



Michigan Tourism Strategic Plan

"a plan for the industry, by the industry"

Promotion and Media

IWT Report to the Council

November 1, 2006

Section 1: Overview

The Promotions and media issues work team (PMIWT) was co-chaired by Allen Crater, Stevens Advertising and Dan Sippel, Booth Newspapers Inc. The other members of the committee are:

David Yarnell, "Naturally, Central West Michigan."
Millicent Huminsky, Southwestern Michigan Tourist Council
Van Snider, Michigan Boating Industries Association
E.J. Brown, Michigan Association of Fairs and Exhibitions
Debbie Locke-Daniel, Ypsilanti Area CVB
Captain Frank English, Michigan Charter Boat Association
Linda Jones, Michigan Grape and Wine Industry Council.
Mike Maisner, Michigan Recreation & Park Association
Jeanee Lipe, Michigan Department of Agriculture.
Dave Lorenz, Travel Michigan

The PMIWT held two meetings, one on August 25th at Stevens Advertising offices in Grand Rapids and a second on October 23rd at the Booth offices in Grand Rapids.

Background

Promotion is one of the four major "P's" of the marketing mix. While understanding the internal and external constraints of the marketing environment, the goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.



While the importance of promotion is paramount, its interdependence on the other three elements of product, price and place cannot be understated. Promotion is the “end of the process”; it is the communication with the target audience about the benefits of the other three P’s. That being said, effective promotion can only take place when the other three elements are in alignment for the target market. For purposes of the summary we have made some assumptions about product, price and place.

Issue Statement:

Tourism is a key driver of the Michigan economy. An effective and cost efficient general promotion and media plan requires appropriate funding, research, partnership building, collaboration and a vision to increase travel and tourism in the State of Michigan. The development of this plan should result in:

- the establishment of collaborative methods to allow tourism industry members to better promote the product,
- research based decisions to:
 - establish promotional priorities,
 - identify product, audience and promotional methods, and
 - benchmark against competition,
- methods to measure/analyze targets and results,
- a better understanding of the industry by the industry
- increased awareness of the interrelationship of industry segments in an effort to remove barriers leading to cooperation and collaboration, and
- the development of a strategically balanced paid and earned media approach.

Section 2: Challenges and Opportunities

Challenges:

- The tourism industry within Michigan is fragmented, with many competing goals and agendas. There is the potential for dilution of message and duplication of efforts, rather than a unified, coordinated approach. The Michigan tourism industry has established “mini-kingdoms” rather than understanding that “a rising tide lifts all ships”...in other words, the success of the whole will lead to the success of all of the various entities that make the whole.
- “We don’t know what we don’t know.” In many cases we are making decisions about significant promotional investments with little, insufficient, or non-specific research. There are sufficient gaps in our understanding of the target market, the Michigan tourism product as a whole, the pricing implications, and the place (how we deliver the product to the customers).
- Additionally, while there is an abundance of existing data and information, it is not known by the constituents within the industry, nor is it in a form that they can easily use or customize, due to licensing or accessibility issues.
- Diversity of travel product leads to difficulty in marketing messages.

Opportunities:

- Benchmark against competition that have similar circumstances, - what are successful states doing?
- The establishment of collaborative marketing methods that would allow tourism industry members to better collectively promote the product.

- Invest in research that will allow the Michigan travel industry (both globally and on an individual basis) to make informed decisions within all areas of travel and tourism (product, price, place and promotion). Provide accurate, accessible and “customizable” Michigan travel data to the constituents within the travel industry. Measure the success of our efforts, allowing us to measure and demonstrate significant ROI, before investing valuable resources.
- A well researched, planned and executed promotion and media plan can deliver
- significant ROI to the state of Michigan and those within the travel industry.

Section 3: **Recommendations**

- We need to develop methods, whether organized by a state-run organization, related industry segments, or privately, to share information and provide opportunities to market together...some examples include how Ypsilanti and Ann Arbor market together, Michigan’s West Coast, America’s Summer Golf Capital, Gaylord Golf, Manistee Economic Council, Southwest Tourist Council, Wine Trails, etc. We recommend researching best practices from this state and other effective states in order to develop ideas and plans for collaboration and facilitation of partnerships.
- Develop a cooperative advertising program that includes paid and non-paid media opportunities within targeted “retention” and “opportunity” markets.
- We need to identify our current and prospective audiences- clearly establish quantitatively who exactly our audiences are, where they live, how they behave, what their travel habits are, how they gather information, what are their media uses, etc. (PRIZM or other?). Allow access and customization (by season, by industry, by market segment) at the constituent level.
- We need to identify our product - utilize research, either primary or secondary, and both qualitative and quantitative, to better understand what the “Michigan Travel” product is in the consumers mind. What sets us apart? What are travelers looking for that we have? Why should they consider us? What is the Michigan “Brand” to them? Establishing a “baseline” of benchmark awareness and conversion will increase the validity of future ROI studies.
- We need a full understanding of the existing perceptions among the key target audience segments, their intentions and current behaviors relative to travel, as well as our competitive set for different travel-related activities and situations. We also need to understand our existing equity as a tourism destination, and get insight on the key issues and differentiators Michigan has in “inventory”.
- We need establish research-based criteria for promotional priorities – where are the opportunities for maximizing ROI and what is the current customer ROI. What are the “opportunity costs” of new markets?
- We need to develop methods to measure/analyze results, - how will we gauge the success of our media and promotional efforts? Calls to an 800 number? Web traffic? Click-thru’s? A longitudinal benchmark study of the “aware non-triers” and “loyalists” for changing brand perception, intent to use, etc? Specific goals and objectives by market, target groups, seasonality and media need to be established and measured.
- Assign a team to review and or meet with agencies from successful states with similar challenges (Texas, Oregon, Florida etc.) to better understand how they are collectively

promoting their travel product and provide a synopsis with selected key thoughts and/or recommendations that can be accessed by the entire industry.

- The development of a strategically balanced paid and earned media approach. – as an industry, we need to develop a two-pronged attack; we need both a paid media effort and an “earned media” (PR) effort. Advertising can go a long ways, but we can stretch our budget, expand our geography and provide credibility to our story if it fits hand in hand with an earned media strategy and effort.

Budget:

A paid promotional effort will require investment and predict results based on substantial data including ROI, conversion rates and pre and post market penetration. The total cost of a promotion /media program is determined based on the targeted markets, levels of retention and opportunity markets, objectives of the campaign and at a more tacit level, the media choices made. It would be premature of this committee to determine the costs of attainment without the empirical structure described in this document, and reinforced by the research committee document, in place to create the premise of the campaign.

The PMIWT would recommend funding of a campaign to remain at a level to keep Michigan in the "Top Ten" State Tourism budgets in the country.

Timing:

The PMIWT would recommend that the timing would be determined by the funding to the research area to adequately identify and target markets based on the parameters outlined in the Research IWT and the PMIWT.

Long Term Recommendations:

1. Collaborative methods to a market
2. Define both state and private sector co-op needs
3. Shared and accessible research tools
4. Research by based target, goals, objectives for all media (paid and non paid)
5. Define the global relationship between current customers, economically and strategically. Include a short term and long term plan for customer retention and research defined opportunity for future customer/industry growth.
6. All media should be subject to rigid research based targeting, pre-market testing, stated campaign goals and objectives with post analysis.

Section 4: The Process

Strengths of the Process –so far

The industry needs to be involved in the unilateral discussion and sometimes, arguments, over the direction and objectives of the industry in the state. The process is serving as a well-meaning catalyst to these dialogs. Diverse segments of the industry involved, and fully engaged in the strategic process will create understanding and deeper appreciation of the full extent of the industry.

Weakness of the Process-so far

Clearer understanding of the entire process, agenda and specific timeline are lacking.

The strategic process needs to be adhered to by the IWTs. The need to have clear, objective thinking, for the good of the entire industry, with needed discussions of potential paths and outcomes. This is currently not the case with all of the IWTs.

Stronger moderation of an adherence to the process is needed to move forward.

Will the industry be able to organize and sustain the process without “pre-determined” outcomes, given the diverse self-interests, short-term fixes and multitude of organizations involved?