

WHAT'S TRENDING IN STS PARTNER MARKETING: DATA & INSIGHTS



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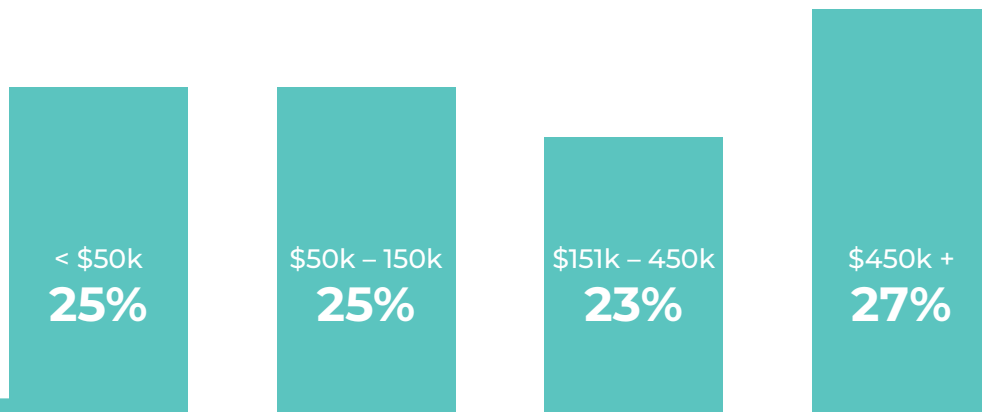
INTRODUCTION

We polled DMO marketers across the southeastern United States to get their take on how the 2019 marketing season is shaping up. Thanks to those of you who took the time to share your insights – including your 2019 budgets, core digital tactics and the new ones you are going to try out. What follows is a summary of the state of the industry – what people are spending, and where they’re planning to spend it.



We asked DMO’s to share their media budgets with us – not including fixed costs and salaries. We had a near even representation of respondents across the range of budgets from smaller DMO’s to larger metro-areas.

Marketing Budget

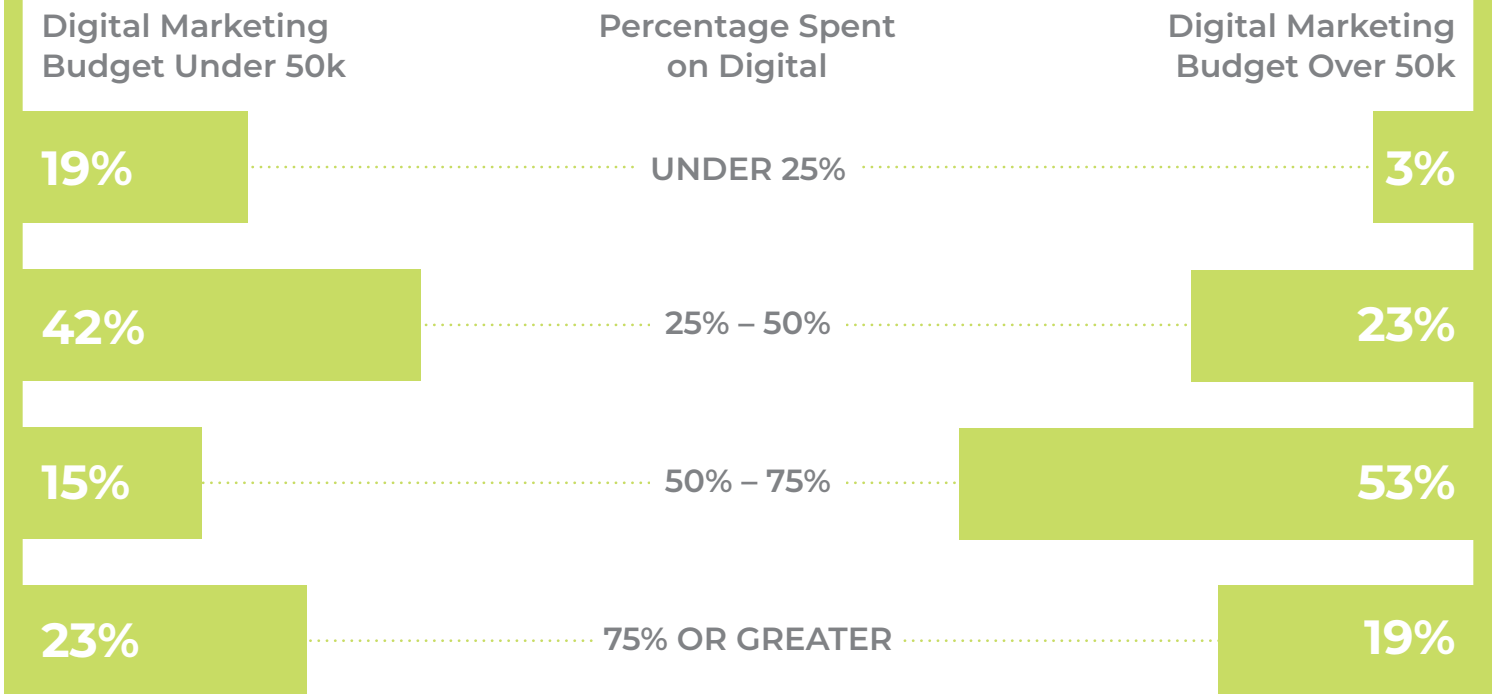


**Digital and traditional media budget dollars only; excluding operations and fixed costs*

DIGITAL VERSUS TRADITIONAL: WHAT'S THE RIGHT MIX?

What we found is for DMO's with budgets under \$150K, nearly two-thirds of them will spend less than half of their budget on digital media. The rest of their budget is reserved for a mix of traditional tactics including newspapers, magazines and direct mail. But, for DMO's with larger budgets, nearly three-quarters are committing the bulk of their budget to digital.

With budgets getting tighter and tighter every year, stakeholders are demanding that marketers demonstrate return on investment – and that's hard to do with broadcast and billboards. Add to that the challenge of even finding a fragmented audience across the hundreds of channels and myriad of radio stations and digital further rises to the top as a indisputably smart way to spend limited marketing dollars. Ultimately, digital tactics allow us to better target and measure the effectiveness of our marketing dollars.



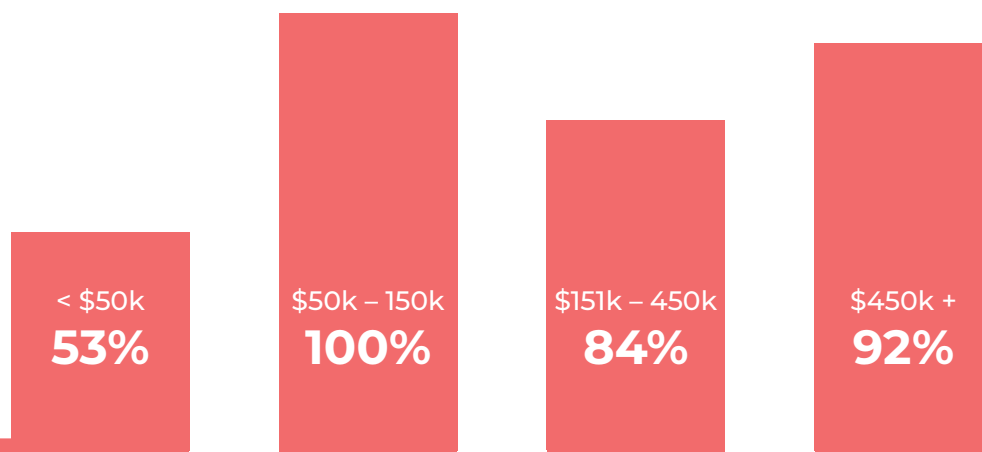
BREAKING DOWN THE DIGITAL SPEND

A digital advertising buy is only as good as the tactics that make it up. The great news about digital is there are many trackable ways to spread your dollars. We dove deeper with survey respondents to find out which tactics they're really betting on and which are less important to your digital marketing plan.

DIGITAL DISPLAY

For DMO's with budgets over \$50K, 80% are still banking on digital display ads to drive traffic and increase awareness. But, for budgets under \$50K, only 54% are using Digital Ads. Nationally, display advertising revenue is expected to show an annual growth rate (CAGR 2018-2023) of 9.2%, resulting in a market volume of \$83 billion by 2023.¹ Display advertising is ideal for branding and awareness and is important as a part of a well-rounded digital campaign. When's the last time you strategized about the percentage of your digital display spend?

Respondents Using Digital Display Broken Down by Marketing Budget

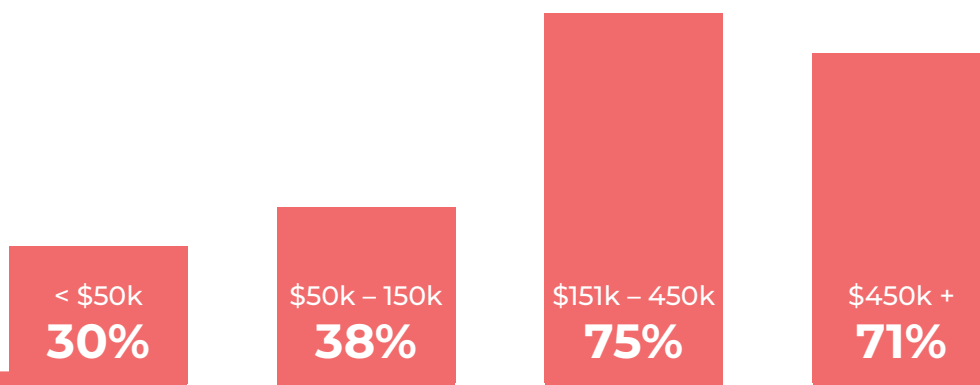


SEARCH (PAY-PER-CLICK)

From the responses, it seems search is less important than display advertising to some of those with smaller budgets. Only 30% of those with budgets under \$50K and 38% of DMO's with budgets under \$150K kept search in the marketing mix. With some DMO's focused more on branding and awareness than conversion, it makes sense to see less utilization by smaller DMO's. With limited dollars, you can't afford to invest in every tactic. Keep reading to see what other digital channel is getting the dollars that were previously dedicated to search – even amongst smaller DMOs.



Respondents Using Search/Pay Per Click
Broken Down by Marketing Budget



SOCIAL MEDIA – A REPLACEMENT FOR SEARCH?

While social media marketing may not completely take the place of search in a conversion strategy, more consumers are starting their vacation purchasing journey on a social platform before heading to the search engines. And, for smaller budgets social media might be more accessible for DMO's than search or pay-per-click. Facebook is the must-have channel for marketing budgets of all levels with 100% adoption by all respondents. But beyond Facebook, DMO's are not embracing the full spectrum of social channels.



Facebook

Marketing Media Budget

Instagram

100%

< \$50k

18%

100%

\$50k – \$150k

16%

100%

\$151k – \$450k

20%

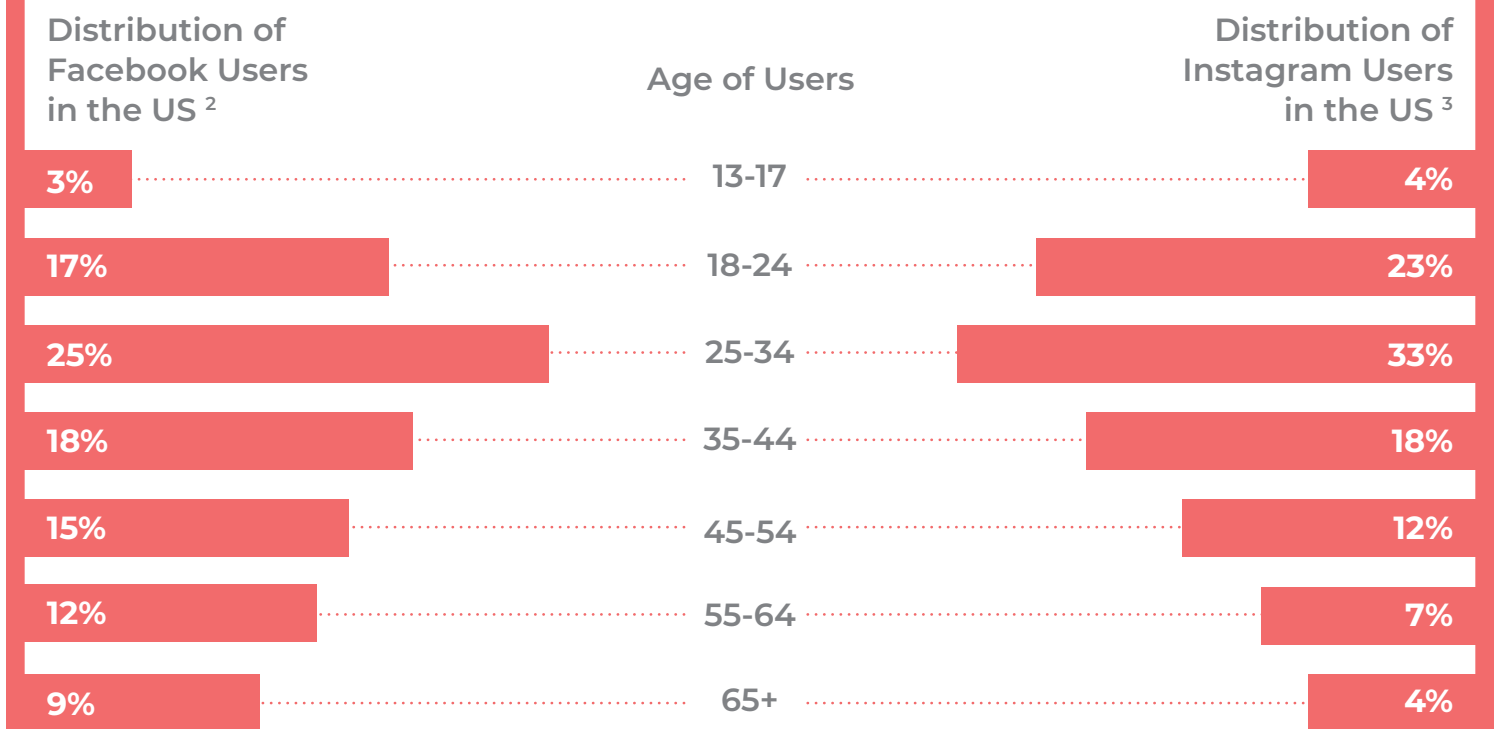
100%

\$450k +

20%

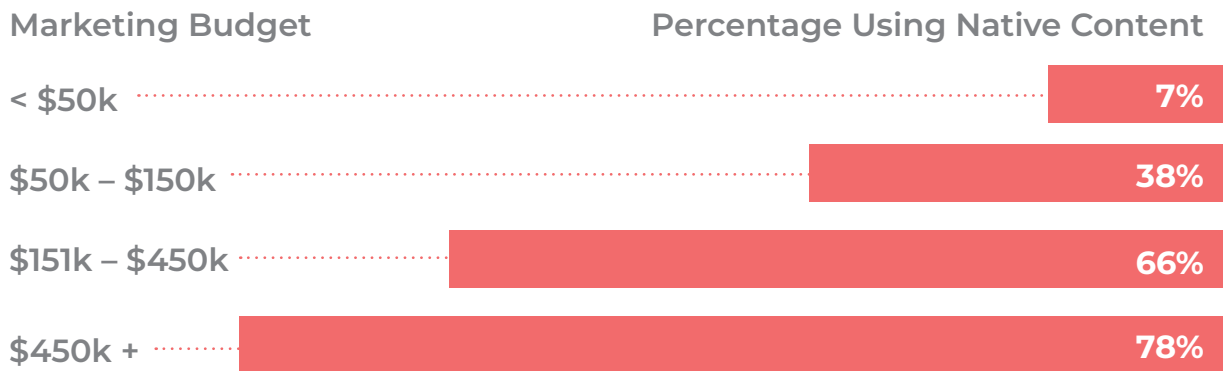
While Facebook drives near-instant response and engagement, it has a limited reach for DMO's seeking to reach younger populations – namely, those 18-34.

For destinations that want to reach the under-35 audience, Instagram is a must. Instagram also lends itself to travelers in the dreaming stage of vacation planning and lets you showcase the beauty and culture of your area. When it comes to social media, it's not a question of Facebook versus Instagram, but when to use each one accordingly. It's important to understand what type of content works on each channel and who is consuming the content in that space. Social media analytics can help you snapshot your current social audience. Looking to grow your reach? Your social media strategy doesn't have to cost you a fortune. But your social strategy is only as good as the content you're sharing. Look at the difference between Instagram and Facebook audience ages.



NATIVE ADVERTISING OR CONTENT MARKETING

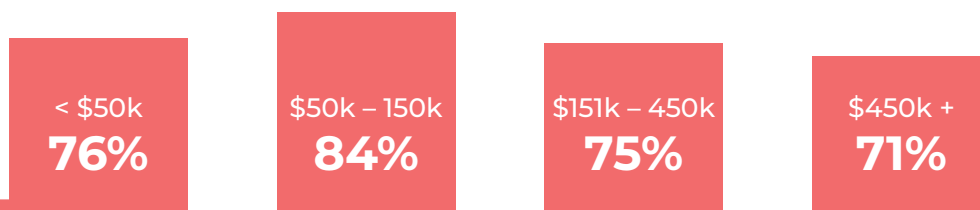
Enter Native Advertising. Also known as content marketing. An effective native advertising strategy requires one key thing – content. Copious amounts of content creation can quickly eat up a significant portion of both your time, if you're writing it yourself, and budget, if you're outsourcing your content. Our survey shows DMO's with smaller budgets are much less likely to invest in this tactic. Larger DMOs however, know content marketing is a must-have engagement tactic for their strategy. If your budget won't allow having someone create it for you, consider your strategic plan for the year and see how you can utilize staff, board members, community members or freelancers to build out your bank of content, and your distribution strategy along with it.



EMAIL MARKETING

7 out of 10 DMO's regardless of budget are using email marketing. Someone's inbox is the easiest and cheapest way to communicate with them – whether past customers or hot prospects. But, you'll see that most are leaving some of email's effectiveness on the table by failing to adopt personalized message strategies to targeted segments.

Marketing Budget / Percentage of Email Adoptions



KEEPING IT FRESH: WHAT'S NEW FOR 2019

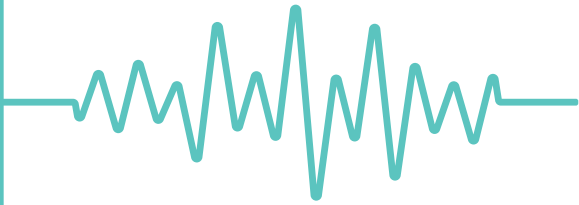
Digitally, most DMO's are relying on display, search, social and email as the cornerstones of their digital strategy, but there are several tactics that we saw trending towards adoption. Some of these are newer to the scene, like voice and visual search, but others like personalization, lat-long targeting and native content advertising have been around for years but are utilized less by DMO's than other industries. 2019 is the perfect time to test the waters with new tactics so you don't find yourself scrambling to catch up later.

PERSONALIZATION

Only 8% of respondents said they are currently implementing a personalization strategy in their marketing, but nearly a quarter said they want to implement personalization in 2019. How do you do it? At its core, personalization is taking any data you have on customers and combining it with whatever business assets you're promoting to create a message for a hyper-specific segment. For example, not simply targeting women with children aged 7-10, but targeting working women with school-aged children in a major metro area with an interest in wine and beach vacations.

For your marketing to connect to prospects, you need to establish a deeper connection with your audience. If you know their specific interests (wine), then you can combine standard rental offers with experiential offerings like food and wine festivals, new restaurant openings, or a complimentary bottle of bubbly at check-in. Personalization should transform your marketing approach across all tactics – from display to email, content marketing to social strategies. What have you got to lose? Personalized messages to targeted segments of your prospect base get a better response, higher engagement and higher conversion rates.





VOICE SEARCH

Only 4% of DMO's have a voice search strategy in place. But 1 in 4 want to test the strategy in 2019. No longer your average PPC, search has exploded beyond the written word or phrase and is morphing into both visual and voice search. We know that customers expect you to be where they're searching – and with the advent of voice and visual search – it's time to ask yourself if you're staying relevant in these “new” search spaces.

Understanding the nuances of voice search and implementing them into your marketing strategy will pay dividends in the long-run. How many times have you gotten in the car and asked Alexa to answer a question, only to find you don't have an Alexa device in the car? Some things to consider:

- ComScore estimates that close to 50% of all searches will be made through voice in 2020.
- Almost 1/3 of the 3.5 billion searches performed on Google every day are voice searches.⁴
- Almost 38% of people in the U.S. are expected to own a voice-search capable device by the end of 2018.⁵
- A 2016 Stanford University study showed voice search was up to three times faster than human typing.⁶

The easiest way to get started with voice search? Like Google searches, it comes down to SEO. The good news for those of you with robust content marketing strategies, is that the longer and more thorough your content is, the more likely you are to rank higher in search results – both text and voice. Spend the time now investing in your content and build a sustainable strategy for keeping it going and you'll reap the benefits in the long-run.



VISUAL SEARCH

Only 6% of DMO's have implemented visual search. And 1 in 4 surveyed want to implement and test a visual search strategy in 2019.

Visual search allows for instant gratification where voice search may not. Whether you want to identify a species of flower or a historic monument, confirmation of the photographed item is instant. Imagine being able to do a visual search for a beach with a red and white lighthouse on the Sound, or the mountain-top escape of your dreams?

Gartner predicts that brands that are early adopters of both voice and visual search stand to increase their digital commerce revenue by 30%.⁷ Can you afford not to be an early adopter?

Number of visual searches performed using Pinterest Lens by users worldwide in February 2017 and February 2018 (in millions of searches)



250 million

2017

600 million

2018

WHAT THIS SURVEY MEANS TO YOU

The good news is that our survey results show a good cross section of the travel and tourism audience in the southeast. Regardless of your budget, a multi-tactical approach is a must. And as you look to innovate, there are highly-adoptable strategies in the marketing mix right now. The appropriate entry point for some of these strategies can be daunting, but it doesn't have to be.

Our team can help. We'll sit down and review your strategy with you and offer realistic, budget-appropriate solutions to enhance your current plan or find a path to adoption on newer tactics. Our team of experts are different. We're poised to be your partner in marketing. We live in and care about your community. We know what makes you special and how to share that story in a way that resonates with potential travelers. Our team is dedicated to the travel and tourism space. It's all we do. And we love it.

Ready to dig in? Let's talk.

ABOUT ADVANCE TRAVEL AND TOURISM

We offer an integrated mix of marketing solutions:

- Digital Display
- Video & Rich Media
- Content Marketing
- Search engine marketing
- Social Advertising
- Email Marketing

Learn more about our destination marketing solutions by contacting your marketing solutions specialist at advertise@advancetravelandtourism.com. Advance Travel & Tourism is a destination marketing team within Advance Local, one of the leading media and marketing companies in the United States. From local to regional, national or international, we reach travelers everywhere. Let us connect you with 645 million engaged travelers. ■

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ENDNOTES

1. <https://www.statista.com/outlook/217/100/banner-advertising/worldwide>
2. Digital in 2018: North America, We Are Social, page 115
3. NapoleonCat, February 2019 Survey
4. <https://www.theedesign.com/blog/2017/voice-search-impacts-digital-marketing>
5. <https://www.statista.com/statistics/800837/worldwide-digital-voice-assistant-ownership-rate-selected-countries/>
6. <https://news.stanford.edu/2016/08/24/stanford-study-speech-recognition-faster-texting/>
7. <https://www.gartner.com/smarterwithgartner/gartner-top-strategic-predictions-for-2018-and-beyond/>