategist,
Branding & Marketing

Duane Knapp
BrandStrategy, Inc.
Chairman & Founder

DMO LEADERSHIP SURVEY

An extensive survey was sent to industry leaders in March 2014. It covered four areas:

1. Profile – DMO Info

2. Key Trends – affecting tourism and the DMO community

3. DMO Strategy – strategies to address major trends and issues

4. DMO of the Future – mandate, organization, and business

The response was strong with 327 DMOs from 36 countries participating in the survey. A complete list of the DMOs that participated is included in Appendix A.

The survey results represent DMOs well beyond the current membership base of DMAI. The survey cast a wide net, in terms of both international coverage and size of bureaus. There was a good mix of organization models.

A survey was also sent to non-DMO industry partners to compare their perceptions on trends and strategies. A total of 34 non-DMOs responded to the survey.

The figure below shows the differences between the overall profiles of DMAI membership compared to the survey respondents.

Survey Respondent Profile

- The vast majority of DMOs are responsible for both leisure travel and meetings and conventions.
- Many operate community-based venues, primarily visitor information centers.
- Several different organization models and membership structures exist.

Details are provided on the following pages.

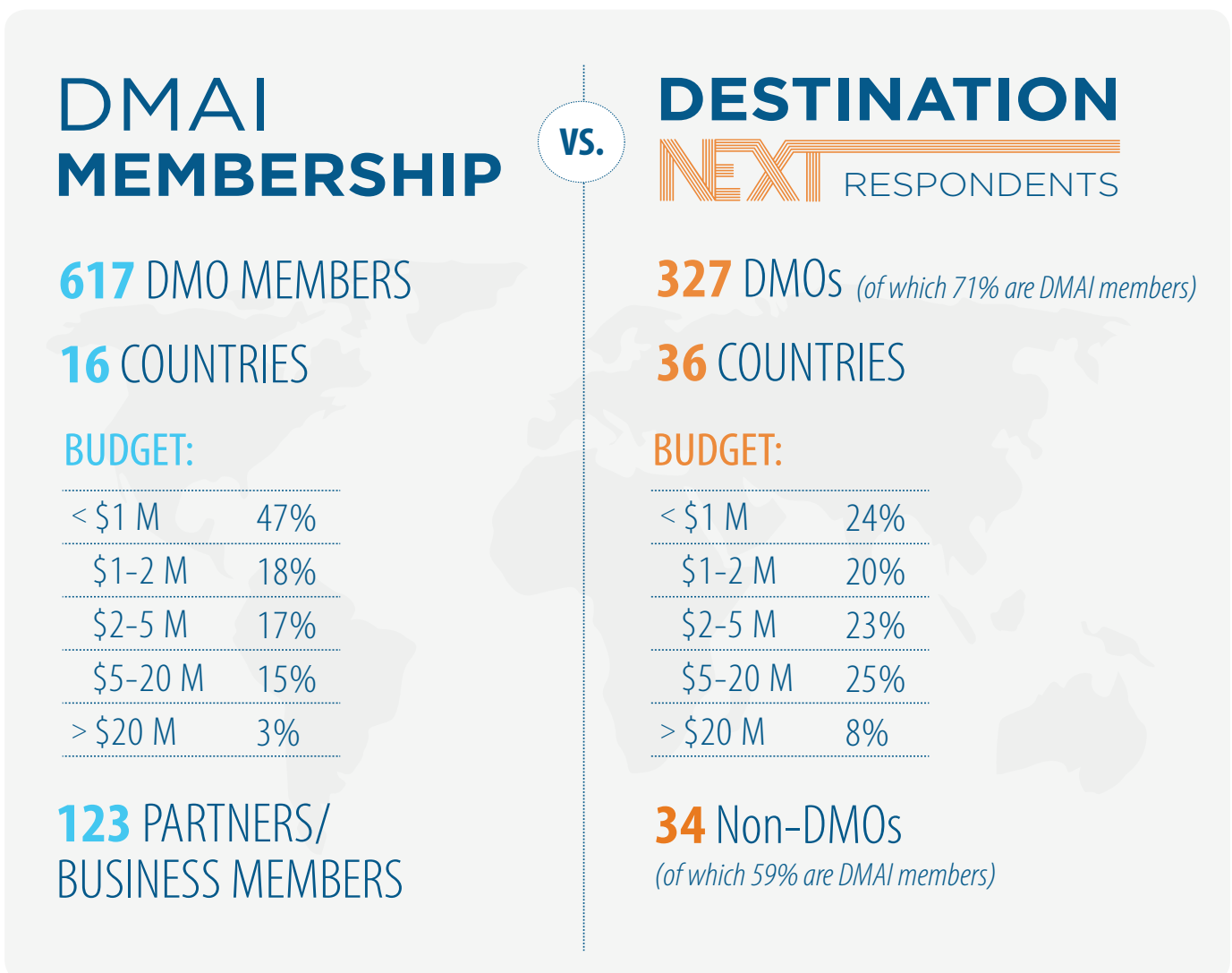*Fig. 5: DMAI Profile vs. Leadership Survey Respondents*

DMAI MEMBERSHIP

VS.

DESTINATION NEXT RESPONDENTS

DMAI MEMBERSHIP	DESTINATION NEXT RESPONDENTS
617 DMO MEMBERS	**327** DMOs *(of which 71% are DMAI members)*
16 COUNTRIES	**36** COUNTRIES

BUDGET:

< $1 M	47%		< $1 M	24%
$1–2 M	18%		$1–2 M	20%
$2–5 M	17%		$2–5 M	23%
$5–20 M	15%		$5–20 M	25%
> $20 M	3%		> $20 M	8%

123 PARTNERS/ BUSINESS MEMBERS

34 Non–DMOs
(of which 59% are DMAI members)

Fig. 6: Market Responsibility

Does your DMO have responsibility for the following markets?

BOTH MARKET SEGMENTS — 82%
LEISURE & TRAVEL ONLY — 9%
MEETINGS & CONVENTIONS ONLY — 9%
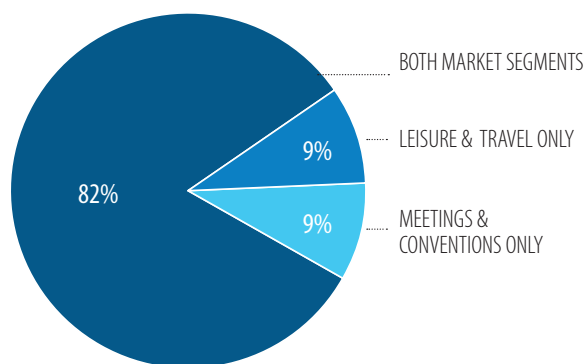
Fig. 7: Organization Model

Please describe the business model of your DMO:

NONPROFIT/NO MEMBERSHIP — 4%
CHAMBER OF COMMERCE — 3%
AUTHORITY
GOVERNMENT AGENCY — 18%
PUBLIC/PRIVATE PARTNERSHIP — 8%
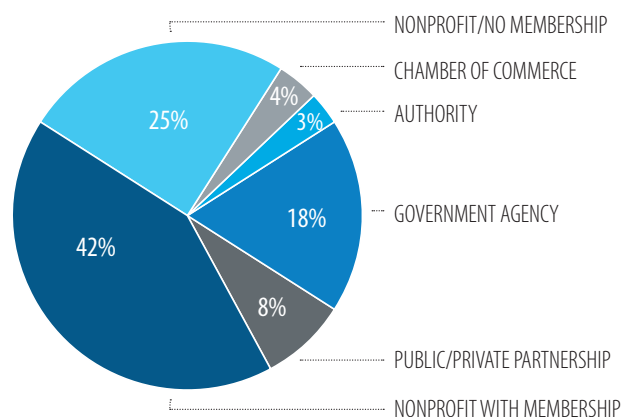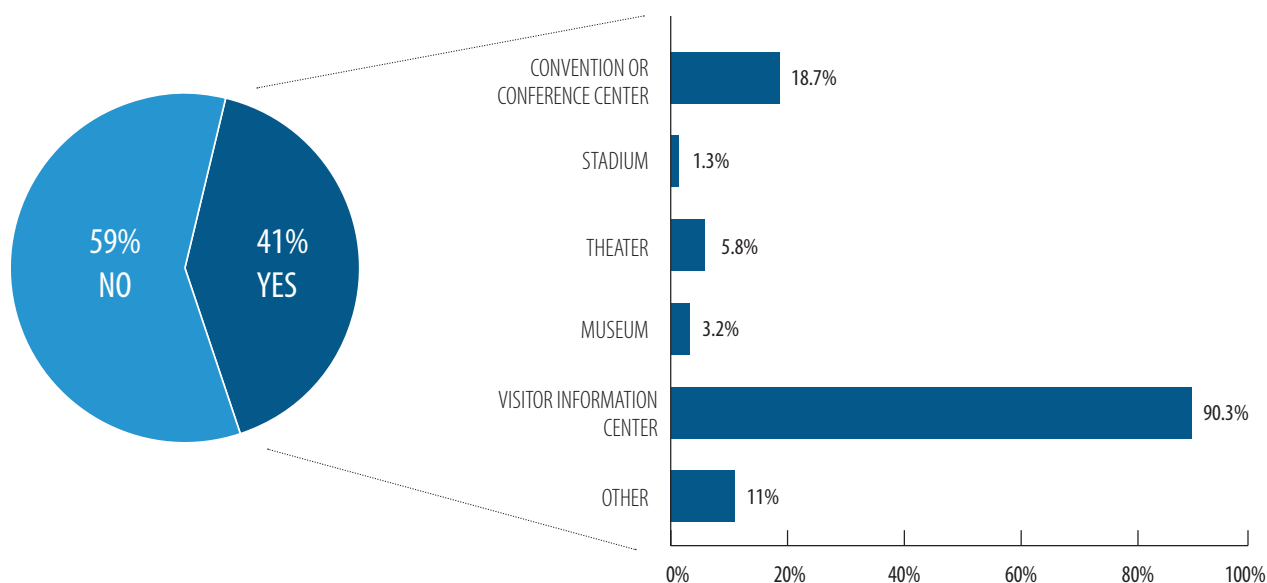NONPROFIT WITH MEMBERSHIP — 42%
25%

Fig. 8: DMO Profile — Community-based Venue

Are you currently responsible for the management and operation of a community-based venue (e.g., convention center, stadium, theater, museum, visitor information center)?

Please indicate which type(s) of community-based venue you are responsible for (select all that apply):

59% NO
41% YES

CONVENTION OR CONFERENCE CENTER — 18.7%
STADIUM — 1.3%
THEATER — 5.8%
MUSEUM — 3.2%
VISITOR INFORMATION CENTER — 90.3%
OTHER — 11%

MAJOR FINDINGS

3. MAJOR FINDINGS

TRENDS & STRATEGIES

Based on input from the panels, a total of 64 trends were identified and included in the survey. (A complete list is provided in Appendix B.) The following top 20 trends were identified by respondents as having major impacts on their DMOs.

The majority of these trends involve the collective impact of:

- The rapid adoption of smart technology
- Growing prominence of social media
- A result of first two forces – the changing expectations and requirements of customers

TOP 20 TRENDS

1. Social media's prominence in reaching the travel market (e.g., Facebook, Pinterest, Twitter, Weibo).
2. Mobile platforms and apps becoming the primary engagement platform for travelers.
3. Customers increasingly seeking a personalized travel experience.
4. Smart technology (e.g., phones, bag tags, and cards) creating new opportunities for innovative new services and processes.
5. Travelers demanding more information, control, interaction, and personalization.
6. Geotargeting and localization becoming more prevalent.
7. Brand identity for destinations becoming more critical in terms of meeting planner perceptions about value and experience.
8. Customers increasingly looking for a travel experience that allows them to experience a local's way of life.
9. Technology enabling faster decision-making by customers, thereby, increasing business to a destination.
10. Consumers becoming increasingly comfortable with ordering products online.
11. Hotel taxes increasingly vulnerable to alternative politically based projects.
12. Big Data arriving for the tourism industry.
13. The brand of a destination becoming a more important factor in travel decisions to consumers.
14. Governments facing pressure to reduce or eliminate direct financial subsidies to the tourism sector.
15. Short-stay trips and mini vacations becoming increasingly popular.
16. More third-party information providers aggregating content about destinations.
17. Peer-to-peer buyer influence driving customer purchases.
18. Governments dealing with tourism from an integrated, multidepartmental perspective, focused on economic development.
19. Customers increasingly going directly to suppliers for goods and services.
20. Economic conditions continuing to be highly volatile, subject to global and regional shocks.

Future Map

The top 20 trends were plotted on a grid that assessed each trend based on:

- Degree to which the trend will have a positive or negative impact on the DMO and destination
- Degree of control the DMO has to influence this trend

Rather than a conventional SWOT analysis, this approach helps organizations focus on trends and issues that they can impact or affect (e.g., the upper quadrants of the grid where a DMO can exploit opportunities and mitigate threats).

The analysis identified a number of opportunities to exploit (e.g., upper right quadrant of the grid). They revolved around the following areas:

- Playing an expanded role in the community on broader economic development issues
- Improving branding of a destination in leisure and meetings and conventions markets
- Capitalizing on social media and smart technology to engage and access residents, industry, and markets

This is good news for DMOs, who will have many opportunities to continue making a positive and significant impact on their communities in the future.
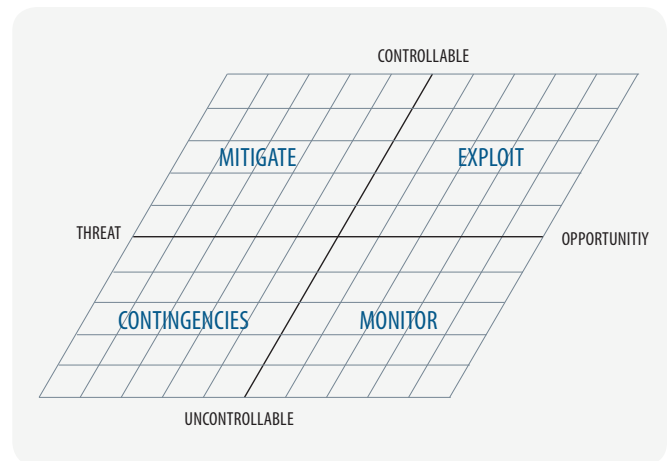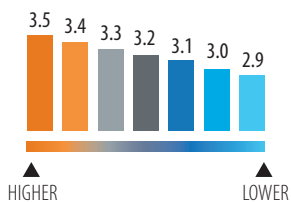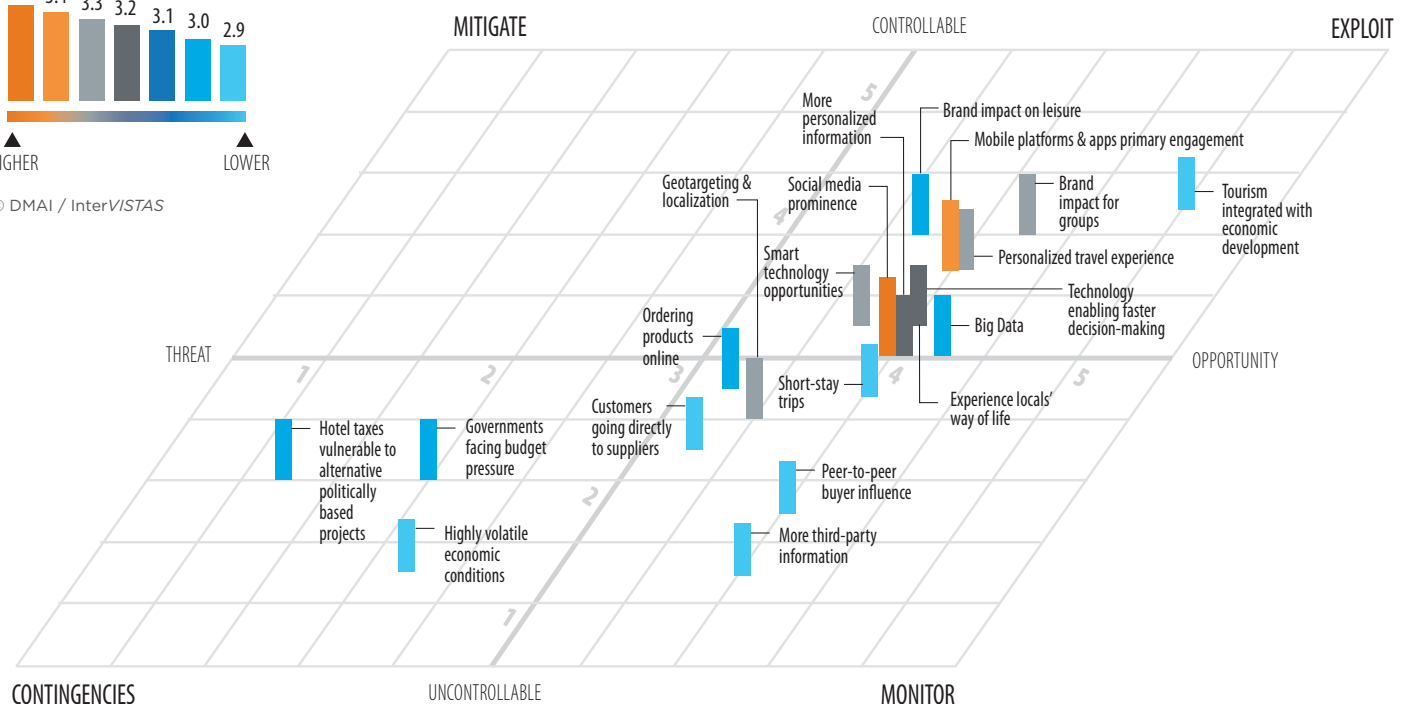
Fig. 9: Future Map

Fig. 1: Future Map — Top 20 Trends

AVERAGE LEVEL OF IMPORTANCE
1 - Not Significant • 5 - Very Significant

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The project team developed a list of 49 potential strategies which DMOs could implement to respond to these trends. These potential strategies were included in the survey. The top 20 strategies identified by respondents are presented below.

The responses revealed a number of new, emerging roles contemplated by DMOs. To successfully implement these strategies, strong DMO leadership will be critical.

TOP 20 RESPONSE STRATEGIES

1. Technology will significantly alter the role of my DMO.
2. My DMO will place greater emphasis on engaging with customers in two-way conversations.
3. My DMO will play more of a central role in advocacy in my destination.
4. My DMO will be more involved in broader economic-development projects and initiatives.
5. My DMO will connect visitor experience with the quality of life of residents in my community.
6. My DMO will adopt operating standards and consistent measures of performance with other DMOs.
7. My DMO will develop new strategies to refocus on the millennial market.
8. My DMO will agree to a uniform methodology with other DMOs to measure economic impact.
9. My DMO will put a greater emphasis on market segmentation.
10. My DMO will design digital customer engagement primarily around mobile platforms.
11. My DMO will take on a greater role as cultural champion of my destination.
12. My DMO will form more strategic alliances outside the DMO industry.
13. The economic impact of tourism (and conventions) will be better understood in my destination.
14. My DMO will more closely participate in building platforms of the visitor experience.
15. My DMO will balance the need for growth with responsible and sustainable development.
16. My DMO will have a greater role in policy and product development.
17. Collaborative technology will be a core strategy for my DMO to drive business value.
18. My DMO will engage more closely with nontraditional stakeholders in my destination.
19. My national tourism organization will encourage local destination brands in my country.
20. My DMO will invest more effort in scanning the market for business intelligence.

DMO FUTURE BUSINESS MODELS

Changing Priorities

DMOs were asked to identify activity priorities based on postulated future changes to their budgets (25% increases or 25% decreases over the next five to 10 years.) The results suggested the following:

Strong priorities for DMOs of the future:

1. Marketing/Branding – was the number-one priority for use of increased budget and the number-one future envisioned primary role for most respondents. This area scored second highest for cuts to deal with budget reductions, presumably because it is a significant area of spending.

2. Meeting & Convention Sales – was the second highest scoring priority for increased spending and a lower ranking area for potential budget reductions. It also scored second highest for future envisioned primary roles.

3. Social Media & SEO Marketing – was the third highest scoring priority for increased investment, and a relatively low focus for cuts if resources were reduced.

Medium-level priorities for DMOs of the future:

1. Product Development – ranked fourth in higher spending priorities and for required budget reductions. However, product development scored third in future envisioned primary roles and second in terms of priority roles for a start-up bureau.

2. Leisure Sales – leisure development showed less robust support in priority spending and future roles despite over 90% of respondents being engaged in this activity. Leisure sales scored significantly lower as a current primary role of responding DMOs. This reflected the fact that a high proportion of respondents were North American DMOs that do both leisure and convention promotion, but tend to prioritize conventions over leisure. Certainly, one should presume that leisure sales would rank high in priority for those DMOs that are predominantly leisure-oriented organizations and from which fewer survey responses were received.

3. Community Tourism Development – results closely mirrored the leisure sales responses, with less support as a spending priority.

*Diminishing priorities for DMOs of the future:*

1. Consumer/Trade Advertising and Publications – received low marks as a way to spend additional resources and was the first place respondents said they would cut if resources were reduced.

2. Visitor Servicing – also received low marks on increased spending priorities. The weighted scores for cuts were three times the scores for increases. Serving as a destination information resource and visitor and convention servicing also scored modestly.

3. New Business Ventures – rated four times higher as a potential budget reduction than as a priority for spending increase.

Business model:

On balance, most respondents did not expect significant changes in their business models. The two major indications among the responses were:

1. More Public/Private Partnerships – the biggest anticipated change was government agencies, nonprofits, authorities, and others anticipating movement toward public/private partnerships. The only group that did not tick this box was chambers of commerce.

2. More Nonprofits Without Members – 18% of nonprofits with memberships responded that they anticipated moving away from this model while only 5% of those without memberships suggested that they may develop this model. Twenty percent of chambers of commerce also indicated moving to nonprofit models, but without membership. Nine percent of government agencies that said they might go nonprofit with no membership while only 2% said they would do so with it.

Fig. 10: Business Model of Future Change — Expected in Next Five Years
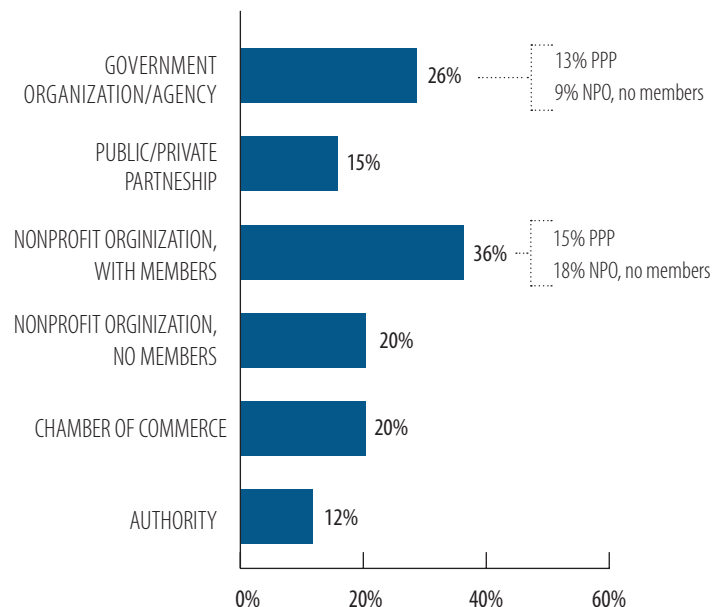
Governance:

Changes to governance approaches may also be modest. The key indication from the survey was:

1. Increased Private-sector Engagement in Governance – none of the respondents envisioned DMOs that were not already situated in governments moving into government departments or ministries. However, 10% of government DMOs indicated they would engage volunteer leadership committees in governance. DMOs with member-elected boards and government-appointed boards indicated a modest move to the use of volunteer leadership committees. Also, 9% of DMOs with government-appointed boards responded that they anticipated moving to member-elected boards.

Funding:

DMOs were asked the extent to which they expected key revenue sources to increase or decrease in the next five to 10 years, with the following indications:

1. More Sponsorship/Partnerships – the largest anticipated growth area with a margin of 84% expecting an increase to 4% expecting a decrease.

2. Growth in Tax Revenues for Those that Have Them – 62% of respondents anticipated funds from rooms tax revenues increasing and 30% anticipated funds from restaurant tax revenues increasing.

3. More Levies – anticipated increases in funding from special levies also received significant support. The two examples were a Tourism Improvement District levy, that is gaining popularity in the U.S. and the voluntary Destination Marketing Fee that businesses levy on consumers in various Canadian destinations.

4. More Service Fees – 56% of respondents expected DMOs to derive more funds from destination marketing services, such as research or event management.

5. Caution Signs on Member Dues & Program Participation– the margin of respondents anticipating more member derived revenues was lower at 30% while 21% (second highest negative score) of respondents anticipated this revenue source to decline.

6. Low Focus on Sales Commissions – a relatively low number of respondents anticipated sales commissions to be a growing source of DMO revenue.

7. Less Reliance on Direct Government Budget Allocations– the largest negative response of DMOs (29%) anticipated government allocations to decline while only 32% responded that they would grow.

Measurement:

Respondents indicated that both general destination outcomes and specific DMO-produced outcomes will continue to be the focus of DMO performance measurement in the future:

1. General Destination Outcomes – the overall economic impact of tourism and conventions (spending, jobs, taxes) received the highest level of responses, twice as many as hotel metrics (occupancy, RevPar) and over three times as many as overnight visitation.

2. DMO Produced Outcomes – room nights generated came in second place overall after economic impact. Marketing ROI was third overall. Leads/referrals to business came in sixth place overall.

3. Satisfaction Ratings – visitor satisfaction, visitor servicing, and member satisfaction ratings were less prevalent in DMO measurement processes. All three were ranked relatively low in priority.

4. Media Metrics – the tracking of media stories and press values received low ratings in terms of future measurement priorities.

DMO CLUSTERS

A cluster analysis of the survey results discovered statistically significant differences in DMO responses. DMOs, depending on the following characteristics, viewed trends and potential strategies in very different ways.

- Perceived strength of their destination
- Perceived level of community support and engagement
- Budget size

There were sizeable differences in: how much impact they believed brand identity had on their markets; visitors' desires to experience local ways of life; and the demand for control, personalization, and interaction for travelers.
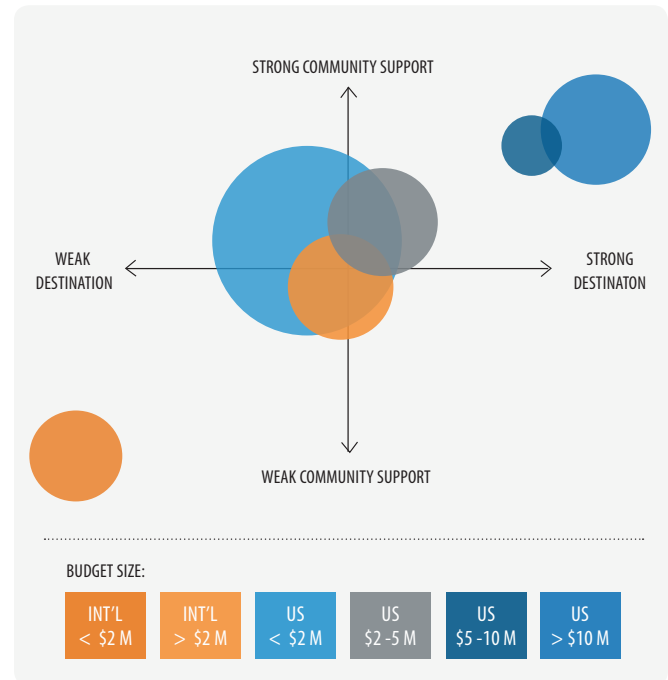
Fig. 11: Cluster Analysis

BUDGET SIZE:

| INT'L < $2 M | INT'L > $2 M | US < $2 M | US $2 - 5 M | US $5 - 10 M | US > $10 M |

Fig. 12: DMO Clusters

U.S. DMOs

BUDGET: ≥ $10 Million
DESTINATION STRENGTH SCORE: 4.17
COMMUNITY SUPPORT SCORE: 4.17
16%

BUDGET: $5 - $10 Million
DESTINATION STRENGTH SCORE: 4.03
COMMUNITY SUPPORT SCORE: 4.13
8%

BUDGET: $2 - $5 Million
DESTINATION STRENGTH SCORE: 3.72
COMMUNITY SUPPORT SCORE: 3.91
18%

BUDGET: < $2 Million
DESTINATION STRENGTH SCORE: 3.58
COMMUNITY SUPPORT SCORE: 3.86
30%

INTERNATIONAL DMOs

BUDGET: ≥ $2 Million
DESTINATION STRENGTH SCORE: 3.65
COMMUNITY SUPPORT SCORE: 3.71
14%

BUDGET: < $2 Million
DESTINATION STRENGTH SCORE: 3.11
COMMUNITY SUPPORT SCORE: 3.26
14%

TRANSFORMATIONAL OPPORTUNITIES

The detailed analysis of trends, strategies, and organization of the future leads to a conclusion that DMOs have three transformational opportunities to effectively address the changing world. DMOs will have to move in each of these directions given that they are highly interrelated. The top 20 response strategies are shown under each of the three opportunities.

DEALING WITH THE NEW MARKETPLACE	BUILDING & PROTECTING THE DESTINATION BRAND	EVOLVING THE DMO BUSINESS MODEL
BROADCAST TO ENGAGEMENT	**DESTINATION MANAGERS**	**COLLABORATION & PARTNERSHIPS**
#1. Technology will significantly alter DMO role	#3. Play central role in advocacy for destination	#4. More involved in broader economic-development initiatives
#2. Greater emphasis on engaging customers in two-way conversations	#5. Connect visitor experience with residents' quality of life	#6. Adopt uniform operating standards and consistent measures of performance
#7. New strategies to refocus millennial market	#11. Greater role as cultural champion of destination	#8. Agree on uniform methodology to measure economic impact
#9. Market segmentation and personalization	#14. Participate in building platforms for the visitor experience	#12. My DMO will form more strategic alliances outside the DMO industry
#10. Focus on mobile platforms	#15. Balance need for growth with responsible and sustainable development	#13. Better understanding of economic impact of industry
#20. My DMO will invest more effort in scanning the market for business intelligence	#16. Play a greater role in policy and product development	#17. Collaborative technology will be core strategy
	#19. My national tourism organization will encourage local brands	#18. Engage more closely with nontraditional stakeholders

1. DEALING WITH THE NEW MARKETPLACE
(Broadcast to Engagement)

Consider this:

- Travelers typically visit 22 websites in 9.5 web-sessions when researching a trip. Fewer than 19% consult a DMO website (Source: Google and Destination Analysis)

- 76% of consumers today feel advertisements are "very" or "somewhat exaggerated." (Source: Lab42)

- 77% of travelers consult TripAdvisor before selecting a destination or hotel. (Source: TripAdvisor)

- 92% of consumers trust peer recommendations more than advertisements. (Source: SKIFT)

- 85% of travelers use their smartphones while abroad. (Source: SKIFT)

- 74% of travelers use social media while on vacation

- 76% of travelers use social media to share their experiences after they return. (Source: SKIFT)

Description:

DMOs were originally developed as an intermediary for a marketplace where suppliers controlled the flow of destination information, the development of products as well as the related sales promotion and distribution channels. Today, technology has effectively rebalanced the marketplace. Consumers and travel professionals now have access to the same information as destination marketers and bypass established legacy travel information channels with multiple intermediaries and hidden commissions. Consumer trust of promotional messaging is at an all-time low, elevating the position of peerreviews and crowdsourcing as primary purchase influencers. The destination sales channel has become complex with more intermediaries on one hand and more ways for clients and makers to bypass those intermediaries, on the other.

Implication:

The DMO's role as primary information source, promotional intermediary and relationship broker has been significantly diminished. Disruption, as it has done for so many other industries, has compromised the value of the traditional DMO value proposition by commoditizing established channels. DMOs need to develop new value-producing roles and relationships with consumers and travel professionals in today's redefined marketplace. DMOs that fail to transform their role will find themselves marginalized in the tourism ecosystem and see their communities suffer the consequences of an underperforming tourism industry.

Strategic response:

Industry marketplaces are now as much a place for collaboration between buyers and sellers for building and improving products and experiences as they are transaction channels. DMOs need to redefine their role from one that focuses on broadcasting information and offers to one that develops credible engagement with potential visitors.

Engagement for DMOs is about synthesizing visitors' perspectives, needs, and stories into their destination through ongoing conversations in places and times of their customers' choosing. DMOs must develop strategies for each of the three phases of the visitor relationship cycle: stimulate discovery, deliver on-site visitor support, and encourage further experience-sharing. DMOs should then harvest the resulting intelligence for further destination enhancement.

DMO visitor engagement activities should transform, evolving to be less about the many and more about the one through personalization. Visitors expect to have their individual needs and expectations served rather than being aggregated into a visitor segment, these will be increasingly delivered through mobile platforms, which are today's visitor channels of first resort.

Finally, with the meteoric rise of peer-review networks and shared economy platforms, DMOs will have to forge partnerships that leverage a DMO's local and marketplace credibility with the engagement infrastructure of these businesses.

2. BUILDING & PROTECTING THE DESTINATION BRAND (Destination Managers)

"In today's globalized, networked world, every place has to compete with every other place for its share of the world's consumers, tourists, businesses, investment, capital, respect, and attention. Cities, the economic and cultural powerhouses of nations, are increasingly the focus of this international competition for funds, talent, and fame." – Simon Anholt, Founder Nation Brand Index.

Consider this:
- DMO leaders identified brand marketing and destination development as primary roles for new DMO start-ups.
- DMO leaders ranked "brand identity for destinations becoming more critical for meeting-planner perceptions about value and experience" as seventh most important trend.
- DMO leaders ranked "brand of a destination becoming a more important factor in travel decisions to consumers" as 13th most important trend.

Description:

Destinations can no longer be marketed as a collection of hotels, restaurants, attractions, and retail to be successful in the marketplace. Destinations are now as much an emotional and intellectual experience as they are a physical one. In short, they are now brands as much as Apple, Dior, and NIKE – each with its own emotional triggers, perceived social equity, and promises of self-actualization. To be successful in today's global marketplace, destinations need leadership and management to not only deliver remarkable physical experiences, but to create and deliver a uniquely compelling brand essence that manifests at each visitor engagement point.

Implication:

Today's destination brands require constant development, management, and vigilance to ensure that their brand essence is protected as much as its story is loved. Brands are a synthesis of perceived community, industry, and marketplace realities. Shaping them into an authentic and compelling compilation of experiences and stories takes leadership and vision, as well as the ability to engage both internal and external audiences to develop the destination's future. DMOs must play a shared leadership role in managing their destination brands.

This transforms the DMO role from tourism transaction broker between the marketplace and the industry to one of destination manager synthesizing the needs of the community, the marketplace, and the industry into a rich destination experience.

Strategic response:

The future of DMO leadership will be broadened to include destination brand management and destination development. DMOs will need to rethink roles, competencies, and relationships, transforming themselves to destination managers in addition to their roles as destination marketers. DMOs should forge expanded relationships with community economic development and planning stakeholders, collaborating on common objectives and initiatives.

DMOs are expected to play a critical role in delivering a community-embraced tourism industry. The DMO's role will go from tourism representatives to tourism advocates. This could include the creation of a tourism master plan for the destination outlining a vision of how the tourism industry footprint will evolve over time, impacting the destination's economy, social fabric, and environmental sustainability. The plan should include recommendations on destination infrastructure, product, and policy development to support the industry's alignment with the community it serves.

The DMO has to extend conversations about the destination well-beyond traditional stakeholders to include the wider local community: residents, academics, and the government. At the very least DMOs need to engage with their customers about the reality of their reputation by asking them to help shape the story and, ultimately, the brand. These conversations are important because managing a destination reputation never ends.

3. EVOLVING THE DMO BUSINESS MODEL
(Collaboration and Partnerships)

"Reaching this vital goal (sustainability) demands that associations embark on a comprehensive, dynamic, and ongoing process of reinvention, beginning with an intentional and imaginative effort to design, develop, and implement new business models." (ASAE report – Jeff De Cagna August 2010)

> Consider this:
> - DMO leaders identified pressure on governments to reduce tourism funding as a significant trend
> - Several DMO leaders expect changes in the business model over next five years, especially for membership-based NPOs and government organizations
> - 81% of DMO leaders expect increases in their sponsorship revenues over the next five years

Description:

Among the biggest challenges facing business leaders today is managing the disruption of legacy business models and the development of new ones. With the decline of the DMO's role as primary information and promotional intermediary, DMOs can no longer rely on their traditional position in the tourism ecosystem as the basis for value-creation.

Increasingly, industry stakeholders have new private-sector options for value-producing partnerships. At the same time, government financial realities force DMOs to defend their funding against demands for other public-service expenditures. With DMOs facing funding pressures from both ends of the spectrum – private and public sectors – much effort goes into strategizing for stable and adequate sources of revenue.

Implication:

As the DMO's role in the tourism ecosystem changes, the DMO business model must transform. Relying on the same level of past support from governments and the private sector is atrisk. To ensure the sustainability of their organizations and long-term support for the local tourism industry, DMO leaders need to explore business-model alternatives.

An important outcome of this undertaking is the need for DMOs to consider new measures of success beyond traditional industry transactional measures (e.g., roomnights), to incorporate metrics that reflect changing roles and responsibilities.

Strategic response:

Business-model assessment requires some critical choices. Each DMO will prompt a different approach to business-model reengineering. The following three core elements can be used for this process:

I. Value Proposition Realignment – DMOs should undertake an assessment of their cor-value proposition, giving consideration to their industry, community, and marketplace scenarios. One effective approach for this element is to undertake a blue-ocean[1] development exercise to identify opportunities for creating value for customers and stakeholders. This includes identifying the needs of the DMO's future customers and stakeholders and their likelihood to partner with DMOs. This aligns with survey results wherein 56% of DMO leaders saw opportunities for additional revenues from destination services, including:
- Destination brand and experience management
- Local event producer and manager
- Tourism data analyst and intelligence curator

The development of a reengineered value proposition will also have significant impact on the DMO's governance model, which needs to be aligned with changes in strategic direction. It appears that DMOs are ready for such discussions as 12% of DMO leaders surveyed in this report expect to change their governance model within the next five years.

2. New Partnership Development – in activating a revised value proposition, DMOs will inevitably need to assemble relationships and resources to support activation. These could include:
- Economic Development Enterprises: The DMO leadership survey identified increasing collaboration opportunities between community economic development stakeholders and DMOs to leverage operational resources and create performance synergies.
- Private-sector Booking Engines and Lead-generation Platforms: With the growing penetration of online travel agencies and meeting booking platforms, DMOs should forge performance-based partnerships with established platforms, leveraging their functionality and their market penetration and freeing up resources for deployment elsewhere.
- Venture Investors: As new start-ups enter the tourism industry, venture investors are looking for strategic direction and operational support for their investments, creating opportunities for DMOs to build competitive advantage.

3. New Measures of Success – with transformations in DMO value propositions, DMOs will have to consider new measures of success that align with the overall performance of the destination beyond traditional industry metrics.

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[1] Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant – Renee Mauborgne and W. Chan Kim 2005
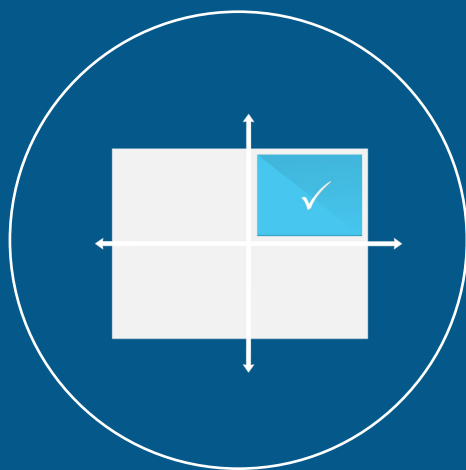
DMO SCENARIOS

4. DMO SCENARIOS

Scenario Model

To help develop effective strategies, the practical realities of different destinations and their respective DMOs needs to be considered. The analysis clearly demonstrates that one size does not fit all. Strategies and organizational prototypes will need to recognize these significant differences.

During the past 40 years, scenario planning has emerged as a powerful strategic tool, a proven way to look at the future and different realities of organizations. Scenario planning helps develop multiple possibilities to plot various courses of action. These scenarios must be plausible, relevant, and challenging; they also need to cover the entire range of possibilities that DMOs could face.

The building blocks of scenarios are known as driving factors, which represent the dynamics that have a critical impact on strategic direction moving forward. It is important to remember that these scenarios are not predictions.
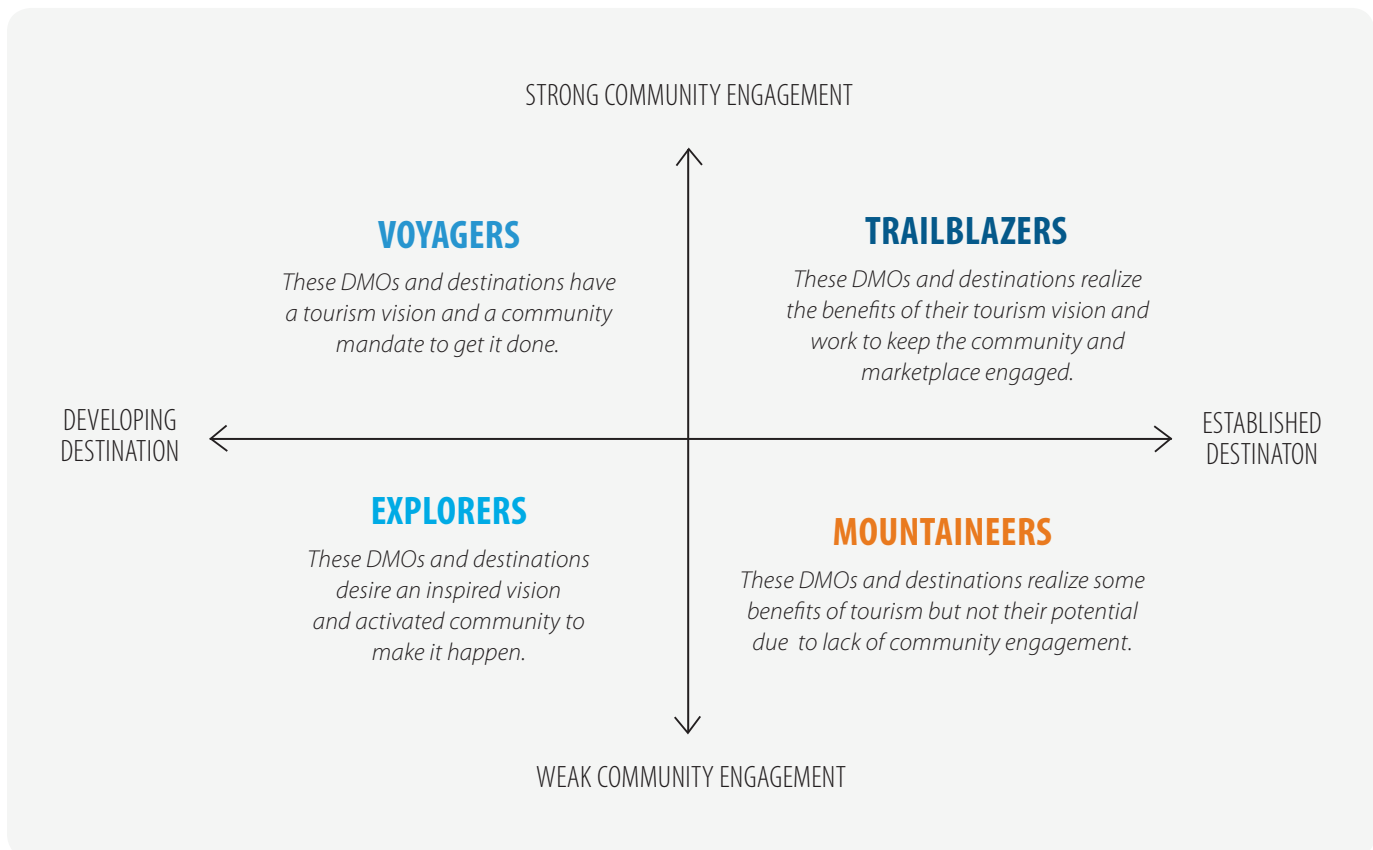
Rather, they are alternative realities in which DMOs may currently find themselves. Scenarios describe a range of possibilities that incorporate both the expected and unexpected, as well as conventional and unconventional thinking.

The cluster analysis, described in the previous chapter, discovered statistically significant differences in DMO responses based on two independent factors. A model has been developed based on these two determining or driving variables:

- Strength of destination (e.g., current market position, brand strength, air capacity, quality of service, and infrastructure)
- Level of community support and engagement (e.g., political support, regional support, community understanding of tourism impact, and potential membership satisfaction)

The intersection of these two major independent factors generates four dramatically different scenarios described below. Each DMO can find itself primarily in one of these quadrants.

Fig. 2: Scenario Model

STRONG COMMUNITY ENGAGEMENT

VOYAGERS

These DMOs and destinations have a tourism vision and a community mandate to get it done.

TRAILBLAZERS

These DMOs and destinations realize the benefits of their tourism vision and work to keep the community and marketplace engaged.

DEVELOPING DESTINATION

ESTABLISHED DESTINATON

EXPLORERS

These DMOs and destinations desire an inspired vision and activated community to make it happen.

MOUNTAINEERS

These DMOs and destinations realize some benefits of tourism but not their potential due to lack of community engagement.

WEAK COMMUNITY ENGAGEMENT

Trailblazers Scenario

These DMOs and destinations realize the benefits of their tourism vision and work to keep the community and marketplace engagement fresh and relevant.
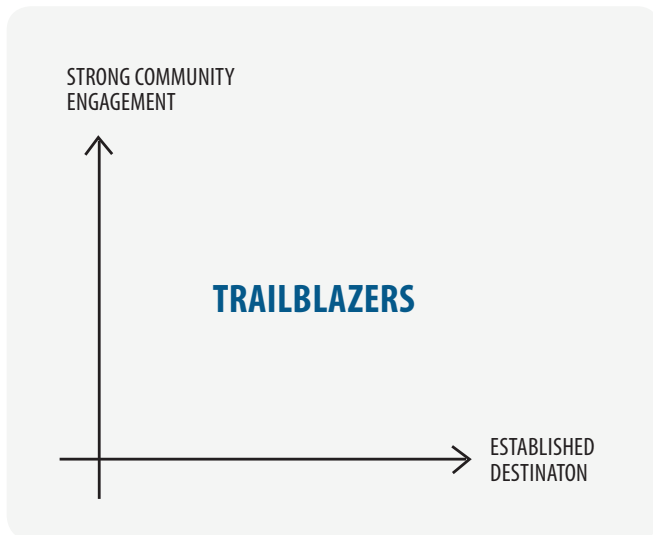

Fig. 13: Trailblazers Scenario

Established Destination – Characteristics:

• Long-term destination marketing plan
• Diverse markets and customer segments
• High awareness of the destination
• Convenient to get to and move around
• Good scope of infrastructure and products
• Ease of doing business
• Long-term performance success
• Range of activities and events
• Foundation of business on the books into the future
• DMO is highly respected and accountable

Strong Community Engagement – Characteristics:

• Long-term destination management strategies
• Political support
• Local resident appreciation for tourism
• High industry participation
• Businesses outside of tourism engaged with the industry
• High standards of customer servicing
• Good alignment of partners and stakeholders
• Industry respects natural and cultural assets in community
• Appropriate level of resources to market and manage
• DMO is at the table on local issues and plans

Voyagers Scenario

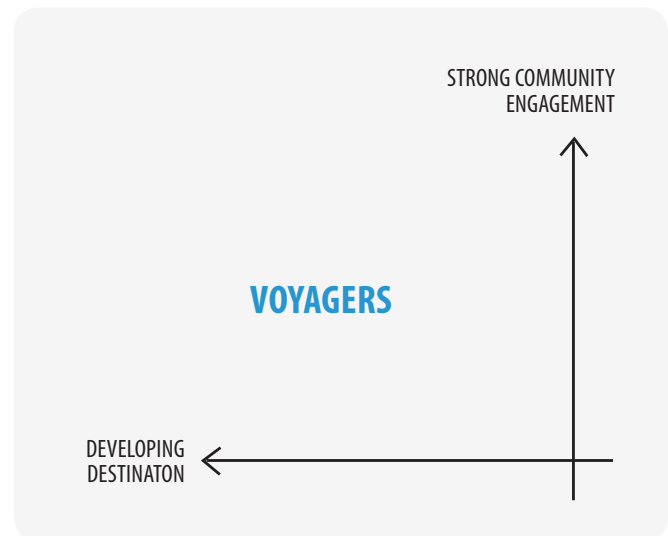These DMOs and destinations have a tourism vision and a community mandate to get it done.

Fig. 14: Voyagers Scenario

Developing Destination – Characteristics:

• Destination marketing plan in place
• Markets and customer segments being tested and explored
• Medium awareness of the destination
• Some concerns on transportation access
• Mixed quality and quantity of facilities and products
• Some improvements in customer servicing needed
• Business results lag behind some key competition
• Need for more activities and events
• Future business booking forecast is moderate
• DMO developing its organization capacity

Strong Community Engagement – Characteristics:

• Long-term destination management strategies
• Political support
• Local resident appreciation for tourism
• High industry participation
• Businesses outside of tourism engaged with the industry
• High standards of customer servicing
• Good alignment of partners and stakeholders
• Industry respects natural and cultural assets in community
• Appropriate level of resources to market and manage
• DMO is at the table on local issues and plans

Explorers Scenario

These DMOs and destinations desire an inspired tourism vision and activated community to make it happen.
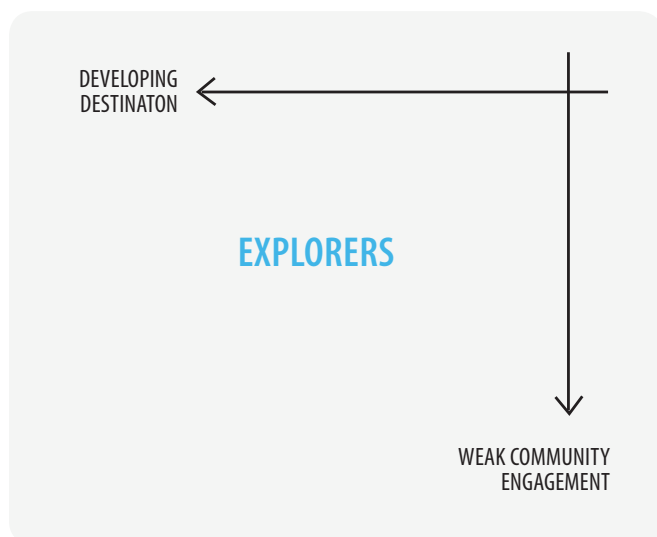

Fig. 15: Explorers Scenario

Mountaineers Scenario

These DMOs and destinations realize some benefits of tourism but not their potential due to lack of community engagement.
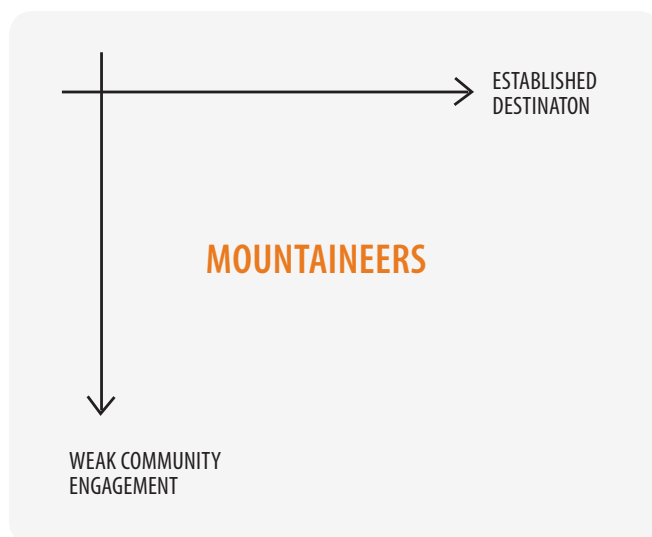

Fig. 16: Mountaineers Scenario

Developing Destination – Characteristics:
• Destination marketing plan in place
• Markets and customer segments being tested and explored
• Medium awareness of the destination
• Some concerns on transportation access
• Mixed quality and quantity of facilities and products
• Some improvements in customer servicing needed
• Business results lag behind some key competition
• Need for more activities and events
• Future business booking forecast is moderate
• DMO developing its organization capacity

Weak Community Engagement – Characteristics:
• Lack of a destination management plan
• Political support comes and goes
• Local residents not aware of tourism's importance
• Industry inconsistent in their involvement
• Limited connection to businesses outside of tourism industry
• Customer service quality varies from place to place
• Lack of an integrated approach with partners and stakeholders
• Industry concerned only with its own needs
• Lack of funding to market and manage destination
• DMO has little involvement with the community

Established Destination – Characteristics
• Long-term destination marketing plan in place
• Diverse markets and customer segments
• High awareness of the destination, but seeing some slippage
• Transportation strong though no plan to address future strategies
• Infrastructure and products still desirable
• Ease of doing business
• Performance success has been strong over the years
• Range of activities and events have served destination well in the past
• Future bookings still strong
• DMO with good track record, but somewhat static

Weak Community Engagement – Characteristics
• Lack of a destination management plan
• Political support comes and goes
• Local residents not aware of tourism's importance
• Industry inconsistent in their involvement
• Limited connection to businesses outside of tourism industry
• Customer service quality varies from place to place
• Lack of an integrated approach with partners and stakeholders
• Industry concerned only with its own needs
• Lack of funding to market and manage destination
• DMO has little involvement with the community

NEXT STEPS

5. NEXT STEPS

The overall goal of DestinationNEXT is to find real, practical strategies and recommendations to help DMOs around the world become Destination Trailblazers, to help DMOs increase community engagement, and support as well as build their destinations.

Specifically, the focus of the next phase of DestinationNEXT is to identify best practices (i.e., NEXTPractices) around the world; to help them effectively deal with the three transformational opportunities.

For some DMOs, getting there will involve focusing on either community engagement or destination strength. For those that must address both community engagement and

destination strength, the priority should be on engaging the community first. Without the community on board, it will be very difficult to build the destination product and experience necessary to create a stronger brand.

A tremendous amount of momentum and support has been generated for DestinationNEXT. A key message received during the first phase of this project from many DMOs is their interest in participating in the dialogue to identify NEXTPractices and strategies to address the challenges facing the industry.

A commitment by the project team was made to design a process in phase 2 based on collaboration and extensive engagement by the DMO community.

Fig. 17: NEXTPractices Road Map
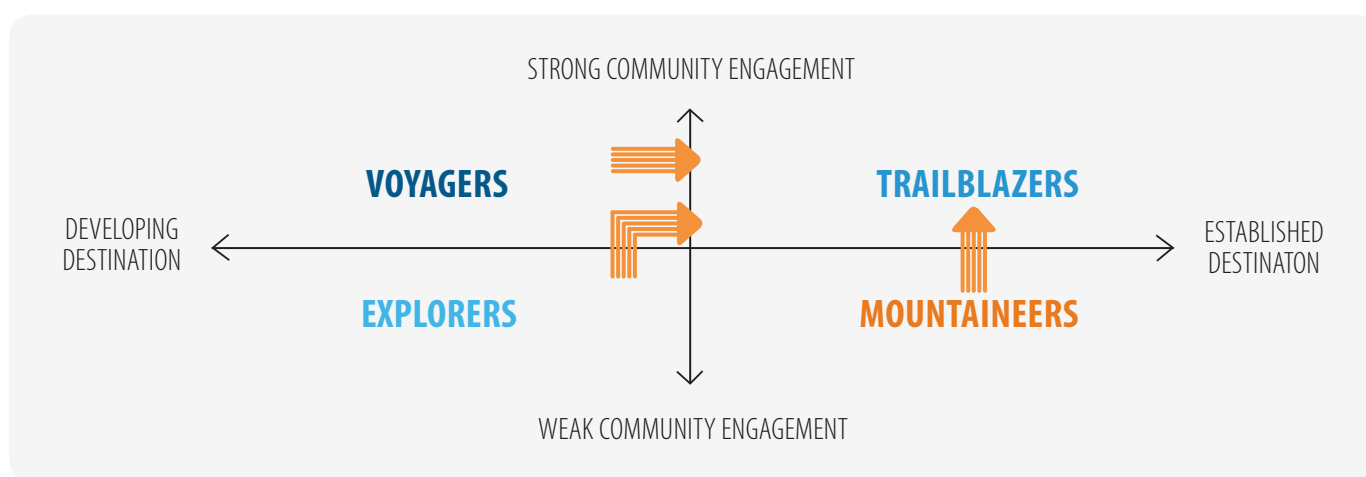
A work plan has been developed and approved by the Advisory Group. The vision is to create an online self-diagnostic questionnaire and tool kit with recommendations of specific NEXTPractices for DMOs in each of the scenarios. Another key element is a plan to update the DMO leaders every two years. In the alternate years, a similar survey focused on the marketplace will be administered to key customers and other stakeholders to identify changing market requirements.

The key elements of phase 2 include:

- Development of a scenario model and diagnostic tool kit to help DMOs assess their current positions

- DMAI hosting a series of two-day workshops in different world regions to co-create and assess NEXTPractices and strategies
- Administering a Marketplace Survey in spring 2015 to identify key trends and market requirements

A report will be produced with key findings and recommendations in time for the 2015 DMAI Annual Convention. The end result will be a powerful tool kit with practical recommendations, tested and validated by industry leaders, to help DMOs and destinations rise to the NEXT level.

Fig. 3: DestinationNEXT Phase 2 Action Plan
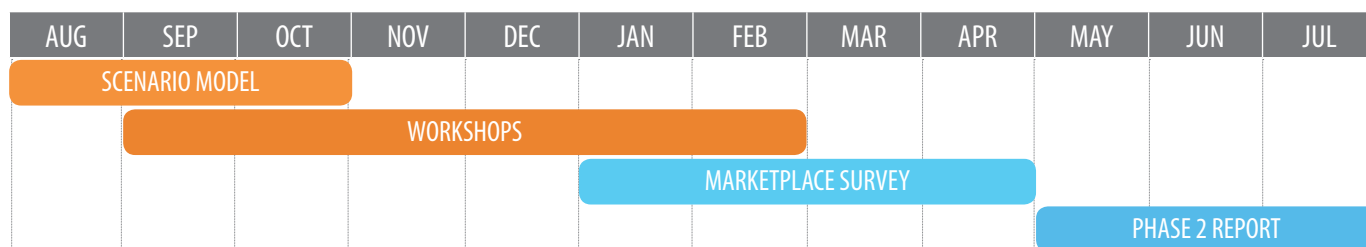
APPENDICES

APPENDICES

A. LIST OF SURVEY PARTICIPANTS

DMO Participants

Argentina
Cordoba Convention & Visitors Bureau
Ushuaia Bureau

Australia
Australia's Golden Outback
Business Events Geelong
Business Events Sydney
Gold Coast Tourism
Melbourne Convention Bureau

Austria
Graz Tourist Office

Bahamas
Bahamas

Belgium
VisitBrussels

Brazil
Campos do Jordão e Região Convention & Visitors Bureau
Curitiba, Região e Litoral Convention & Visitors Bureau
Iguassu Convention & Visitors Bureau
João Pessoa
Maceió Convention & Visitors Bureau
Natal Convention & Visitors Bureau
Poços de Caldas Convention & Visitors Bureau
Rio Convention & Visitors Bureau
São Paulo Convention & Visitors Bureau

Canada
Banff Lake Louise Tourism, AB
Blue Mountain Village Association, ON
Canadian Tourism Commission, BC
Chinook Country Tourist Association, AB
Discover Saint John, NB
Destination Halifax, NS
Edmonton Tourism, AB
Meetings & Conventions Prince Edward Island, PE
Norwestario Travel Association, Inc., ON
Quebec City Tourism, QC
Thompson Okanagan Tourism, BC
Tourism Brantford, ON
Tourism Burlington, ON
Tourism Golden, BC
Tourism Nanaimo, BC
Tourism Richmond, BC
Tourism Saskatoon, SK
Tourism Surrey, BC
Tourism Vancouver, BC
Tourism Vancouver Island, BC
Tourism Victoria, BC
Tourism Westman, MB
Tourism Winnipeg, MB

Tourisme Outaouais, QC
Vancouver, Coast & Mountains Tourism Region, BC
Visit Parksville Qualicum Beach, BC
Waterloo Regional Tourism Marketing Corporation, ON

Colombia
Greater Bogota Convention Bureau

Czech Republic
Tourist Authority South Moravia

Denmark
Destination South West Denmark
Destination Vejle
Wonderful Copenhagen

Ecuador
Ministerio de Turismo Ecuador

El Salvador
El Salvador Convention Bureau

France
Bordeaux Convention Bureau

Germany
Stuttgart-Marketing Gmbh

Guatemala
Guatemala Convention & Visitors Bureau
OCCAF

Italy
Firenze Convention Bureau

Japan
Meeting Place Fukuoka (Fukuoka CVB)

Malaysia
Sarawak Convention Bureau

Mexico
CVB Yucatán
Ministry of Tourism of Veracruz
Monterrey Convention & Visitors Bureau
OCV Chiapas
Oficina de Congresos y Convenciones San Luis Potosí
Oficina de Visitantes y Convenciones de Guadalajara A.C
Secretaria de Turismo de Jalisco
Tijuana CVB

Netherlands
Maastricht Convention Bureau
Maastricht Marketing
Netherlands Board of Tourism & Conventions (Holland Marketing)
The Hague Convention Bureau

Norway
Visit Lillehammer As

Paraguay
Paraguay Convention & Visitors Bureau

Portugal
Turismo de Lisboa - Visitors & Convention Bureau

Puerto Rico
Meet Puerto Rico
Puerto Rico Convention Bureau

Rwanda
Rwanda Convention Bureau

Serbia
Serbia Convention Bureau

Slovenia
Slovenia Convention Bureau

South Africa
Cape Town & Western Cape Convention Bureau
South African Tourism

South Korea
Daegu Convention & Visitors Bureau
Daejeon International Marketing Enterprise
Gyeongju Convention & Visitors Bureau
Seoul Tourism Organization

Spain
Agency for Tourism of Balearic Islands
Turismo de Salamanca

Sweden
Familjen Helsingborg
Kalmar
Nordic Travel

Switzerland
Basel Tourism & Convention Bureau
Bern Tourism
Geneva Tourism

Taiwan
Meet Taiwan

Thailand
Thailand Convention & Exhibition Bureau

United Kingdom
Marketing Edinburgh
Visitisleofman.com

United States
Abilene Convention & Visitors Bureau, TX
Albany County Convention & Visitors Bureau, NY
Albuquerque Convention & Visitor's Bureau, NM
Alexandria Convention & Visitors Association, VA
Anaheim Orange County, CA
Ann Arbor Area Convention & Visitors Bureau, MI
Arlington Convention & Visitors Bureau, TX
Asheville CVB, NC
Atlanta Convention & Visitors Bureau, GA
Augusta CVB, GA
Austin Convention & Visitors Bureau, TX
Bear Lake Valley Convention & Visitors Bureau, UT
Berkshire Visitors Bureau, MA
Bloomington CVB, MN
Brand USA, DC
Brandywine CVB, PA
Branson/Lakes Area CVB, MO
Bryan-College Station CVB, TX
Butler County Tourism & Convention Bureau, PA
Cass County Visitors Bureau, IN

Charlotte Regional Visitors Authority, NC
Charlottesville Albemarle Convention And Visitors Bureau, VA
Choose Chicago, IL
City of Independence Tourism Department, MO
City of Orange Convention & Visitors Bureau, TX
Clark-Floyd Counties Convention & Tourism Bureau, IN
Colorado Springs CVB, CO
Columbia Metropolitan CVB, SC
Columbus Area Visitors Center, IN
Cumberland Valley Visitors Bureau, PA
Dallas CVB, TX
Dayton/Montgomery County Convention & Visitors Bureau, OH
Destination Gettysburg, PA
Destination Irvine, CA
Destination Toledo, Inc., OH
Discover Kalamazoo, MI
Discover Lehigh Valley, PA
Discover Prince William & Manassas, VA
Door County Visitor Bureau, WI
Dublin Ohio CVB, OH
Dupage CVB, IL
Durham CVB, NC
Edmond Convention & Visitors Bureau, OK
Elgin Area CVB, IL
Experience Kissimmee, FL
Explore Fairbanks, AK
Fayetteville Area Convention & Visitors Bureau, NC
Finger Lakes Visitors Connection, NY
FM Convention & Visitors Bureau, ND
Fort Worth Convention & Visitors Bureau, TX
Fox Cities Convention & Visitors Bureau, WI
Frisco Convention & Visitors Bureau, TX
Galena/Jo Daviess County CVB, IL
Gatlinburg Convention & Visitors Bureau, TN
Golden Isles CVB, GA
Grand Haven Area CVB, MI
Great Lakes Bay Regional CVB, MI
Greater Birmingham CVB, AL
Greater Des Moines CVB, IA
Greater Green Bay CVB, WI
Greater Houston Convention & Visitors Bureau, TX
Greater Lansing CVB, MI
Greater Madison Convention & Visitors Bureau, WI
Greater Morgantown Convention & Visitors Bureau, WV
Greater Newark Convention & Visitors Bureau, NJ
Greater Palm Springs CVB, CA
Greater Raleigh Convention & Visitors Bureau, NC
Greater Reading Convention & Visitors Bureau, PA
Greenbrier County CVB, WV
Greensboro Area CVB, NC
Gunnison-Crested Butte Tourism Association, CO
Heber Valley Tourism, UT
Hilton Head Island Visitor & Convention Bureau, SC
HNCVB, NC
Holland Area CVB, MI
Huntingdon County Visitors Bureau, PA

United States Continued

Iowa City/Coralville Area CVB, IA
Irving, TX
Jackson Convention & Visitors Bureau, MS
Jackson County Tourism, AL
Joplin CVB, MO
Juneau Convention & Visitors Bureau, AK
Kansas City Kansas Convention & Visitors Bureau, KS
Kenosha Area CVB, WI
Ketchikan Visitors Bureau, AK
Lake Charles/Southwest Louisiana CVB, LA
Lake Havasu City CVB, AZ
Las Vegas Convention & Visitors Authority, NV
Lisle CVB, IL
Little Rock CVB, AR
Louisiana Office of Tourism, LA
Louisville Convention & Visitors Bureau, KY
Macon-Bibb County CVB, GA
Mansfield/Richland County CVB, OH
Maryland Office of Tourism, MD
McAllen CVB, TX
McKinney Convention & Visitors Bureau, TX
Meadowlands Liberty CVB, NJ
Meet Chicago Northwest, IL
Meet College Park, GA
Meet Minneapolis, MN
Memphis CVB, TN
Minneapolis Northwest CVB, MN
Missouri Division of Tourism, MO
Mitchell Convention & Visitors Bureau, SD
Moab Area Travel Council, UT
Monroe-West Monroe Convention & Visitors Bureau, LA
Monterey County CVB, CA
Muskegon County CVB, MI
Myrtle Beach Area CVB, SC
Naples, Marco Island, Everglades CVB, FL
Nashville Convention & Visitors Corporation, TN
Newport Beach & Co., CA
Niagara Tourism and Convention Corporation, NY
Northern Kentucky CVB, KY
NYC & Company, NY
Ogden/Weber CVB, UT
Omaha Convention & Visitors Bureau, NE
Oneida County Tourism, NY
Outer Banks Visitors Bureau, NC
Pa Dutch CVB, PA
Panama City Beach CVB, FL
Park City Chamber/Bureau, UT
Peachtree City Convention & Visitors Bureau, GA
PHLCVB, PA
Plano CVB, TX
Pocono Mountains Visitors Bureau, PA
Positively Cleveland, OH
Prince William County, VA
Providence Warwick CVB, RI
Providence Warwick, RI

Pulaski County Tourism Bureau, MO
Quad Cities Convention & Visitors Bureau, IL
Real Racine, WI
Richmond Region Tourism, VA
Richmond-Wayne County CVB, IN
Rochester CVB, MN
Rockford Area Convention & Visitors Bureau, IL
Rockford Area CVB, IL
Roseville Visitors Association, MN
Ruston Lincoln Parish CVB, LA
Sacramento CVB, CA
San Diego Tourism Authority, CA
San Francisco Travel, CA
San Marcos CVB, TX
Sanpete County Travel, UT
Santa Monica CVB, CA
Saratoga Convention & Tourism Bureau, NY
Seattle Southside, WA
Shepherdsville-Bullitt County Tourism, KY
Snohomish County Tourism Bureau, WA
Somerset County Tourism, NJ
Sonoma County Tourism, CA
St. Augustine, Ponte Vedra & the Beaches CVB, FL
St. George Utah Convention & Tourism Office, UT
Syracuse CVB, NY
Team San Jose, CA
The Beaches of Fort Myers & Sanibel, FL
The Los Angeles Tourism & Convention Board, CA
Tourism Council of Frederick County, MD
Travel Lane County, OR
Travel Oregon, OR
Travel Portland, OR
Travel Waterloo, IA
Traverse City Convention & Visitors Bureau, MI
Traverse City Tourism, MI
Tri-cities Visitor & Convention Bureau, WA
Tuolumne County Visitors Bureau, CA
Uintah County Travel & Tourism, UT
Utah Office of Tourism, Film, & Global Branding, UT
Utah's Canyon Country, UT
Valley Forge Convention & Visitors Bureau, PA
Virginia Beach Convention & Visitors Bureau, VA
Virginia Tourism Corporation, VA
Visit Addison, WI
Visit Anchorage, AK
Visit Aurora, Inc., CO
Visit Baltimore, MD
Visit Baton Rouge, LA
Visit Big Sky, MT
Visit Buffalo Niagara, NY
Visit Carlsbad, CA
Visit Champaign County, IL
Visit Cheyenne, TX
Visit Denver, CO
Visit Duluth, MN
Visit Estes Park, CO

United States Continued

Visit Fairfax, VA
Visit Florida, FL
Visit Fort Collins, CO
Visit Fort Wayne, IN
Visit Hendricks County, IN
Visit Jacksonville, FL
Visit Knoxville/Knoxville CVB, TN
Visit Lake County, IL
Visit Longmont, CO
Visit Loudoun, VA
Visit Madison, Inc., IN
Visit McHenry County, IL
Visit Mesa, AZ
Visit Newport Beach, CA
Visit Oak Park, IL
Visit Oakland, CA
Visit Okc, OK
Visit Orlando, FL
Visit Pensacola, FL
Visit Phoenix, AZ
Visit Rogers, AR
Visit Saint Paul, MN
Visit Salt Lake, UT
Visit Santa Barbara, CA
Visit South Bend Mishawaka, IN
Visit South Walton, FL
Visit Space Coast - Florida's Space Coast Office of Tourism, FL
Visit Spokane, WA
Visit St. Pete/Clearwater, FL
Visit Stillwater, OK
Visit Stockton, CAVisit Tampa Bay, FL
Visit Topeka, Inc., KS
Visit Tri-valley, CA
Visit West Hollywood, CA
Visit Greenville, SC
Visit Norfolk, WV
Visit Pittsburgh, PA
Visit Rochester, NY
Waco & the Heart of Texas, TX

Non-DMO Participants

Betsy A Decillis Consulting, LLC
Business Tourism Services
Conference DirectConnections
D.K. Shifflet & Associates
DRW Marketing
Destination Elements
Development Counsellors International
DRW Marketing
Ejido Asesores
Ice Portal
International Association of Exhibitions and Events
Jackrabbit Systems
Maritz Travel Company
Marshall Murdaugh Marketing
National Geographic Society
National Travel & Tourism Office
Northstar Travel Media
Purdue University
Radcliffe Company
Schneider Publishing Company, Inc.
SearchWide
Sense of Place
Simpleview, Inc.
Phocuswright, Inc.
Resonance Consultancy
The Haywood Group
The Kliman Group, Inc.
Trends, Analysis, Projections, LLC
Tripadvisor LLC
TwoSix Digital
Young Strategies, Inc.
Zeitgeist Consulting

B. TRENDS

RANK	TREND	AVG.
1	Social media's prominence in reaching the travel market (e.g., Facebook, Pinterest, Twitter, Weibo)	3.52
2	Mobile platforms and apps becoming the primary engagement platform for travelers	3.39
3	Customers increasingly seeking a personalized travel experience	3.30
4	Smart technology (e.g., phones, bag tags, and cards) creating opportunities for innovative new services and processes	3.27
5	Travelers demanding more information, control, interaction, and personalization	3.27
6	Geotargeting and localization becoming more prevalent	3.20
7	Brand identity for destinations becoming more critical in terms of meeting planner perceptions about value and experience	3.19
8	Customers increasingly looking for a travel that allows them to experience a local's way of life	3.17
9	Technology enabling faster decision-making by customers, thereby, increasing business to a destination	3.16
10	Consumers becoming increasingly comfortable with ordering products online	3.15
11	Hotel taxes increasingly vulnerable to alternative politically based projects	3.10
12	Big Data arriving for the tourism industry	3.09
13	The brand of a destination becoming a more important factor in travel decisions to consumers	3.09
14	Governments facing pressure to reduce or eliminate direct financial subsidies to the tourism sector	3.06
15	Short-stay trips and mini vacations becoming increasingly popular	3.02
16	More third-party information providers aggregating content about destinations	2.98
17	Peer-to-peer buyer influence driving customer purchases	2.97
18	Governments dealing with tourism from an integrated, multidepartmental perspective, focused on economic development	2.96
19	Customers increasingly going directly to suppliers for goods and services	2.94
20	Economic conditions continuing to be highly volatile, subject to global and regional shocks	2.92
21	More information clutter and noise about destinations occurring in the marketplace	2.92
22	With advances in technology and social media, greater collaboration occurring between competitors to move similar interests forward	2.91
23	Increasing importance of transparency and building partnerships to secure business to a destination	2.91
24	Visa waiver programs reducing barriers to entering some countries	2.90
25	Governments under pressure for more transparency and accountability to demonstrate return on investment	2.90
26	Marketing as a means to support sales shifting to marketing to support engagement in a destination	2.86
27	Other meetings and conventions segment trend	2.84
28	Destinations making greater use of incentives and grants to obtain business	2.82
29	Meeting planners choosing destinations based on financial outcomes over destination appeal	2.81
30	Organizations developing strategic alliances in order to leverage resources	2.79
31	Combined business and family travel as well as multigenerational travel becoming more popular	2.74
32	New destinations emerging around the world, increasing competition for both leisure and convention businesses	2.68
33	Associations diminishing in size with generational shifts	2.67
34	Energy costs remaining relatively high, contributing to the high cost of travel	2.67
35	The adoption of user pay policies leading to increased costs for the tourism industry	2.66
36	Wearable technology enabling destination marketers to personalize their services	2.65
37	Smart technology (e.g., smart cards and baggage tags) creating opportunities for simplified and expedited processing of international passengers	2.63

38	Increased growth in the number of associations leading to more meetings, but with smaller attendance levels	2.60
39	Economic conditions and growth rates differing dramatically across regions, causing major shifts in foreign visitor source markets	2.59
40	Individuals seeking to be engaged in discussions with cyber communities proliferating	2.59
41	Personal ecosystems connecting the destination digital ecosystem and the visitor's personal ecosystem	2.59
42	Perceived barriers to entering some countries (e.g., visa requirements), thereby, inhibiting foreign travel	2.57
43	Political instability creating havoc in certain markets	2.56
44	Security risks hampering travel decisions	2.56
45	The market moving toward a shared economy with assets being rented or bartered,outside of traditional commercial arrangements (e.g., airbnb, home exchange)	2.55
46	New online teaching platforms resulting in declining attendance at educational meetings and conventions	2.54
47	Reforms in the energy, financial, and health sectors impacting the competitive environment in tourism (and conventions)	2.53
48	Labor and skill shortages increasingly being felt in sectors of the tourism industry	2.52
49	Rising importance of conscious travel (environmental sustainability, social justice, and cultural rejuvenation)	2.51
50	National brands developing meetings and convention business to help bring business to local destinations	2.51
51	Airlines seeking to generate more revenue reinvent their role in supply chain/distribution channels to offer more integrated services	2.50
52	Increasing globalization – with the interchange of views, products, ideas, and culture – making it more difficult for destinations to accentuate their uniqueness	2.48
53	Attracting meetings/conventions requires greater emphasis on a business brand over a leisure brand	2.37
54	Privatization in some sectors creating additional costs borne by travelers	2.24
55	A greater proportion of Fortune Global 500 companies locating in emerging markets	2.24
56	Globalization requires more open-air bilateral agreements and/or ownership requirements permitting increased international air services by foreign carriers	2.21
57	More leisure travelers seeking all-inclusive experiences	2.17
58	Privacy laws constrain opportunities arising from new technology and processes	2.14
59	The position that governments take on various human rights matters	2.13
60	Most new international airline capacity growth coming from Middle Eastern carriers	2.02
61	A highly litigious environment in North America inhibits innovation and collaboration	2.01
62	Increased R&D in Asia resulting in more conventions being held in these markets	2.00
63	Global warming impacting public (consumers') behavior	1.96
64	Greater complexity in moving goods for conferences/conventions due to greater focus on border and security processes	1.96

C. STRATEGIES

RANK	STRATEGY	AVG.
1	Technology will significantly alter the role of my DMO from today	3.17
2	My DMO will place greater emphasis on engaging with customers in two-way conversations	3.13
3	My DMO will play more of a central role in advocacy in my destination	3.07
4	My DMO will be more involved in broader economic development projects and initiatives	3.02
5	My DMO will connect visitor experience with the quality of life of residents in my community	2.97
6	My DMO will adopt operating standards and consistent measures of performance with other DMOs	2.95
7	My DMO will develop new strategies to refocus on the millennial market	2.94
8	My DMO will agree to a uniform methodology with other DMOs to measure economic impact	2.93
9	My DMO will put a greater emphasis on market segmentation	2.91
10	My DMO will design digital customer engagement primarily around mobile platforms	2.89
11	My DMO will take on a greater role as cultural champion of my destination	2.89
12	My DMO will form more strategic alliances outside the DMO industry	2.85
13	The economic impact of tourism (and conventions) will be better understood in my destination	2.85
14	My DMO will more closely participate in building platforms of the visitor experience	2.82
15	My DMO will balance the need for growth with responsible and sustainable development	2.79
16	My DMO will have a greater role in policy and product development	2.70
17	Collaborative technology will be a core strategy for my DMO to drive business value	2.67
18	My DMO will engage more closely with nontraditional stakeholders in my destination	2.66
19	My national tourism organization will encourage local destination brands in my country	2.65
20	My DMO will invest more effort in scanning the market for business intelligence	2.62
21	My DMO will act as conduit to build social networks among our local business community	2.61
22	My destination will encourage my national brand to play a bigger role than it does today	2.60
23	My DMO will have strategies and policies related to diversity of people	2.60
24	Digital services and systems in my destination will keep pace with customer demand	2.57
25	My DMO will have strategies to address a changing generation in the workforce	2.54
26	My DMO will hire destination managers, as well as those with background in sales and marketing	2.52
27	Place marketing/branding entities will come together under a singular approach in my destination	2.51
28	The brand of my destination will be defined by the community	2.49
29	My DMO will have in place tools to manage large and complex data (or big data)	2.46
30	Funding for my DMO will be directly tied to performance criteria	2.46
31	My DMO will play a greater role in the creation of events to animate the destination	2.46
32	My DMO will manage content across digital channels on behalf of community stakeholders	2.45
33	My DMO will partner with a greater number of competitive destinations	2.45
34	My DMO will have to secure new revenue sources to maintain current funding levels	2.45
35	My DMO will work more closely with airlines to generate business for my destination	2.42
36	My DMO will benefit from a tax regime that will provide adequate and secure funding	2.37
37	My DMO will evolve away from a membership-based model	2.36
38	My DMO will focus efforts in emerging economies (markets)	2.33
39	Visitor servicing in my destination will be conducted primarily in the digital environment	2.24
40	My destination will be impacted by barriers to entering my country (e.g., visas, security)	2.16

41	My destination will align with other destinations under a national umbrella approach	2.12
42	My DMO will offset the costs of destination buyers through incentives more than we do today	2.05
43	My DMO will become a partner in the funding and operations of my clients' meetings	2.02
44	Governments will spend less on funding or enabling funding for my DMO	1.98
45	My DMO will engage with customers in the shared economy (e.g., airbnb, home exchange)	1.96
46	Tourism industry cohesion and alignment will be challenging to realize in my destination	1.89
47	Advocating for a positive regulatory environment will be the responsibility of my DMO	1.88
48	Privacy laws will constrain opportunities for my DMO to build customer relationships	1.74
49	My DMO will play a lesser role in generating sales and transactions	1.53

Destination
Marketing
Association International

100 YEARS OF ADVANCING DESTINATIONS