

DESTINATION PARTNERSHIP DEVELOPMENT: The Other Web

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Executive Summary

Destination Marketing/Management Organizations have traditionally utilized the basic tools of product marketing. The competitive nature of the tourism industry retains a threat to survival for those DMOs who are not current in evaluating the performance and future of their marketing programs in our dynamic and technically evolving marketplace. This phenomenon has been bridged by major companies through gauging their business fitness with attentiveness to evaluating customer trends and evolving avenues of commerce. An assessment of business "fitness" including the profile of product quality, management performance as well as financial resources should be on going. The evaluation should give priority to reviewing the unseen web of supportive partnerships that enhance the lifeblood of survival and growth. Being fit and flexible through partnerships combined with commitment to top performing marketing tactics leads to survival of the fittest. Every DMO should have an expansive web of partnerships.

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Introduction

The fundamental mission of our convention and visitor bureau is the promotion of the economic development of Burnsville through increasing visits from tourists and business travelers.

Marketing initiatives are generally achieved through the following: trade associations, marketplaces, web pages, social media, advertising, distribution of promotional and collateral material, direct sales, hosting familiarization tours for journalists and travel industry personnel, and sponsoring other functions. We ask ourselves, do we have the resources, marketing reach, innovation and flexibility to do this all on our own? Are we “fit” in business terms to survive?

When we first think of the “web” we tend to focus on the broad expanse of the internet but in commerce there’s another web – the web that is woven by partnerships of each business which adds greatly to the fitness and survival potential in today’s very competitive marketplace.

Fitness in human health is frequently associated with robust exterior, muscle mass, strength and an unseen strong circulatory system. Fitness in business can be a complex profile of quality of product, forward thinking management and financial resources but often unmentioned is the generally unseen web of supportive partnerships that enhance the lifeblood of enduring successful commerce.

“Survival of the Fittest” is the interpretation that species adapt and change. The expression is attributed to Charles Darwin in his “Origin of Species”, 1869. By ‘fittest’ Darwin likely didn't have in mind the 'fittest' as those businesses which are best fit to survive.

The brutal reality of competitive markets means that for most organizations the chances of long-term survival are slim. Although many firms fail to adjust their businesses to meet changing consumer expectations, some move with the times and even adapt to disruptions in their market. These are to organizations that are “fit”. Take once niche McIntosh PC firm “Apple”, now morphed into a producer of iPods, iPhones, iPads, Apple TV and now the Apple Watch and the biggest company by value in the world-they are survivors. What happened to Commodore Computer, Compaq, Texas Instrument and others?

What differentiates surviving companies, like Apple, from those that fall by the wayside is the willingness to critically examine the way they do business and the ability to undergo successful business model innovation. With their attention to fiscal strength and management innovation and vision they generally remained flexible to adapt and follow successes and were not hesitant to invest in partnerships as positive options. A review of the web of partnerships for just the iPhone reveals the developing network of partnerships: AT&T, Verizon, Sprint, Best Buy etc. plus Asian and European specific partners. Apple has hundreds of partnerships in their web under the skin of their logo.

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Burnsville strongly believes in partnerships – “strength in numbers” is an operative mantra. Combining resources allows smaller bureaus, such as the Burnsville CVB (BCVB) to have a larger footprint. Combining resources results in a significantly more visible entity and the practice of pooling budget dollars allows larger media buys among other things. Many of the smaller bureaus promote larger area attractions like the Mall of America, Minnesota Zoo, Valleyfair, Canterbury Park and even major sporting teams. The CVB’s that have commonly promoted attractions will tend to be the best oriented partners - to this end the Burnsville CVB has been able, over the recent years, to identify and create collaboration with a number of other similarly inspired groups to create a number of very active partner organizations. These partnering organizations are many including Minneapolis South Partnership and Metro Tourism Committee and others both traditional and non-traditional.

The Burnsville CVB is committed to fitness in managing its business in a fiscally sound manner with a disciplined level of flexibility as well as attention to growing its web of commerce enhancing partnerships. The importance of partnerships, both large and small, is primary to being business “fit”, to grow, and ultimately for survival - we will do more of it.

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Destination Partnership Development Findings/View Points

As a baseline for any marketing organization, in every business, there are underlying basics that should be reaffirmed. Success and growth revolves around five items:

- Retaining Current Business
- Soliciting New Business
- Stand Ready to Harvest Opportunities as They Present Themselves
- Work on Ways To Recover Lost Customers
- Explore Opportunities That Will Increase the Average Revenue Spent by Visitors

The short term plans and long term plans always assume that these basics are in play. The key for the Burnsville CVB is to validate each of the initiatives and avenues and customize the best performing tactics. Whether it's the more local/regional visitor or international visitor Burnsville CVB will be in the mix with its web of partnerships to attract its share of visitors.

Our CVB is funded by a 3% city lodging tax that translates to an exceedingly modest budget of less than \$300,000. Organizational success depends on careful attention to asset/resource utilization and finding ways to extend our marketing reach. Building smart relationships has always made good business sense but now it's more important than ever as a way to increase marketing capabilities. Marketing activities may involve:

- Creating joint marketing materials
- Joint or cooperative direct mail, e-mail or advertising campaigns
- Referring of prospects
- Combining services, talents and assets for co-op promotions

Convention & Visitors Bureaus are excellent candidates for creating partnerships but we always keep in mind that a marketing partnership is neither a quick fix for sales problems, nor a way to eliminate the burden of marketing and sales.

The potential for visitors and resulting economic benefits are huge in Minnesota and BCVB is more than pro-active in competing for market share. John Edman, Director of Tourism for the State of Minnesota writes in his News Release of May 2015 that tourism continues to grow as a substantial contributor to the State's economic wellbeing – "Tourism is a \$13 billion industry in Minnesota, and a key sector of the state's economy. Leisure and hospitality also generates 17 percent of the state's sales tax revenues. An estimated 69 million domestic travelers and 270,000 international travelers vacationed in Minnesota in 2013. These figures do not include the 700,000 Canadian travelers who visit Minnesota annually".

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Partnerships for our sized organization are invaluable to accomplish our goals. We conclude that there are many types of partnerships – some more formal and some a bit less formal and some even non-traditional. Partnerships allow us to do things we are not able to do on our own. Samples of a few of our more formal Partnerships include:

Explore Minnesota Tourism Office Partnership: The state tourism office, often abbreviated as “EMT”, is a major source of partnership/alliance opportunities to invest in such as trade missions; co-op advertising etc. to maximize the ‘big picture’ of generating more visitors for Burnsville. The partnership offers our communities opportunities to participate in large media outlets without the individual investment. A bonus arrangement with our partnership with EMT is access to their Grants Program which is designed to support the mission and goals of Explore Minnesota Tourism.

“Minneapolis South” Partnership: Following 9/11 (September 11, 2001), area CVBs experienced significant decrease in budgets due to minimal travel. Area CVBs in south metro area met to discuss partnership to continue marketing momentum of our area resulting in forming the Minneapolis South Partnership. As a tourism marketing coalition, the group includes Burnsville, Eagan and Lakeville but also extends to other adjacent communities. The partnership utilizes economy of scale strategies to create a destination south of the Twin Cities. The partnership funds activities to market the ‘area’ to a 5 state regional target basin.

Metro Tourism Committee Partnership: Twin Cities metro area CVBs combines for a budget of over \$200,000 with marketing efforts focused on leisure travel from specific larger cities of Milwaukee, WI and Winnipeg, MB.

The Minnesota Association of Convention and Visitors Bureaus Partnership (MACVB): While primarily a lobbying group this not-for-profit organization provides member bureaus with legislative information, continuing education and public recognition of the tourism and convention industry in Minnesota. MACVB is a united voice dedicated to the needs of destination marketing organizations.

And what is the value of these industry partnerships? Eagan Convention & Visitors Bureau which operates in the shadows of Minneapolis/St Paul is one of the most high profile CVBs in the Greater Twin Cities area. Brent Cory, President and CEO has high praise for DMO partnerships. In an interview regarding partnership values Mr. Cory interprets the partnership concepts as being exceedingly rewarding for his specific CVB with ongoing win-win scenarios and a decidedly positive recommendation that other DMOs be active partners with area CVBs.

The critical core of partnerships for a CVB begins with relationships with city staff, City Council, and Economic Development and radiates outwardly to include stakeholders. Examples are, but not limited to, lodging, dining, attractions, events, museums, arts and culture, historical venues, attractions, recreation and the list goes on. When you start to analyze the many reasons why people visit your area there emerges some non-traditional partner candidates. Beyond the more obvious partnerships types there are literally hundreds of potentially favorable alternate partnership opportunities to expand a DMO’s partnership web. As a sample of a non-traditional partner consider the potential of even a hospital with patients, patient visitors, training, specialist doctor visits etc. etc. and even funeral homes.

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The partnership concept has power. One of the more notable approaches to recognizing the value of partnerships and the word “Partner” can be found in Colorado Springs. Under the leadership of Sharen Piper effective January 1, 2013, the Colorado Springs CVB shifted to operate under a “Partnership” Model rather than a “Membership” Model. Businesses that have traditionally been referred to as Members are now known as Marketing Partners under the new model. Again the operative word and designation is “Partner”.

As a bonus from the day-to-day visitor opportunities there are sometimes certain high profile one-time events that, with proper networking and commitment, can be accessed through pre-positioned partnerships. Minnesota has been significantly successful in attracting national and international sports competitions. As examples:

- Major League Baseball’s All-Star Game - 2014
- NFL’s Super Bowl LII - 2018
- National Hockey League’ All-Star Game - 2004
- Men’s Basketball Final Four - 2019
- PGA’s U.S. Open – 2002 -2009
- LPGA’s International Solheim Cup - 2012
- Professional Golf’s International Ryder Cup – 2016

Each of these requires a bid process that includes infrastructure necessary to accommodate participants and visitors. The benefit to the area in terms of pre-event and post-event visitors is massive along with worldwide media exposure. Each event offers an opportunity for partnership and resulting benefits. Coordination for bid and award for such events goes well beyond the sport’s primary organizing body and is fertile territory for DMO entities.

The upcoming Ryder Cup 2016 in Chaska, Minnesota is golf’s top watched and attended event in the world every two years with venues alternating every two year between Europe and the USA. The visitor calculations are in the hundreds of thousands and revenues in the three-digit millions of dollars. Viewership will be in the tens-of-millions around the world. The first level coordinators along with PGA of America and Hazeltine National Golf Club are the Minneapolis, St Paul and Bloomington DMOs along with Minnesota Tourism, Greater MSP Economic Development and Explore Minnesota Golf Alliance. The Burnsville CVB includes many of these entities in its web of partnerships. It is clear that the potential of significant benefit from these world class events favors those who are included in network of organizers. The Burnsville CVB has partnership ties to almost all of organizers including the Explore Minnesota Golf Alliance (EMGA). EMGA’s Executive Director, Steve Dowling, is a main stay of promoting Minnesota as a golf destination and in multiple promotional pieces and presentations states that Minnesota, and particularly the Greater Twin Cities, with its accommodations and services, is a world class destination.

Burnsville CVB utilizes the many partnerships in our web to harvest the opportunities of these one-time, high profile tourist events.

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The findings of so much of our research points to the realization that creating a strong, relevant and effective planning process combined with multiple partnership marketing programs should be a cornerstone of every organization's marketing operation, whether it be Apple or local DMOs. These findings also validate the facts for us that a broad partnership web is an exceedingly critical foundation consideration in the marketing plans and business plan execution at the Burnsville Convention and Visitors Bureau.

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Conclusions

Strategic alliances are partnerships in which two or more companies work together to achieve objectives that are mutually beneficial. Alliances that allow organizations to share resources are most beneficial when all parties provide complementary services. Sharing the cost of advertising, marketing materials and networking relationships are solid reasons to consider a partnership.

World-class corporations that lead in the successful partnerships arena can be found at every turn. Apple, Netflix, Starbucks, major airlines et al may lead the way but almost 100% of successful companies have extensive partnership webs under the skin of their logo.

“Partnering benefits us all.... it increases intelligence” – was the substance of a 2009 blog by Bill Geist, President of Zeitgeist Consulting, a firm specializing in Destination Marketing Organizations. Further to that he includes a partnership reference in his ‘*DMAI Standards of Conduct*’ which urges DMO Boards to “Build collaboration relationships with other industry professionals.....”

Partnerships are not always monetary. Strategic alliances and partnerships are fundamental aspects of the way in which a bureau pursues its mission - the rewards are considerable. It is not always about the size of the budget and dollars available, for partnerships are about leveraging and optimizing participant’s strengths for the benefit of all involved. Guidelines in the “Alliances” section of Rich Harrill’s ‘*Fundamentals of Destination Management and Marketing*’ itemizes such considerations as personal and time commitment, mutual benefit, agreement, flexibility, partner interests and cultural differences as points that foster solid working relationships for CVB partnerships.

Directly related to Mr. Geist’s and Mr. Harrill’s advocacy for partnerships, the Burnsville CVB has a shared goal to refocus and optimize marketing efforts around the most relevant and highest delivering marketing tactics which includes a robust partnership structure to create support for/from our industry peers such as aforementioned Minnesota Tourism, Minneapolis South Partnership and others.

While we tend to focus on the benefits we can gain FROM our partnerships we need to consider what we offer TO our partners. The foundation of the future DMO is rooted in an unsurpassed knowledge and expertise of the local tourism industry. Dede Mulligan in her piece ‘*What is the Future for Destination Marketing*’ lists the critical nature of differentiating your destination. She urges that YOU need to KNOW your destination from the inside out for creditability value and value to your partnerships. The future DMO needs to focus on delivering intelligence, rather than information thus becoming a trusted resource for product, events, infrastructure and partner development.

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Travel planning has evolved from simpler times when visitor guides, even with limited information, were highly relevant. Travel planning has become more complex, more unique, more individualized and more expensive. While DMOs have slowly embraced the digital revolution, adopting tactics such as email, social media and mobile, the strategy remains rooted in the past. The marketplace is more and more focused on direct relationships, controlled by the consumer. Prior to that smartphone in your pocket, local knowledge about a town was restricted to guide books and memories – items provided by DMO's. It is a fact that we are continually attempting to understand the perceptions of our stakeholders and consider the shift in travel planning as embodied by Google Search!

Robert Rauch, in his *'Top 10 Hospitality Trends'* stresses that technology savvy millennials will become the core customer within the hospitality and travel industries over the next five to ten years. Mobile activity has allowed social media to live in real time by allowing users to create updates, tag friends and check in on their mobile devices. Smartphones represent 70 percent of new mobile devices being purchased and the growth of connected devices will only continue to rise. Keeping an eye out for authentic ways to make use of emerging social/mobile applications will be of great value to those in destination marketing.

'DMAI's Digital & Mobile Marketing Toolkit' creates focus on "Influencer Relationships". Partnerships create expanded audiences and DMOs benefit greatly from the trusted resource aspect of partners with similarly aligned features and benefit messages. Seeking out and integrating media partners with social media expertise translates to significantly enhanced successes for promotional programs.

The key for the future DMO is to be "fit" and "flexible" so as to optimize strengths and expertise that does not depend on the scope of individual marketing campaigns, but rather the collective intelligence of ours and our partners that are behind those campaigns. Expertise that is so unique, it creates new opportunities for growth and influence of travel preferences.

The fundamental mission of the Burnsville CVB is the promotion of the economic development of Burnsville through increasing visits from tourists and business travelers. Marketing initiatives are generally channeled through the traditional marketing tactics but these are to be continually evaluated especially as technology advances at a blurring pace. Within the many potential marketing initiatives is a tactic that is forever increasing its value – the web of partnerships!

As we combine the best performing tactics we must include evolving electronic marketing and the partnership web to be considered business "fit". Partnerships provide exponential opportunities by double/triple/quadruple exposure to collective destination visitor benefits.

The consensus review of points within this research document validates the positive conclusion that being fit and flexible through partnerships combined with other top performing tactics is more likely to lead to the survival potential of Destination Marketing Organizations and specifically the Burnsville CVB.

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