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
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

- Total: 722
- 666: 92%
- 41: 6%
- 15: 2%

Record Count

United States
Non-North America International
Non-U.S. North America
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
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
<table>
<thead>
<tr>
<th>Event Date</th>
<th>Event Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 11 – 13</td>
<td>Visitor Services</td>
<td>Colorado Springs</td>
</tr>
<tr>
<td>October 4 – 7</td>
<td>Membership</td>
<td>Scottsdale</td>
</tr>
<tr>
<td>October 24 – 28</td>
<td>Finance &amp; Operations</td>
<td>Kansas City</td>
</tr>
<tr>
<td>November 10 - 11</td>
<td>Sales Academy</td>
<td>Dallas</td>
</tr>
<tr>
<td>November 10 - 14</td>
<td>CDME</td>
<td>Dallas</td>
</tr>
<tr>
<td>December 14</td>
<td>Convention Sales</td>
<td>Chicago</td>
</tr>
</tbody>
</table>
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
The Evolving Role of the DMO
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
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
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
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
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
### CHICAGO – TOTAL VISITATION GROWTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Visitors (Millions)</th>
<th>% Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>46.51</td>
<td>6.5%</td>
</tr>
<tr>
<td>2013</td>
<td>48.48</td>
<td>4.2%</td>
</tr>
<tr>
<td>2014</td>
<td>50.17</td>
<td>3.5%</td>
</tr>
<tr>
<td>2015</td>
<td>52.41</td>
<td>4.5%</td>
</tr>
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</table>

Chicago is one of only three U.S. cities (NYC, Orlando) to welcome more than 50 million visitors.

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

*Domestic + Overseas + Mexico (excludes Canada)
**CHICAGO – TOTAL DIRECT SPENDING**

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures ($Billions)</th>
<th>% Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$12.76</td>
<td>6.7%</td>
</tr>
<tr>
<td>2013</td>
<td>$13.28</td>
<td>4.1%</td>
</tr>
<tr>
<td>2014</td>
<td>$14.12</td>
<td>6.3%</td>
</tr>
<tr>
<td>2015</td>
<td>$14.98</td>
<td>6.1%</td>
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</tbody>
</table>

+$3.0 Billion

Source: U.S. Travel Association/Choose Chicago
## CHICAGO – TOTAL TOURISM-RELATED EMPLOYMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourism Employment (000)</th>
<th>% Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>132.4</td>
<td>3.2%</td>
</tr>
<tr>
<td>2013</td>
<td>133.5</td>
<td>0.8%</td>
</tr>
<tr>
<td>2014</td>
<td>136.0</td>
<td>1.9%</td>
</tr>
<tr>
<td>2015</td>
<td>139.8</td>
<td>2.8%</td>
</tr>
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</table>

+ 11,520 Jobs

Source: U.S. Travel Association/Choose Chicago
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Budgeted Revenues</th>
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</thead>
<tbody>
<tr>
<td>June 30, 2011</td>
<td>$14,066,595</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>$17,824,350</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>$27,683,200</td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>$33,174,700</td>
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</table>
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)
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
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.

The Destination Management Cycle
- from Maura Gast, FCDME

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!