Revolution or Evolution?

Benjamin Gill, Economist
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Montana Department of Commerce
Talking Points

• Our data stack
• Overview of data sources
• Data & Research Stories
  • #1 - Reporting
  • #2 - Metrics
  • #3 - Defining Markets
• Where we’re headed
Montana Data Stack
And others…

- Bureau of Transportation Statistics (BTS)
- National Park Service (NPS)
- Smith Travel Research (STR)
- US Travel Association (USTA)
- Montana Department of Revenue
- Montana Fish, Wildlife, & Parks
Making Decisions
• Target profiles (step 1)
• Awareness tracking
• Campaign effectiveness
• Visitor detail

Weaknesses
• Survey data
Making Decisions

- Verified data
- Attribution
- “Realtime”
- Geographic tracking
- Competitive sets
- Campaign reporting & analysis

Weaknesses

- Monetary value
- Baselining
Making Decisions
- Verified data
- Geographic value
- Industry analysis & trends
- In-state partnerships

Weaknesses
- Post quarter timing
- Point-of-sale
- Market share & usage inflation
Story #1:
Reporting

• “Here’s what happened”
• Campaign report cards
• Important to partners & constituents
Winter Travelers Spend More…

- Winter: $227 Cash & Sales per Cardholder
- Summer: $217 Cash & Sales per Cardholder
- Shoulder: $215 Cash & Sales per Cardholder
<table>
<thead>
<tr>
<th>Campaign Name</th>
<th>Arrivals</th>
<th>Average Time to Arrival (days)</th>
<th>Average Distance to Arrival (mi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign A</td>
<td>18,063</td>
<td>38.1</td>
<td>1,013</td>
</tr>
<tr>
<td>Campaign B</td>
<td>8,623</td>
<td>32.4</td>
<td>935</td>
</tr>
<tr>
<td>Campaign C</td>
<td>10,555</td>
<td>37.3</td>
<td>920</td>
</tr>
</tbody>
</table>
Campaign A

Origin Markets
Top 15 States

<table>
<thead>
<tr>
<th>Tier 1 State</th>
<th>% Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>4.0%</td>
</tr>
<tr>
<td>Washington</td>
<td>3.7%</td>
</tr>
<tr>
<td>Tier 2 State</td>
<td></td>
</tr>
<tr>
<td>Colorado</td>
<td>3.5%</td>
</tr>
<tr>
<td>Tier 3 State</td>
<td></td>
</tr>
<tr>
<td>Wyoming</td>
<td>3.5%</td>
</tr>
<tr>
<td>Idaho</td>
<td>3.3%</td>
</tr>
<tr>
<td>Tier 4 State</td>
<td></td>
</tr>
<tr>
<td>Utah</td>
<td>3.3%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2.8%</td>
</tr>
<tr>
<td>Tier 5 State</td>
<td></td>
</tr>
<tr>
<td>North Dakota</td>
<td>2.5%</td>
</tr>
<tr>
<td>Florida</td>
<td>2.5%</td>
</tr>
<tr>
<td>Alberta, CA</td>
<td>2.2%</td>
</tr>
<tr>
<td>Illinois</td>
<td>2.2%</td>
</tr>
<tr>
<td>New York</td>
<td>2.2%</td>
</tr>
</tbody>
</table>
### Origin Markets
Top 15 DMAs

#### Campaign A

<table>
<thead>
<tr>
<th>Origin DMA</th>
<th>% Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td></td>
</tr>
<tr>
<td>Tier 2</td>
<td></td>
</tr>
<tr>
<td>Tier 3</td>
<td></td>
</tr>
<tr>
<td>Tier 4</td>
<td>3.3%</td>
</tr>
<tr>
<td>Tier 5</td>
<td>3.1%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>3.1%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>3.1%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>3.1%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>2.3%</td>
</tr>
<tr>
<td>Tier 5</td>
<td>2.3%</td>
</tr>
<tr>
<td>Tier 6</td>
<td>2.1%</td>
</tr>
<tr>
<td>Tier 7</td>
<td>2.0%</td>
</tr>
<tr>
<td>Tier 8</td>
<td>1.9%</td>
</tr>
<tr>
<td>Tier 9</td>
<td>1.9%</td>
</tr>
<tr>
<td>Tier 10</td>
<td>1.8%</td>
</tr>
<tr>
<td>Tier 11</td>
<td>1.8%</td>
</tr>
<tr>
<td>Tier 12</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

#### Origin DMA Locations
- Denver
- Seattle/Tacoma
- Salt Lake City
- Spokane
- Los Angeles
- SF/Oakland/San Jose
- Minneapolis/St Paul
- Phoenix
- Portland, OR
- Idaho Falls/Pocatello
- New York
- Minot/Bismarck/Dickinson
- Boise
- Chicago
- Rapid City

#### DMA Tiering
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5

#### DMA Arrivals
- Denver (Tier 1): 3.3%
- Seattle/Tacoma (Tier 2): 3.1%
- Salt Lake City (Tier 3): 3.1%
- Spokane (Tier 4): 2.3%
- Los Angeles (Tier 4): 2.3%
- SF/Oakland/San Jose (Tier 4): 2.1%
- Minneapolis/St Paul (Tier 4): 2.0%
- Phoenix (Tier 5): 1.9%
- Portland, OR (Tier 5): 1.9%
- Idaho Falls/Pocatello (Tier 5): 1.8%
- New York (Tier 5): 1.8%
- Minot/Bismarck/Dickinson (Tier 5): 1.7%
- Boise (Tier 5): 1.7%
- Chicago (Tier 5): 1.7%
- Rapid City (Tier 5): 1.7%
Arrival Markets
Top 15 Cities

Campaign A

<table>
<thead>
<tr>
<th>Arrival Market</th>
<th>% Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>17.3%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>14.0%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>12.1%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>8.9%</td>
</tr>
<tr>
<td>Tier 5</td>
<td>6.8%</td>
</tr>
<tr>
<td>Tier 6</td>
<td>5.4%</td>
</tr>
<tr>
<td>Tier 7</td>
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<tr>
<td>Tier 12</td>
<td>1.2%</td>
</tr>
<tr>
<td>Tier 13</td>
<td>1.0%</td>
</tr>
<tr>
<td>Tier 14</td>
<td>0.9%</td>
</tr>
<tr>
<td>Tier 15</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

*Map only shows arrival markets with greater than 25 arrivals for FY18 Winter.
**Arrival markets are only tracked by first touchpoint within the state and may not be representative of true visitation to said markets.
Story #1: Reporting

• The results…
  • Focusing on comparison & competition
  • Explaining trends & seasonal timeline

• What changes?
  • Reevaluate current strategies
  • Has the baseline moved?
  • What measures are important?
Story #2: Metrics

- Identifying data needs
- Trying to fill needs those with available data
- Verified ROI (vROI)
- Market profiles
VERIFIED ARRIVALS PER 1000 EXPOSURES (APMs)
JUNE 2017

1. Wyoming
2. North Dakota
3. South Dakota
4. Idaho
5. Nevada
6. Arizona

AVERAGE SPEND PER CARDHOLDER
JUNE 2017
1. Arizona
2. Florida
3. Texas
4. California
5. Virginia
6. Nevada

Note - rank of states with at least 80 verified arrivals in month
VERIFIED ARRIVALS PER 1000 EXPOSURES (APMs)
JUNE 2017

AVERAGE SPEND PER CARDHOLDER
JUNE 2017
**Verifiable ROI**

Verifiable ROI considers not just the value of a traveler to Montana but also the cost to get them to the State.

**Value of Traveler** = Arrivals $\times$ Average Traveler Spending in MT

**Ad Cost** = # of Lagged Exposures $\times$ Average Cost per Exposure

\[
\frac{\text{Arrivals}_{t,l} \times \text{Avg Cardholder Spend}_{t,l}}{\text{Lagged Exposures}_{t,l} \times \text{Avg Exposure Cost}_{t}}
\]

\[
\frac{\text{Traveler Spend in MT}_{t,l}}{\text{Digital Ad Cost}_{t,l}}
\]

$t$ – time (month)

$l$ – location (origin market)
Market Performance

- Market A
- Market B
- Market C
- Market D
Market Performance

- Market A
- Market B
- Market C
- Market D

- Lodging Sales
- Cardholder Count
- Arrivals
- Exposure Spend
- Arrival Spend
- vROI
- Arrival Rate
Story #2: Metrics

• Not everything will be useful...
• Others:
  • Inflation Adjusted Arrivals
    (Arrivals / Change in Spend)
  • Arrival Rate
    (Arrivals / Cardholder Count)
  • Target Saturation
    (Exposures / Market Population)
  • Unique Cardholders
    (Market Segment Cardholders / Total Unique CH)
Story #3: Defining Markets

- Montana is a very big state
- But most of our tourism dollars are concentrated in one half
- VisaVue data can be used to define markets through spending behavior
Story #3: Defining Markets

- VisaVue cuts through the noise offered by BTS flight data
- Regardless if you flew to Montana or not, you will be driving
  - Oil/Gas spend is inevitable – regardless of the market
- Assumption: People who have rented a car, likely flew here
  - The reverse doesn’t have to be true
Story #3: Defining Markets

- Drive time inflection point
  - ~8 hour range from the mountainous portion of the State
  - SLC is ~7.5 hours out
- Quite a lot to see on the way
- Serve different content depending on market designation/behavior
- How much more can be done in this space?
Where we’re headed next...

- Leveraging our research capabilities
- VisaVue JV program
- Dashboards
Thank You!

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