


# THE IMPORTANCE AND EVOLUTION OF THE DMO

**Prepared for:**

Visit Mississippi Gulf Coast Annual Meeting  
October 27, 2016



# DISCUSSION TOPICS

1. DMAI Overview
  2. Evolving Role of the DMO
  3. Chicago Case Study
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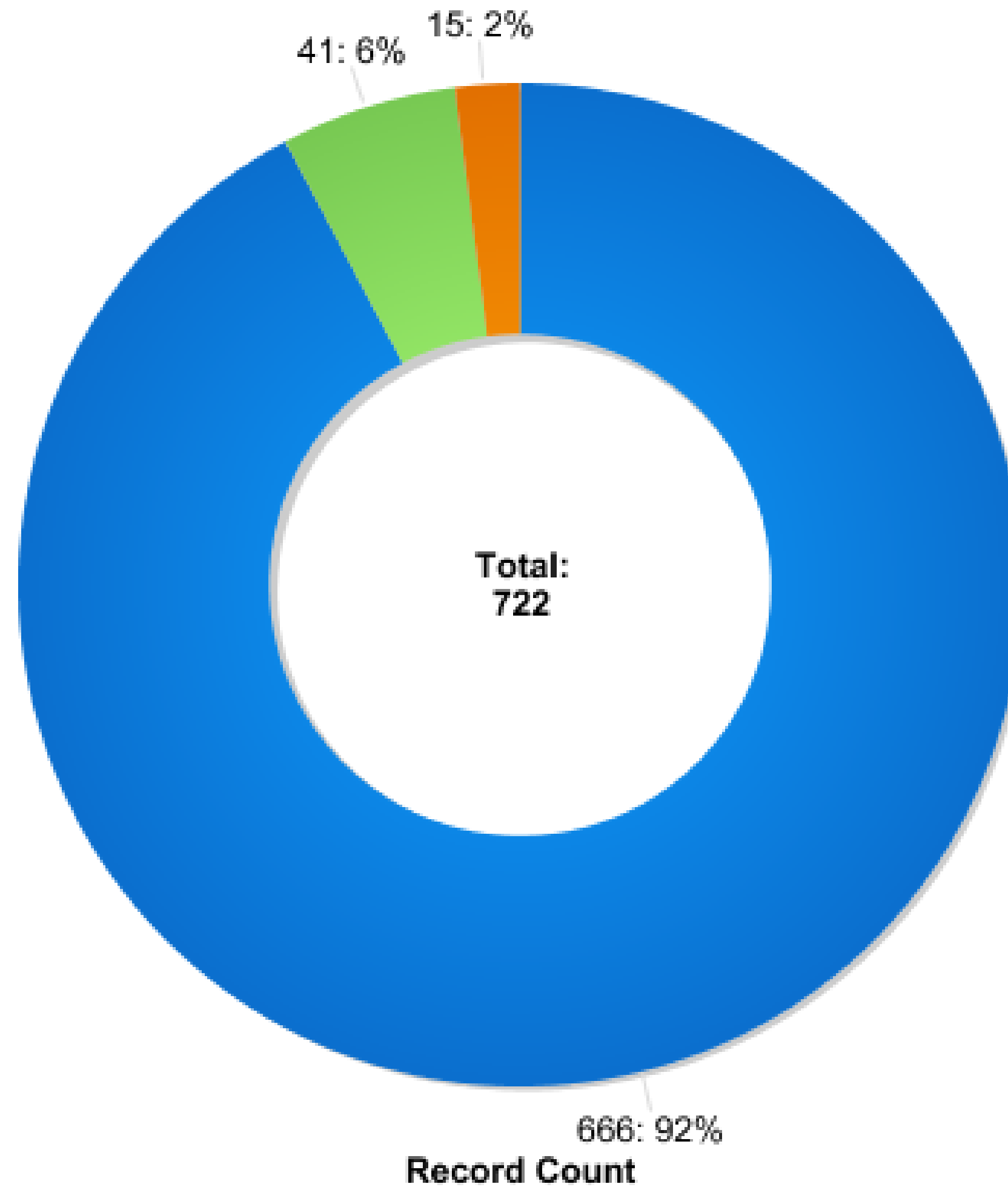


**Destination Marketing Association International** (DMAI) is dedicated to improving the effectiveness of more than 4,100 professionals from nearly 600 destinations in approximately 15 countries.

The **Destination & Travel Foundation** is a complementary organization to DMAI. The Foundation's mission is to enhance the destination marketing and travel professions through research, education and best practices.

# GLOBAL MEMBERSHIP

## DMAI Membership




- United States
- Non-North America International
- Non-U.S. North America

**MEET**

**LISTEN**

**DELIVER**

# OUR MEMBERS WANT...

- Easily accessible data and research – on many levels
  - Advocacy – funding, political challenges, strengthening DMO relevance
  - Education and thought leadership
  - Greater customer and peer interaction at events such as: Destination Showcase | Summits | Annual Gala
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# EDUCATION & CERTIFICATION

- 30 Under 30
  - Apprenticeship Program
  - Certified Destination Management Executive (CDME)
  - Credential Professional in Destination Management (PDM) Certificate
  - Sales Academy
  - Scholarships (Burlingame, Kirkland, Sain)
- 


# PRODUCTS & SERVICES

- **DestinationNext** - Provides DMOs with practical actions and strategies for sustainable success
  - **DMAP Accreditation** - Destination Marketing Accreditation Program (DMAP) globally recognized industry distinction that defines quality and performance standards in destination marketing and management
  - **empowerMINT** - Industry-wide, collaborative marketing initiative whose mission is to connect planners to DMOs
  - **Event Impact Calculator** - Official industry standard for measuring economic value of events and calculating its ROI to local taxes
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# 2016 SUMMIT SCHEDULE

September 11 – 13	<b>Visitor Services</b> , Colorado Springs ✓
October 4 – 7	<b>Membership</b> , Scottsdale ✓
October 24 – 28	<b>Finance &amp; Operations</b> , Kansas City ✓
November 10 - 11	<b>Sales Academy</b> , Dallas
November 10 - 14	<b>CDME</b> , Dallas
December 14	<b>Convention Sales</b> , Chicago



# 2017 CORE MEMBER EVENTS

- March 1                    **Spirit of Hospitality Celebration**, DAR Constitution Hall
- March 2                    **Destination Showcase**, Washington Marriott Wardman Park
- March 20 – 22           **CEO Summit**, The Westin Nashville
- July 12 – 14             **Annual Convention**, Montreal, Quebec
- 

**POLITICAL WILL & CIVIC  
SUPPORT IS CRITICAL**

# IMPORTANCE OF TOURISM

## A Driving Force for Economic Growth

### Ripple Effect

- Every penny spent by a tourist flows through multiple layers of the economy, hastening economic recovery

### Jobs

- The tourism industry creates jobs faster than any other industry
- Hires all levels of education both part-time and full-time
- These jobs cannot be outsourced

# REAL & TIMELY CHALLENGES

- Crisis  
*Disease, Terrorism, Natural Disaster*
  - Global Economy
  - Legislation / Politics  
*House Bill 2 (North Carolina), Global Airline Competition*
  - Stabilized Funding
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# The Evolving Role of the DMO




# UNRIVALED EXPERTISE

*DMOs are Essential to the Buying Process*

- DMAI is committed to aggressive positioning throughout all channels


# The Evolving Role of the DMO

- Every 3 years DMAI reviews industry trends and strategies with an eye on the future
  - Titled **DestinationNEXT**, our last review was in 2014 and our next will be in 2017
  - Through this we have identified **3 Transformational Opportunities** that DMOs should embrace to elevate their effectiveness
- 




# ADAPTING TO THE NEW MARKETPLACE

## **Transformational Opportunity #1**

- Move From Broadcast to Engagement
  - DMOs must make a shift toward interactive conversations with both leisure visitors and meeting planners rather than broadcasting information and offers
- 


# ADAPTING TO THE NEW MARKETPLACE

## **DMOS must use:**

- Technology & Mobile platforms
  - Social media
  - Personalized two-way conversations
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# BUILDING & PROTECTING THE DESTINATION BRAND

## **Transformational Opportunity #2**

- DMOs Must Become Destination Managers
  - DMOs must create and deliver a uniquely compelling brand that is apparent at each point of the visitor engagement and has the support of the destination's community
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# BUILDING & PROTECTING THE DESTINATION BRAND

## **DMOs must play:**

- Central role in advocacy for destination
  - Greater role as cultural champion of the destination
  - Key role in the development of products and engagement platforms
- 


# EVOLVING THE DMO BUSINESS MODEL

## **Transformational Opportunity #3**

- Exploring business-model alternatives to ensure the long-term support for the local tourism industry and the sustainability of the DMO

# EVOLVING THE DMO BUSINESS MODEL

## **DMOs must:**

- Become more involved in broader economic-development initiatives
  - Form more strategic alliances outside the traditional hospitality industry partners
  - Engage more closely with non-traditional stakeholders
- 



# COLLABORATION IS KEY TO SUCCESS



# CHICAGO: A CASE STUDY






# MAYOR EMANUEL'S VISION FOR TOURISM

*Create one entity, with one voice, that aligns with Mayor's economic development strategy*

## **Key components:**

- Reduce fragmentation, increase coordination of investments in tourism promotion, governance, marketing, and outreach
  - Pursue product development programs to enhance the aspects of the region that appeal to particular visitor segments
  - Improve the region's tourism and entertainment infrastructure
  - Increase investment in strategic marketing and promotions
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CHOOSE  
CHICAGO<sup>®</sup>

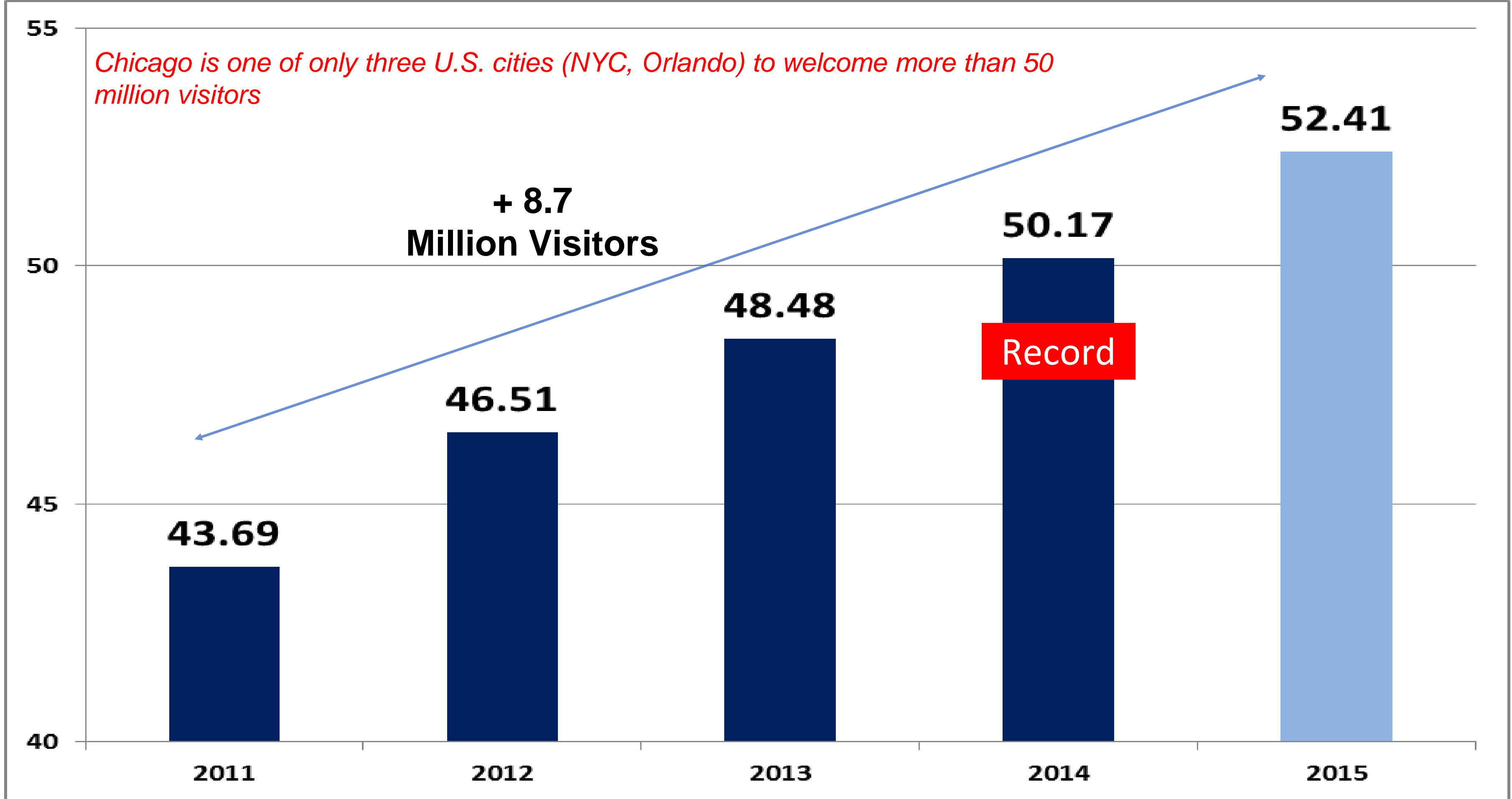
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# CHOOSE CHICAGO BUSINESS GOALS

- Increase annual visitation to 55 million visitors by 2020
  - Book 2.4 million hotel room nights and 55 new groups annually in collaboration with MPEA and labor partners (revised for 2015)
  - Elevate Chicago to among the leading U.S. cities for inbound overseas travel by 2020
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# CHICAGO – TOTAL VISITATION GROWTH

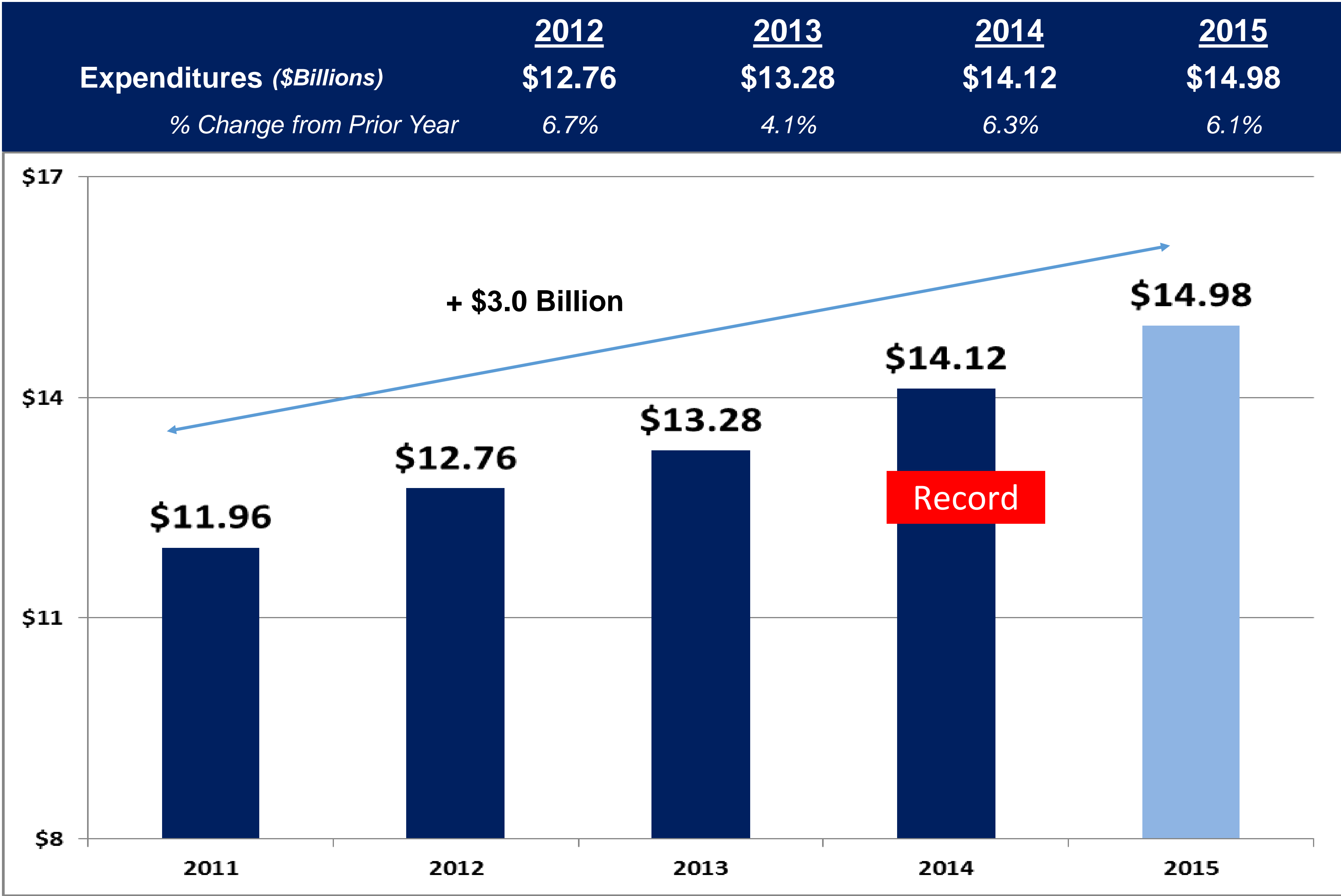
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Total Visitors (Millions)</b>	<b>46.51</b>	<b>48.48</b>	<b>50.17</b>	<b>52.41</b>
<i>% Change from Prior Year</i>	6.5%	4.2%	3.5%	4.5%



Source: D.K. Shifflet, NTTO/Choose Chicago

\*Domestic + Overseas + Mexico (excludes Canada)

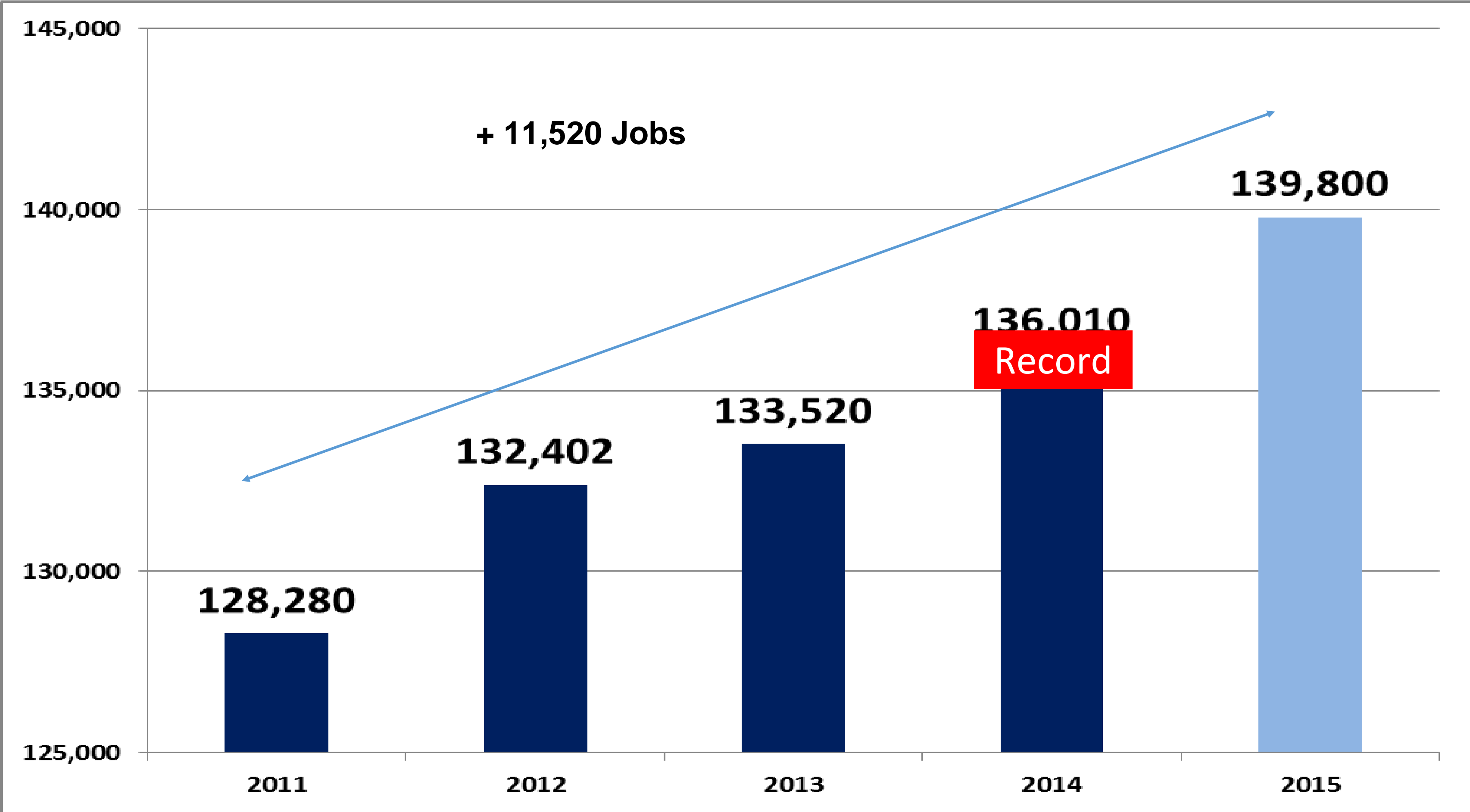
# CHICAGO – TOTAL DIRECT SPENDING



Source: U.S. Travel Association/Choose Chicago

# CHICAGO – TOTAL TOURISM-RELATED EMPLOYMENT

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Tourism Employment (000)</b>	<b>132.4</b>	<b>133.5</b>	<b>136.0</b>	<b>139.8</b>
<i>% Change from Prior Year</i>	<i>3.2%</i>	<i>0.8%</i>	<i>1.9%</i>	<i>2.8%</i>



Source: U.S. Travel Association/Choose Chicago



# McCORMICK PLACE – A KEY ECONOMIC DRIVER

*Capitalize on legislative reforms to remain competitive as a meetings/convention destination*

## Key Permanent Improvements:

Exhibitors' Bill of Rights

Expanded Straight-Time

Automobile Small Utility Vehicle

Crew Size Reductions

Electrical & Stagehands Labor Agreement

Electrical Service Provider Options

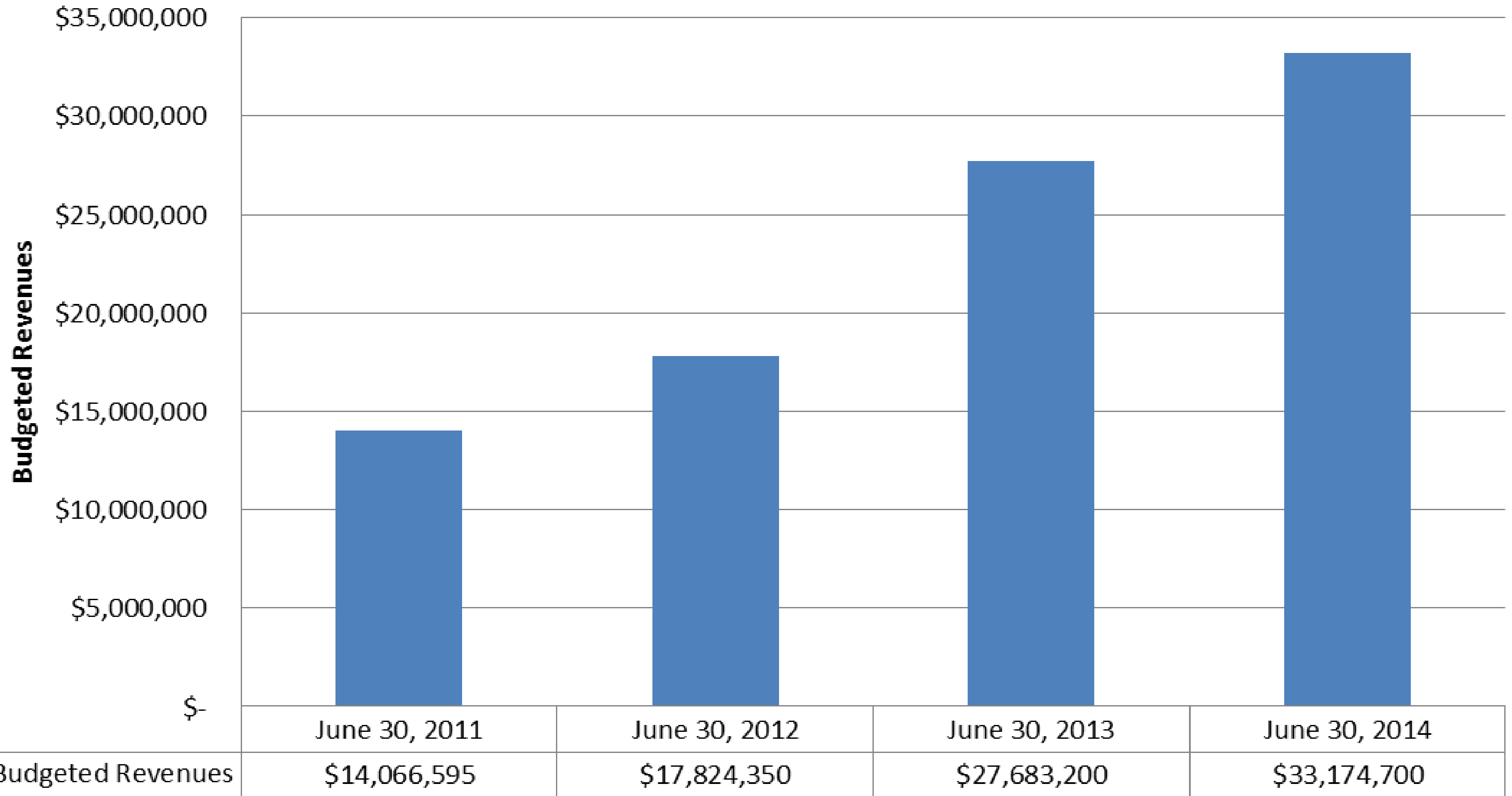
Food & Beverage at COST

Complimentary Wi-Fi



# CHICAGO – REVENUE GROWTH HISTORY

## Budgeted Revenues





# DEMAND GENERATORS CONTRIBUTE TO SUCCESS

*From Lollapalooza to NFL draft, high-profile events paying off for Chicago*

*— Chicago Tribune 7.25.15*



# LOLLAPALOOZA

*In Chicago since 2005*



**100,000** - Fans per Day

**\$143M** – Total Economic Impact (2015)





# 2015 JAMES BEARD FOUNDATION AWARDS

*First time in its 25-year history that the awards were held outside of New York City*

- Powerful celebration of Chicago's culinary scene
- Global exposure beginning May 2014
- Three days of official and ancillary events
- Significant media exposure



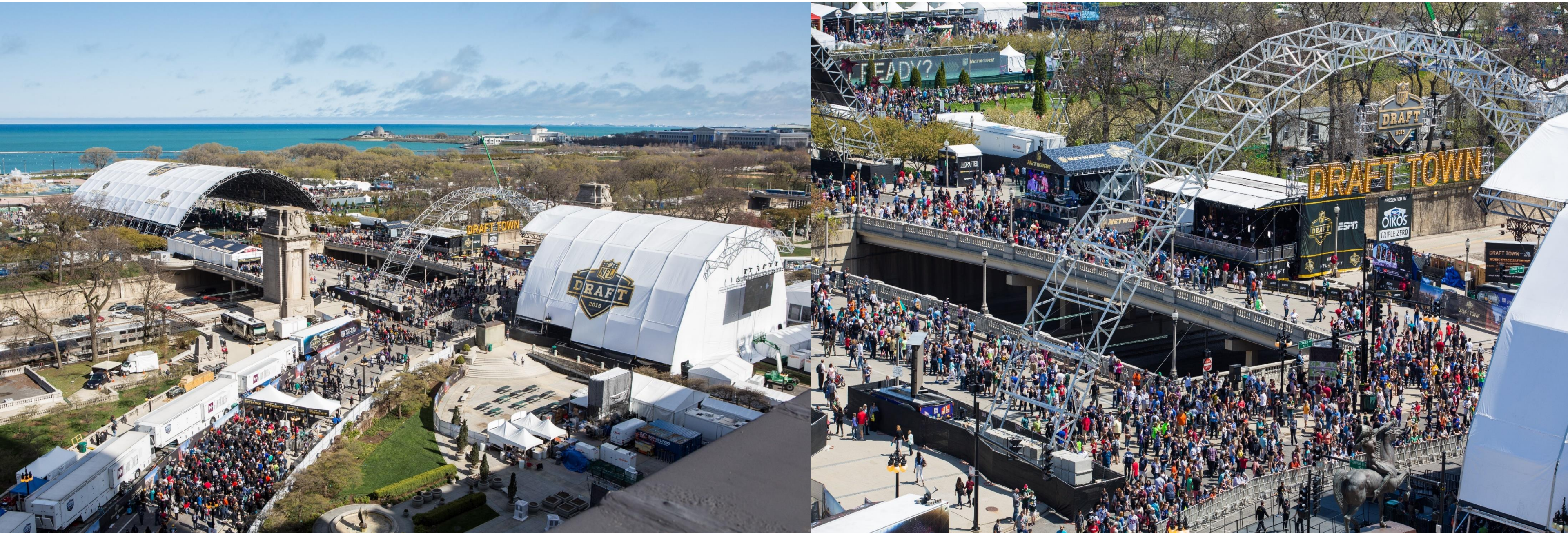
The James  
Beard Awards  
**25 Years**



# 2015 NFL DRAFT



*Delivered significant impact to Chicago's economy and was one of the most watched and talked about sports events of the year*



**225,000** – Visitors to Draft Town



# 2015 NFL DRAFT

**\$114.7M** total media value

**\$81.6M** – Total Economic Impact

**36,576** – Total Hotel Room Nights

**\$6.5M** – Total State and Local Taxes Generated

**\$456K** – City Hotel Tax Revenue Generated



# Rich Eisen on the Dan Patrick Show







LOUIS VUITTON AMERICA'S CUP WORLD SERIES



# FILM & TELEVISION

*Chicago is a well-established and recognized destination for film and television*

- Blues Brothers
- Ferris Bueller's Day Off
- My Best Friend's Wedding
- Transformers
- NBC's Chicago Fire, Chicago PD, Chicago Med and coming soon... Chicago Justice
- FOX's Empire



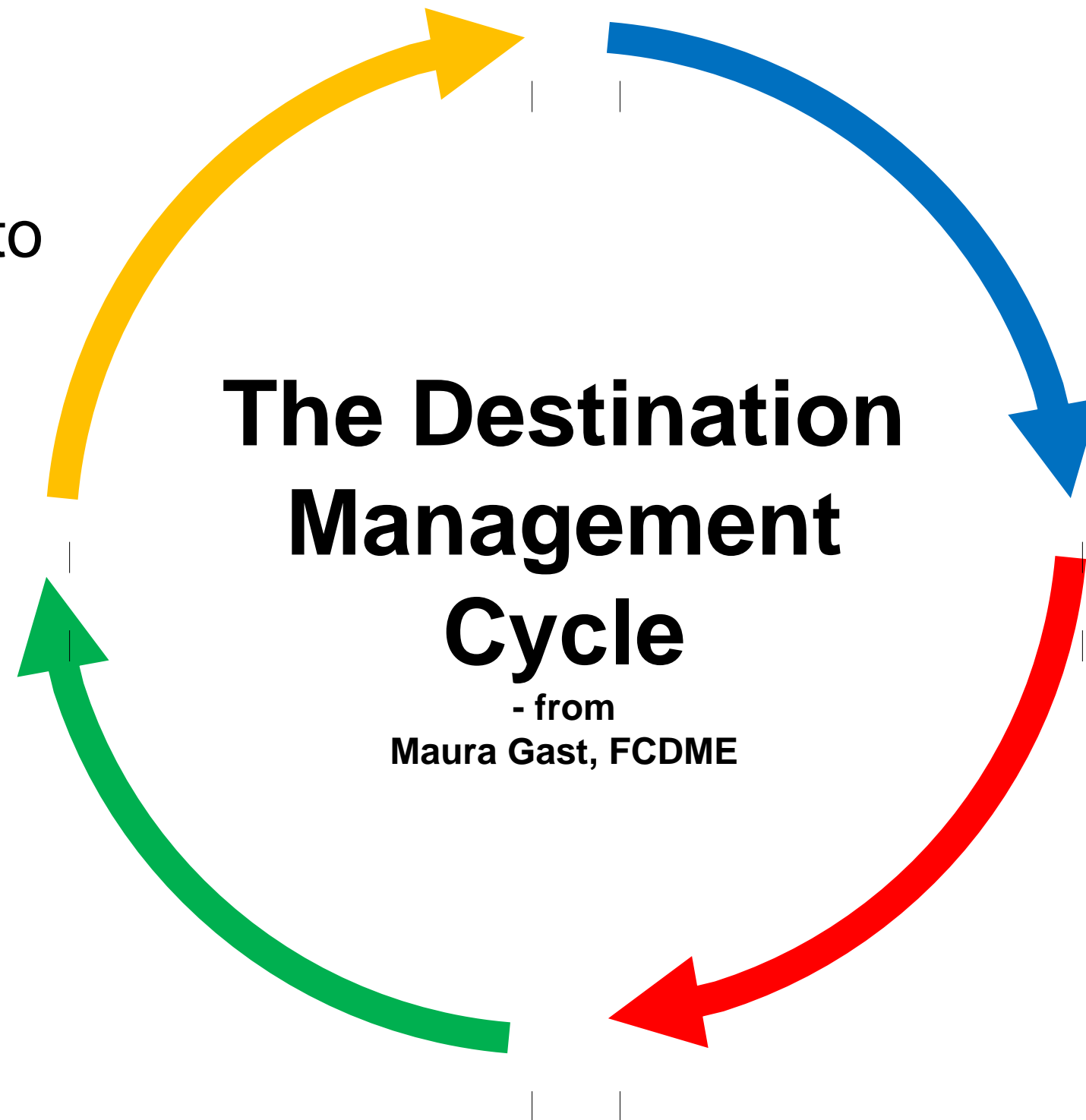




**ONE THING HASN'T CHANGED**

If you build a place people want to visit, you build a place where people want to live.

And if you build a place where business has to be, you'll build a place where people have to visit.



If you build a place where people want to live, you'll build a place where people want to work.

If you build a place where people want to work, you'll build a place where business needs to be.



**THANK YOU!**