

# cooperative marketing for destinations



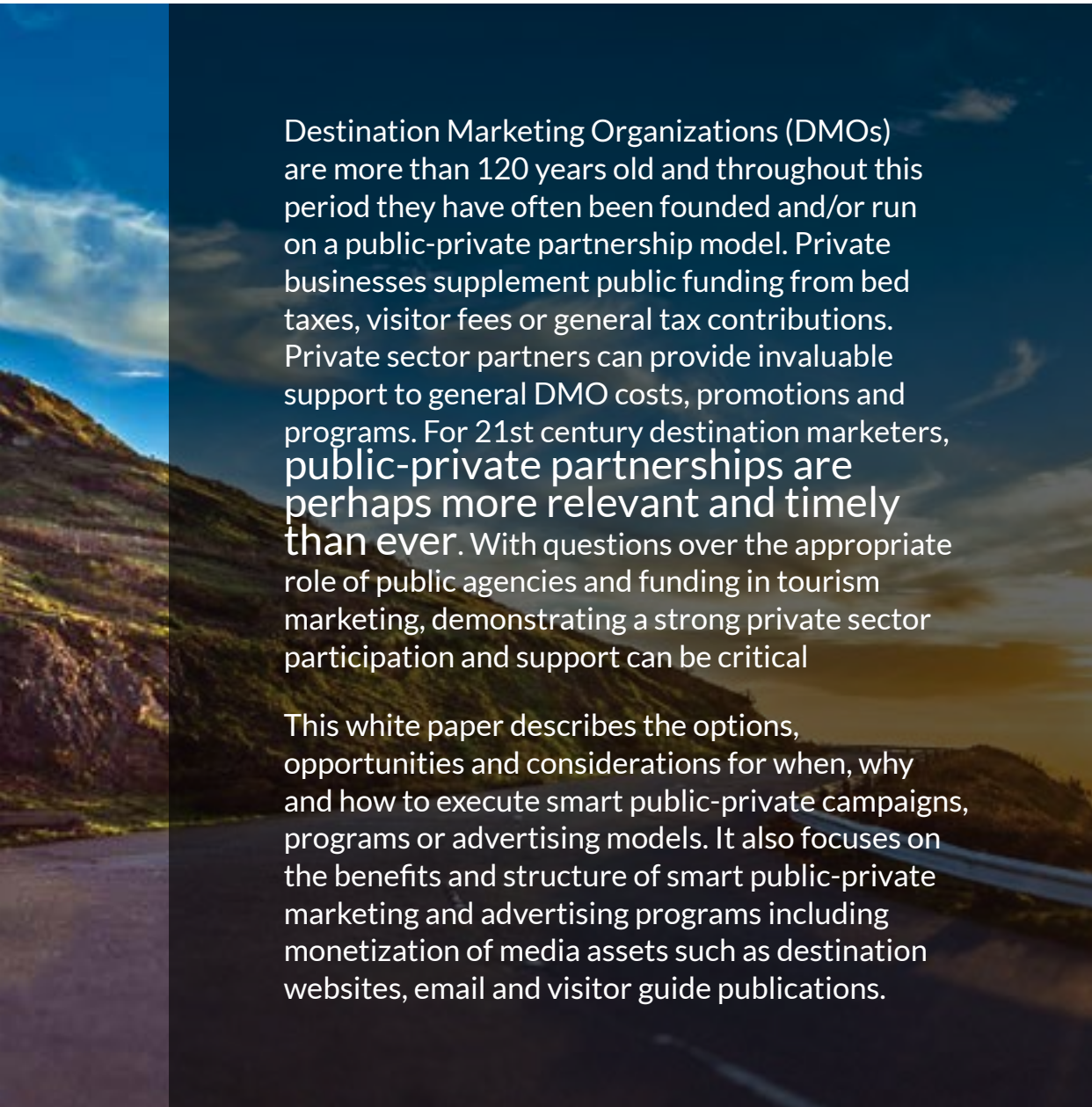
Industry Participation & Cooperative Marketing Programs for Destination Marketing Organizations

## Includes

- An Overview of DMO Funding
- 4 Key Benefits of Developing an Industry Participation Model
- 4 Common Industry Participation Models

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Destination Marketing Organizations (DMOs) are more than 120 years old and throughout this period they have often been founded and/or run on a public-private partnership model. Private businesses supplement public funding from bed taxes, visitor fees or general tax contributions. Private sector partners can provide invaluable support to general DMO costs, promotions and programs. For 21st century destination marketers, **public-private partnerships are perhaps more relevant and timely than ever.** With questions over the appropriate role of public agencies and funding in tourism marketing, demonstrating a strong private sector participation and support can be critical

This white paper describes the options, opportunities and considerations for when, why and how to execute smart public-private campaigns, programs or advertising models. It also focuses on the benefits and structure of smart public-private marketing and advertising programs including monetization of media assets such as destination websites, email and visitor guide publications.





## DMO Funding and the Benefits of Industry Participation

Substantive funding for a DMO from bed taxes, visitor fees, general tax or rating revenue is almost always critical to long-term success.

Such funding is needed to support the overhead costs and umbrella marketing of the destination – including branding, aspirational advertising and promotion as well as core visitor services (e.g.: Visitors Center). These activities are critical to reaching, engaging and servicing visitors, but offer less obvious, dispersed benefits that are difficult to fund from industry contributions alone.

» For more on the benefits of public funding for DMOs, see US Travel's "Power of Travel Promotion" at [www.ustravel.org/toolkit/power-travel-promotion](http://www.ustravel.org/toolkit/power-travel-promotion).

Industry participation models can however, be a powerful addition to public funding sources for successful DMOs. Industry participation models not only generate additional revenue to support marketing and advertising, but well-designed, executed and managed cooperative programs create a closer connection to the industry, demonstrate the specific value of the DMO's efforts and illustrates to stakeholders that both public and private partners (e.g.: industry) are contributing to the success of marketing the destination.

# 4 Benefits of Developing an Industry Participation Model



As a part of the sales effort, sales executives have the ability to educate the industry on the value of the DMO and how their marketing efforts and dollars are working to support a shared goal.

## 1. Networking Evangelizing Benefits

Industry participation models allow the DMO to connect more deeply with its tourism industry partners. This allows far more effective communication on the role and relevance of DMOs to their industry and serves as an opportunity to strengthen those relationships. One example is how sales executives for a DMO's advertising solutions (e.g.: its Visitor Guide and Website) can be powerful advocates and communicators to the industry on behalf of the DMOs.

*"We are always thrilled when there are co-op programs through Miles. They help us connect with our partners and extend our budget. And the team at Miles is great about handling marketing, sales, execution and reporting. It's a win for all of us!"*

—Amy Long, Chief Innovation Officer, Colorado Springs Convention & Visitors Bureau

*"Co-op opportunities with the CTO/Miles allow Durango as a whole to have an extended presence in both print and digital platforms that our tourism office alone would not be able to have. These co-ops also provide our smaller partners, and those with a more limited budget, access to advertising avenues that they otherwise might not be able to afford. Overall, it creates a feeling of partnership between the Durango Area Tourism Office and our partners, while greatly extending Durango's reach."*

—Beth Luech, Marketing Director, Durango Area Tourism Office



Brand USA, the destination marketing organization for the United States, is one of the strongest examples of a public-public funding model for any DMO in the world. Brand USA can only access the \$100 million in annual funding (sourced from visitor's Visa fees) if they generate an equivalent level of private sector participation support. Therefore all of Brand USA's marketing programs are developed as public-private partnerships models including campaigns, website and various guides- all of which feature sponsored content and native advertising (For more on sponsored content/native advertising, see page 8).

## 2. Governance Benefits

The industry participation model allows industry partners to provide more direct and specific feedback to DMOs. Through feedback (input on market conditions, opportunities and challenges) and their support of advertising and marketing coops, the industry can have a more direct voice in shaping the marketing activities of the DMO and aligning it with their concerns, issues and areas of investment.

## 3. Shared Costs & Rewards

The participation model allows the DMO to share the costs of its marketing in a real and measurable way – which demonstrates a public-private partnership to stakeholders such as city, state, provincial, regional or national governments and other stakeholders.

## 4. Results, Referral & Bookings Benefits

The industry participation programs generate real interest from potential visitors – resulting in interactions, questions, referrals and bookings for industry partners – ideally in periods of low demand and/or higher availability. This not only provides incremental visitation to the destination when visitors are needed but provides a critical measurement of performance of campaigns needed by DMOs in assessing the results and ROI of their marketing spend.

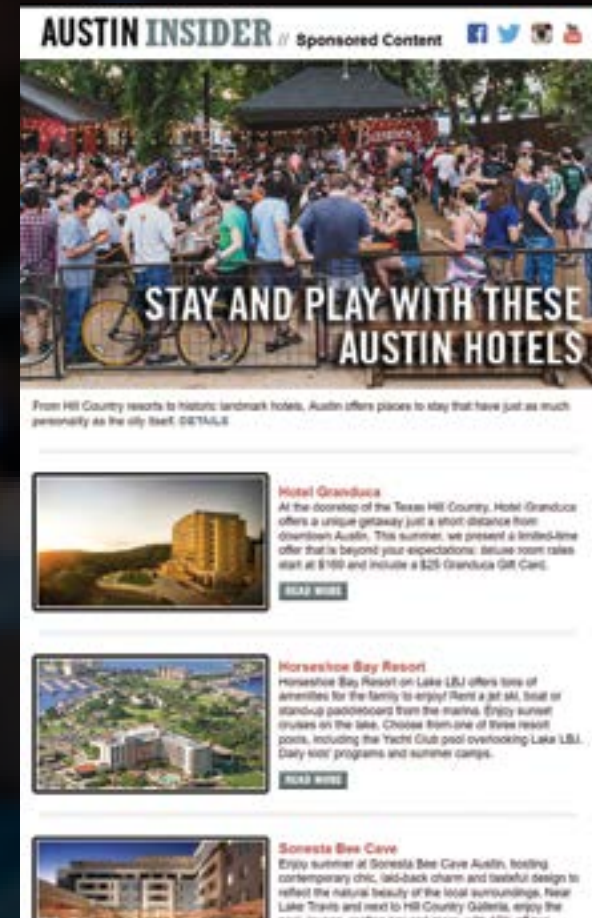
# Types of Industry Participation

There are a wide variety of industry participation models but here are **four common models**:

## 1 Campaign, Event, Project or Program Specific Coops

Targeted at specific promotions or events, these offer partners specific access or recognition.

Many destinations run industry participation models in their meetings programs (e.g.: Choose Chicago email on the left) including meeting planner website solutions and guides. Austin has a close partnership with its hotels including working with them to support the e-newsletter (e.g.: Austin Insider email on the right) that is full of local content and recommendations.



## 2 Display Advertising in DMO Websites and Visitor Guides

Display advertising solutions allow businesses, DMOs and their agencies to use existing ad creative.



### The Pros & Cons of Display Advertising Solutions

A common industry participation approach is to sell display advertising on your destination's website, visitor guide, email or other channel.

Display advertising options allow industry partners to use their standard advertising creative. This offers advertisers a stronger, more personalized presentation of their brand and advertising message and is also popular with agencies. However, display advertising is often "filtered" out by users and/or it can create clutter in the publication or website, distracting from the core content and impacting the user experience. Research and analytics has consistently shown that sponsored content and formatted ads (see page 8) usually generate stronger engagement and interaction with users.

### 3 Sponsored Content and Native Advertising

High quality, relevant advertising and sponsored content can inform, attract and excite potential travelers to a destination. In short, advertising that is created and delivered with context becomes content that turns "lookers into bookers".



All of Brand USA's Inspiration Guides are advertising-driven but developed with carefully managed sponsored content features that offer opportunities for DMOs and industry partners to highlight their attractions in a clean compelling format.

#### Example: Sponsored Content & Native Advertising

In this type of sponsored content or native advertising the messaging from partners is controlled and managed within an agreed format, style and editorial voice. More tightly managed publications can ensure the entire print or digital publication is targeted to visitors and offers valuable information and the content (both editorial and sponsored) is consistent in both design and voice. This avoids the clutter of branded advertising and ensures a cleaner and more intuitive presentation of the destination's brand, messaging and information. From both reader/online user research and performance analytics, Miles has seen that sponsored content and native advertising typically out performs traditional display advertising in engagement, recall and interaction.





#### 4 Membership Program

One of the oldest forms of industry support, many Chambers of Commerce and Convention and Visitor Bureaus use membership programs to connect with industry partners and raise funding for core overheads and marketing programs.

#### The Pros & Cons of Membership DMOs

Member fees, subscriptions and contributions have been a traditional mechanism of sourcing private funds for DMOs going back to the early years of CVBs. This includes offering networking events, promoting members and gaining access to specific business opportunities (such as conference bids) in return for membership fees. Membership organizations offer a way to closely connect with industry partners and offer specific marketing opportunities in return for contributions.

Membership models worked well when information and advice on destinations was limited and difficult and/or slow to access. However, in a world of immediate and ubiquitous information, membership structures can't be exclusive or counterproductive to the reach and relevance of the DMO. To remain relevant to visitors, business travelers and event planners, DMOs need to provide complete and comprehensive information on the full destination and not just highlight their members. While members may enjoy some specific benefits (e.g.: no or lower cost at networking events), DMOs should offer information on all activities and places to stay, dine or meet – while still allowing some to be featured and highlighted in special ways.

*Check out our blog for more insights and recommendations related to Industry Participation and Cooperative Programs for DMOs, available at [www.milespartnership.com/Coop](http://www.milespartnership.com/Coop).*

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## ↗ Website

[MilesPartnership.com](https://MilesPartnership.com)

This is the place to meet our team, learn more about the services we offer, peruse our in-depth research library and check out our latest blog post.



## ↗ Blog

[MilesPartnership.com/blog](https://MilesPartnership.com/blog)

More than two dozen Miles employees post regularly about new trends, industry insights and best practices in online, mobile, print and integrated content marketing.



## ↗ Research

[MilesPartnership.com/library](https://MilesPartnership.com/library)

We stay at the forefront of tourism trends, conducting independent studies on leisure travel and publishing our semiannual findings in a variety of outlets.



## ↗ Email

We believe that proactive communication is a key to continuous engagement, so we send out bimonthly emails to keep our clients and industry partners in the loop.

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