

CASE STUDY

Why Scottsdale?

Shared data allows town tourism board to determine how people visit **By Richard H. Levey**

Want a limited picture of the Scottsdale, AZ tourism market? Examine the customer data from a single hotel or resort.

Want a more rounded view? Combine input from several properties, overlay consumer information from a data compiler and then crunch the numbers. In 2006, the Scottsdale Convention and Visitors Bureau (CVB) did just that, convincing 14 lodging industry members to share their transaction records.

From that, the CVB figured out how to better use its annual \$2 million marketing budget.

The stakes are huge. Scottsdale draws 7.5 million vacationers a year, and that they spend more than \$3 billion in the area.

Not all of this is directly attributable to the CVB. But the analysis has helped the organization incorporate geographic, channel and seasonal considerations into its outreach, according to Lauren Simons, the CVB's vice president of marketing.

For example, the bureau was able to determine that consumers from the primary "feeder" cities visit at different times and for varying reasons, and it has altered its marketing mix accordingly.

Chicago and San Francisco are more likely to send visitors during baseball's spring training season, when their teams warm up in

Scottsdale. Los Angeles yields tourists during major golf tournaments. And travelers from New York tend to stay longer and spend more than those from other Northeastern states.

Demographic analysis has led to changes in the marketing mix as well.

Predictably, the CVB found that consumers in the 70-plus age range constitute the single most lucrative age cluster. The real shocker was the second most valuable group: travelers between the ages of 18 and 24.

The result?

"Scottsdale has undergone a product change," says Simons. "We're emphasizing nightlife and a young, hip, trendy scene. This isn't something you would have seen 10 to 15 years ago."

As part of this, the CVB has increased its focus on online booking sites like Igo-Yougo.com and Tripadvisor.com. "These are travel sites that younger people use to get their trip information," Simons notes.

And analysis has revealed another valuable segment: Travelers who have made multiple visits to Scottsdale but stay in a different place each time. Prior to this finding, a regular visitor might be mistaken for a one-time dabbler and ignored by the individual properties.

The heavy analytical lifting is done by Ruf Strategic Solutions, an Olathe, KS database marketing firm. More than 80% of Scottsdale's visitors fall into 20 discrete groupings identified in Ruf's Smart Targets clustering system.

How does the CVB find look-alike prospects?

Ruf cross-indexes those clusters with data from the Simmons National Consumer Study, offering insights about the periodicals, broadcast media and online tools potential travelers favor.

Having the analysis done off-site helps in another important way: Participants are less reluctant to contribute their data.

Those that do share receive a tailored report from Ruf profiling their customer base. And they get quarterly reports based on aggregated data about the Scottsdale tourism industry. Even without personally identifiable information, this is a step up from the level of data usually available to hospitality providers.

"Knowing who's visiting is the classic problem all destinations have," says Jake Ruf II, a vice president and partner at Ruf. "Most convention and visitors bureaus don't have gates and sell tickets to whoever comes in. Our job is to help them mea-

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—Lauren Simons

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sure ROI and understand who is visiting.”

Matt Hussey, Ruf's director of strategic account development, adds that there was “a disconnect between promotions and measurable transactions, which impeded [the CVB's] ability to measure ROI.”

Not all of the CVB's marketing decisions are data driven—for example, the bureau stepped up its advertising in Denver when Southwest Airlines and US Airways announced additional flights between that city and Phoenix. But most are.

The CVB maintains a list of prospects who have either filled out a form online at www.scottsdalecvb.com or dialed in to the organization's in-house call center. It compares this with the visitor information provided by members, and with Ruf's help profiles prospects based on the likelihood that they'll take a trip.

Scottsdale woos prospects with 1 Special-interest booklets for golfers and other enthusiasts; 2 Cultural guides; 3 Experience Scottsdale, a glossy general book about the city.

This is sometimes done on an opportunistic basis. For example, this year's BCS National Championship football game was played in neighboring Glendale, AZ between teams from Ohio and Florida. The CVB pulled together a file of sports enthusiasts from those two states who had made several visits to Glendale, then launched an e-mail effort to them. While transaction data won't be available for a few more months, anecdotal evidence suggests that occupancy rates rose as a result of this campaign.

And analysis has yielded one more benefit: The CVB has cut printing and mailing expenses by focusing higher-cost collateral material on likelier prospects. Scottsdale's popularity has grown in recent years, and so have requests for information. In 2002 the company's Web site generated 50,000

requests for information. This year, Simons anticipates online requests will top out at 80,000.

Likely prospects receive paper copies of “Experience Scottsdale,” the CVB's glossy overview of the city. But based on volunteered information, some also get one or more Discovery Guides—smaller booklets that focus on a specific attraction like golf courses, spas or the Sonoran Desert. D

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