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Communication and Marketing Practices of Minnesota Convention and Visitor Bureaus

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Introduction

This report examines the communication and marketing practices of convention and visitor bureaus (CVBs) in Minnesota. CVBs are private, nonprofit organizations that promote tourism in the community and provide services to the tourism industry. In Minnesota, 24 CVBs have been established for communities such as Minneapolis, Duluth, New Ulm, and Marshall.

CVBs are responsible for developing an image that will attract conventions, business meetings, and tourists to their geographic area. Thus, the CVB's role in communication and marketing can influence the success of a community's hospitality industry.

How do Minnesota CVBs fulfill their communication and marketing function? What techniques do they use and how do CVBs measure their effectiveness? To obtain answers to these and related questions, a survey of Minnesota CVBs was conducted in the spring of 1989, funded by the Tourism Center of the University of Minnesota. A description of study methods appears at the end of this report.

Budget and Orientation

The marketing methods that each CVB employs are determined by their budgets and chosen orientation towards attracting tourism or marketing for convention business. In Minnesota, CVBs can be classified into four categories based on their budgets and orientation: (1) tourism-oriented and budget greater than \$200,000, (2) tourism-oriented and budget equal to or less than \$200,000, (3) convention-oriented and budget greater than \$200,000, and (4) convention-oriented and budget equal to or less than \$200,000 (Table 1).

The total budget of the 19 CVBs taking part in the survey is \$6 million. Budget data were not available from five CVBs. The six metro area CVBs (Minneapolis, St. Paul,

Bloomington, North Metro, Burnsville, and Shakopee) account for \$3.8 million, or 63 percent, of the total CVB budgets. The 19 reporting CVBs employ 76 full-time professional employees and 65 part-time employees.

Communications Plans

Nine respondents have a formalized communications plan that includes market analysis, product and service reviews, strategies, and evaluations; these plans are in a report format. The CVBs that do not have a communications plan include two large metro CVBs, five small to medium size tourism-oriented CVBs, and one convention-oriented CVB. Of the CVBs with a communications plan, two review their

Table 1. CVBs by category (orientation and budget)

Tourism orientation*		Convention orientation*	
\$200,000+ budget	Less than \$200,000 budget	\$200,000+ budget	Less than \$200,000 budget
Duluth	Burnsville	Minneapolis	Mankato
Rochester	Brainerd	St. Paul	Marshall
North Metro	Shakopee	Bloomington	Owatonna
	Albert Lea	Fargo	
	Alexandria	St. Cloud	
	New Ulm		
	Northfield		
	Austin		

*50% or more of CVB's resources (time and money)

plan quarterly, three semiannually, and four annually. Ten CVBs frequently measure a marketing program's effectiveness and performance with original objectives, and six report that they do so sometimes.

Thirteen CVBs indicate that they would like additional types of communications in their program, such as video, slide show, computerizing the office, hotel feedback, telemarketing, imaging, advertising in periodicals, personal selling of meeting space to businesses, and WATS lines. Of these 13 CVBs, nine cite money as the factor keeping them from incorporating the idea into their program. Other factors include disapproval from CVB advisory board, lack of cooperation from hotels due to the competitive nature of the hotel business, shortage of staff, and personnel limitations.

Fourteen CVBs report that there is an audience they would like to communicate with more often or more effectively. Audiences mentioned include the local industry on the value of tourism business, tourists, business travelers, group tours, sports industry, a broader reach in general, people with disabilities, and people interested in history. Six of these 14 respondents state that money is preventing them from communicating with the audience along with limited time and staff and lack of experience in acquiring contacts.

Marketing Methods

Marketing methods include advertising, public relations, promotion, and personal selling. Examples of *advertising* are brochures, toll-free numbers, and magazine ads. *Public relations* techniques include news releases, open houses, and speeches. Examples of *promotions* are festivals and contests. *Personal selling* includes telemarketing, bid presentations, sales letters, and trade fairs.

These four marketing methods were ranked by the CVB executive directors on the characteristics of importance, expense, time, and effectiveness for both tourism and convention business. The ranking was on a scale of 1 to 4, with 1 = most and 4 = least. Within a response, the CVBs were grouped according to orientation (tourism or convention) and budget size.

Table 2. CVBs' opinions about tourism marketing methods

Characteristic	Most	Least
Importance	Advertising Personal selling [†]	Public relations Personal selling [‡]
Expense	Advertising Promotions	Public relations Personal selling
Time	Advertising [†] Promotions Personal selling [†]	Advertising [‡] Personal selling [‡]
Effectiveness	Promotions Advertising [†] Public relations [†]	Personal selling Advertising [†] Public relations [‡]

[†]Convention-oriented CVBs

[‡]Tourism-oriented CVBs

[‡]Convention-oriented CVBs, budget more than \$200,000

Table 2 outlines the ranking by 16 CVBs of *tourism* marketing methods. Twelve (75%) of these CVBs consider advertising to be the most important tourism marketing method and also the most expensive. Public relations is considered as the least important by 14 CVBs, with 12 CVBs spending the least amount of marketing dollars on public relations. More than half of the CVBs report that they spend the most amount of time on promotion and the least amount of time on selling.

Twelve CVBs responded to questions about marketing methods they applied to *convention* sales (Table 3). Advertising is

considered by 10 CVBs to be the least important marketing method for conventions. Ten CVBs also consider advertising to be the least effective marketing method for convention business. Advertising requires the least amount of time for all 12 of the CVBs responding. Eight of the 12 CVBs spend the most marketing dollars on promotions and the least on public relations. Personal selling ranked as the most important marketing method by 11 CVBs, the most effective (9 CVBs), and the most time-consuming (10 CVBs).

The data regarding ranking of marketing methods were analyzed to summarize the

Table 3. CVBs' opinions about convention marketing methods

Characteristic	Most	Least
Importance	Personal selling	Advertising Promotions
Expense	Promotions Advertising [†] Personal selling [†]	Public relations Advertising [‡] Personal selling [‡]
Time	Personal selling Public relations	Advertising Promotions [‡]
Effectiveness	Personal selling Promotions [†]	Advertising Promotions [‡]

[†]Budget less than \$200,000

[‡]Budget more than \$200,000

strongest rating (most and least) for each marketing method in the categories of importance, expense, time, and effectiveness, both for tourism-oriented and for convention-oriented CVBs. Table 4 shows the marketing methods that received the highest score for each characteristic.

For *tourism-oriented* CVBs, promotions received the highest scores in two positive categories: least time and most effective. Selling received the highest scores in two negative categories: most time and least effective.

For *convention-oriented* CVBs, selling received the highest scores in two positive categories: most important and most effective, and one negative category: most time. Advertising received the highest score in two negative categories: least important and least effective, and one positive category: least time.

Promotional Mix

Promotional mix is the use of the various marketing methods—advertising, public relations, promotions, and personal selling—to communicate to selected target markets. Sixteen CVBs responded to questions regarding promotional mix.

Advertising is used by 13 of the responding CVBs to attract family vacationers; advertising methods used include brochures, billboards, newspaper ads, and direct mail. Only one CVB uses advertising to reach businesses that are not CVB members.

Promotions—festivals, coupons, excursion packages, and contests—are also used by 11 CVBs to market to family vacationers. Nine CVBs use promotions to attract bus tour operators. Door prizes, merchandise, and shows are promotional techniques used for bus tour operators. One CVB provides packages to the Minnesota Office of Tourism as a promotional technique.

Eight CVBs use public relations to communicate to the chamber of commerce. Public relations techniques used include news releases, open houses, speeches, lunches, newsletters, and annual banquets. None of the CVBs uses public relations for the business traveler target market.

Table 4. Summary of CVBs' opinions about marketing methods

	Tourism orientation	Convention orientation
Positive Factors		
Most important	Advertising	Selling
Least expense	Public relations	Public relations
Least time	Promotions	Advertising
Most effective	Promotions	Selling
Negative Factors		
Least important	Public relations	Advertising
Most expense	Advertising	Promotions
Most time	Selling	Selling
Least effective	Selling	Advertising

Personal selling is used by nine CVBs for two target audiences: bus tour operators and travel agents. Trade fairs are the selling method used on bus tour operators, while trade fairs, phone calls, and letters are selling methods used for marketing to travel agents. Personal selling is used by four CVBs to market to the chamber of commerce. These selling techniques include face-to-face meetings, direct mail, letters, and phone calls.

Technology

Seventeen CVBs responded to questions about communications technology used in daily operations or as a marketing technique. Communications technology includes computers, fax machines, videotapes, VCRs, satellites, cable television, and phone systems. Twelve of the 17 CVBs have an IBM or IBM-compatible computer; one CVB uses another model. All 12 CVBs use the computer for word processing and mailing labels. Other uses are: desktop publishing (6), on-line data bases (6), and newsletters or bulletins to members (4). Four CVBs lease or own a fax machine.

Videotapes have been produced by 12 of the CVBs or by an individual business in the CVB's membership. Ten CVBs have a VCR located in their office. None of the CVBs has produced or received a program on satellite and only one has used cable television.

Four CVBs are using phone systems purchased before 1985, and, of these, three are

considering buying a new phone system. Features desired in a new phone system include more line capability, minimal servicing, centralized switchboard, more outside lines, intercom, and call alert.

Evaluation

Measurement tools that track effectiveness of CVB marketing efforts to the local community were analyzed. Seven CVBs use a formal feedback mechanism to collect comments from visitors and conventioners. Examples of data collection methods are hotel room questionnaires, post convention and group tour evaluations, personal follow-up phone calls, greeter programs, visitor surveys by the CVB and attractions in the area, and the use of hotel management college students to check convention service performance. Two additional practices were mentioned: "keeping an ear to the ground" to listen to visitors, service employees, and resident responses; and a program entitled the "Mystery Shopper." In the "Mystery Shopper" program, the CVB staff from another town visits a destination for a day and then rates the service levels for the hosting CVB.

Thirteen CVBs sometimes receive comments other than formal feedback from visitors and conventioners in the form of letters and phone calls, while four report that they receive comments frequently.

The CVBs were asked if visitor comments have influenced the development of programs and services by the CVB. The responses were evenly split with eight CVBs

responding yes and eight CVBs responding no. The CVBs responding yes listed the following areas where comments have influenced the CVB's programs: service itineraries, promotional literature, advertising campaigns, extended greeter programs, and the Canadian exchange rate offered by local businesses.

Another evaluation method is to count the number of visitors and conventioners visiting an area. Twelve Minnesota CVBs measure or estimate the number of people traveling to their area. Methods for counting tourism visitors include: comment box in visitor center, attraction counts, data from state government departments, lodging tax, airline counts, bus group counts, shopping center out-of-town licenses, inquiry tracking systems, and surveys. Methods for counting conventioners are hotel records, convention registration slips, and post-convention evaluations.

Summary

Minnesota CVBs employ advertising, public relations, promotions, and personal selling to establish and communicate a community's image and services to target markets. Examples of advertising used by Minnesota CVBs are brochures, print ads, and billboards. Public relations techniques used include news releases, open houses, speeches, lunches, newsletters, and annual banquets. Examples of promotions are festivals, special events, excursion packaging, coupons, and merchandise. Personal selling includes activities such as telemarketing, sales letters, and trade fairs.

For tourism marketing, promotions and advertising received the best rank from Minnesota CVBs, based on the characteristics of importance, expense, time, and effectiveness. Personal selling was ranked as the best method for convention marketing.

Some communication technologies, for example, word processing, videotapes, and updated phone systems, are presently used by CVBs to assist with the preparation of communication pieces or in the actual sending of a message, but the newest technologies, such as cable television or fax machines, are used infrequently.

Measurement of CVB activities is a challenge. The number of visitors and the economic impact of their visits are common measurement objectives, but are very difficult to track because of the variety of places from which a visitor will embark or at which he or she will spend money. CVBs must look beyond quantitative measurements to evaluate their impact and must focus on such qualitative measurements as service levels.

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Methodology

Following secondary research at the Minnesota Office of Tourism and the University of Minnesota, a questionnaire was developed to gather information on communication and marketing practices of Minnesota CVBs. The questionnaire covered four topics: general marketing, promotional mix for selected target markets, communications technology, and evaluation.

In March, 1989, the questionnaire was sent to all 24 CVBs in Minnesota. After follow-up phone calls and personal interviews, 19 questionnaires were completed, for a response rate of 79 percent.

The questionnaire data were used to classify the CVBs into four categories based on their budgets and chosen orientation (i.e., tourism or convention). These classifications were used to analyze whether like CVBs market in similar ways.

Additional details, original data, and a full report of the study are available from the Tourism Center.

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