

1) The powers that be used the words "Measuring the immeasurable" in our session name. I'd like to start by getting your thoughts on that. What exactly is this thing called ROI and is it measurable?

Return on Investment

I will address it from a media and advertising view since I am constantly asked to do this as a media buyer.

It is the results of your advertising investments.

What do you receive in return for every dollar invested in media whether that return is a tangible value such as sales or an intangible return such as awareness?

Yes it is measurable but at different levels for various advertisers.

The easiest being a hotel who can track reservations right back to almost any advertising investment they make, to the most difficult a DMO whose main focus is to create the desire to visit a destination.

There are influences, limitations and barriers that can greatly affect ROI measurement and you have to be innovative in the way you work around and account for these factors. I find by setting benchmarks and analyzing patterns you can ultimately identify cause and effects or ROI.

It is mostly a time investment. The more you dig the more you will be able to identify an ROI.

Most common factors I run up against:

a) Outside influences: Regardless of how diligent you are in executing your campaign and measuring results, the end results can be greatly influenced by uncontrollable factors like snow conditions for mountain destinations.

b) One of the biggest barriers for travel advertisers is that they use third party booking engines on their websites. Most third party booking engines do not allow ROI trackers through and call volume is continually declining.

c) trackable offer in their advertising. Therefore the return is difficult to quantify with a dollar value against spend.

d) The resources to track ROI are available, but the budget to buy them and the manpower to collect the data and analyze is extremely limited.

e) Fragmented data collections. Attempting to make all sources of data coincide.

2) What are the appropriate metrics for measuring ROI specifically for tourism marketing organizations?

I look for the number of responses to the advertising, identify the value of the response, and the cost associated to achieve that response and then figure out the ROI. I also look at how the advertising creates a change in these responses over time and geographically.

How to track the response.

If the response is a sale, you can track a sale back to an ad via a unique number, source of a website visitor, lead response, or conversion tracking software.

Types of Responses:

1) Travel Bookings or reservations and revenue generated from them.

- 2) Website visits and activity.
- 3) Phone calls
- 4) Publication leads
- 5) Response to promotions with a media vendor or directly with the travel advertiser.
- 6) Contest entries
- 7) Survey or awareness study responses.

3) For most marketers, their website is their biggest response piece. How can you utilize your website to track results? What good web analytic tools are out there and what can they measure? How can you use web analytic tools to track results including conversion?

There are multiple ways you can track results using web analytic tools. You can look at the following and measure against your marketing efforts:

- Website visits
- Unique Visits
- New Visits
- Source of the visit
- Geographic location of the visit.
- Content Views and exits.

You can gain a great deal of information by just looking at web visits. I break down web visits into 5 sources.

- Direct or bookmarked: (They typed in your site)
- Organic Search
- Paid Search
- Paid Internet Advertising
- Non Paid Internet sources

You will find most of your web traffic comes from people typing in your site, a version of you website or company name or if you are a DMO your destination. Traditional advertising and PR can be driving forces for this traffic.

You can cross reference some of this data such as if I run a campaign in the LA market, I can see if a specific media placement impacted web visits on a particular day and what activity those visits did on my website. I spent x dollars on this placement and I saw an increase in visits by x amount and x% made the desired conversion I was looking to achieve.

There are several web analytic tools out there that are very good and they are getting better and better every day. Each time I use one I find new ways of collecting useful information.

The most commonly used analytic tool is Google Analytics which is free for the basic service and very user friendly, however it doesn't always accurately track paid versus organic search and the data is not consistent.

There are some cool new things you can do like tracking referring sites geographically. And you can find out what search terms people are using from specific cities.

If we have clients that use it, we make sure we are using another internet tracking software with it.

In addition to website analytic tools there is what we call third party tracking software. You can place trackers on all types of media placement and track through to a confirmation page whether it is a booking confirmation page, request for information or a contest entry. You can do this for email marketing and online advertising. The tracking code will show you the revenue you receive from the placement you made.

Example I spent \$1,000 on the search term "Lake Tahoe Hotel" and made \$30,000 back in hotel bookings. I am also finding effective ways to track traditional media using web analytic tools.

If you have the dollar and time resources I would recommend one of the following companies: Webtrends, Omniture (Site Catalyst) or Coremetrics. These companies supply the third party tracking software and I think they are more accurate and reliable than Google Analytics.

One thing to mention, with web analytic reports you have to sometimes pull several reports and cross reference the results to capture the data you need.

4) How can we track traditional media in today's world? Are there tools and software programs and are they affordable? Are phone reports still a viable tool?

Answer to Phone reports:

Yes, I have some clients in the travel industry where phone reports are still viable. Although phone calls are decreasing as a percent of total response, you can still look at the percent of total phone calls a media placement delivers and determine if it is a primary response vehicle compared to other options. You can also look at the geographic origin of the phone call with a national or regional placement which may determine the geographic success of a media placement. There are also some very good sales programs that can provide some great information from phones calls. I see these used with b2b clients and real estate clients. At the very least I think there should be more than one general number used. I think there should be separate phone numbers used for your website, other website listings, and one for each type of medium.

Answer to tracking traditional media:

The easiest way is to use unique urls, promo codes, keywords or offers that go to landing pages to test the effectiveness of traditional media. If this is not a viable option then look at how web visits change by varying the media mix. For instance with broadcast, you can look at web visits from the specific market where you placed the media. You can set up a flow chart where you graph the grps against the web visits to see if there is a correlation. For newspaper, and direct mail, you can plot the insertion date against web traffic spikes.

With outdoor I have had success with tracking by using Mobile Marketing where you assign keywords to each location and then you know the response by the keyword. You can then measure this against the area code they are texting from to track results. I have had success with radio and mobile text messaging as well.

My challenge is tracking the results of long shelf life publications with broad circulations with web analytics. I think you have to rely on a unique phone number, tracking URL or offer. "Enter the promo code and receive"

Recently there have been discussions regarding marketing attribution funnels where you can attribute conversion credit to the different phases of exposure in marketing. There are studies that show radio and television greatly impact the conversion with paid search. Some big companies are tracking conversion back to the last three media exposures both online and offline and attributing only 30% of the conversion to the last click through to the site.

5) I'd like you to react to this statement: When developing a plan to measure marketing Program's ROI, the most important thing to do is to plan ahead.

Agreed. Often I see clients set goals that are not measureable or we can't obtain the results with the available tools.

I also see clients that set goals that are open ended.

I would say set measurable goals with a set achievement level and then make sure you identify feasible ways of measuring these goals.

Also make sure the metrics are meaningful and acceptable to the people you are reporting to.

For instance a goal may be "To increase visitation to my website from my primary visitor markets."

Instead I would say if I spend X% of my budget targeting potential visitors in San Francisco, my goal is to increase web visits from San Francisco by X% and request for information by x%. Then you can define the value of a visitor from San Francisco to determine an ROI. You come up with these percentages from past data on how media spend affects visitation from that market.