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ABSTRACT

Destination marketing has shifted from one-to-many and one-one to completely interactive communication, and therefore requires new metrics which reflect the immersive nature of marketing interactivity. These metrics include traditional quantifiable outcomes such as awareness, brand position, and product purchase but, because of the transformation of destination marketing, must include a range of new metrics which reflect the social structure of the Internet. This paper proposes a number of metrics that destination marketing organizations should use to evaluate the effectiveness of their marketing efforts.

Keywords: Metrics, interactive marketing, destination marketing organizations, Internet.

INTRODUCTION

Interactive marketing has fundamentally transformed marketing activities (Gretzel, Yuan and Fesenmaier 2000). With the increasing investment in interactive marketing activities, destination marketing organizations (DMOs) are calling for appropriate metrics to provide interpretations of effectiveness and accountability. DMOs have recognized that the traditional metrics of advertising effectiveness in the mass media environment (i.e. CPM (cost per thousand), CPP (cost per point)) cannot capture the influence of marketing interactivity, which are represented by sharing and interaction (Russell 2009). The new metrics, then, are required to measure the dynamic marketing activities in the technology mediated marketing environment (Yuan, Gretzel, and Fesenmaier 2003) so that they can measure and benchmark their marketing performance. The purpose of this paper is to propose a set metrics that DMOs can use to better evaluate the efficacy of their interactive marketing activities.

Main dimensions of interactive marketing metrics

The Internet has changed the structure of marketing communication by placing the
consumers and marketers at the same level (Stewart and Pavlou 2002). Under this new marketing, information communication technology (ICT) creates many structural contexts such as Web 1.0 (static web pages instead of dynamic user-generated content), and Web 2.0 (web applications that facilitate interactive information sharing, interoperability, user-centered design) which facilitates interactions between consumers and organizations in many different ways. Also in this new relationship, consumers are engaged in the communication process by searching information, processing and selecting information, and generating new content (Stewart and Pavlou 2002). Thus, the interactive process is a critical element in shaping the effects of marketing such that the monetized outcome of marketing results primarily from interaction process rather than simply product purchase.

In tourism many of the interactions between consumers and the travel industry occur within what is often referred to as the “online tourism domain,” which is the collection of hypertext content available for travel information searchers (Pan and Fesenmaier 2006) and is described in Figure 1. As can be seen, consumers and tourism businesses live in a media system, which consists of so called “traditional media (I)” (i.e. TV, Radio, paper-based publications) and “new media (II)” (computer-mediated media). This new media has become the major channel bridging demand and supply (Pan, Xiang, Law, and Fesenmaier 2010). Gretzel, O’Leary and Fesenmaier (2006) argue that travelers’ information needs differ substantially during the three stages of travel consumption; for instance before the trip, tourists plan their trips by online searching, browsing, and asking. During the trip, tourists keep searching information and making decisions; also, tourists share their experience with others through laptop or mobile phone. Finally after the trip, tourists may virtually revisit the destinations to retrieve memorable experience and continue discussing and sharing experiences (and evaluations) with others.

**Figure 1**
Main dimensions of interactive marketing for destination marketing

The various information activities of tourists within the travel process indicate that tourism organizations (i.e. DMOs, online travel agency, hotels, etc.) interact primarily with
tourists through three online systems: (1) Search engines, (2) Company websites, and (3) social media. As such, Pan, et al. (2010) argue that there are a number of challenges for DMOs as they compete for positions on the search engine results page. They also suggest DMOs need to provide quality content in their websites, because this is where tourists find information about the destination; and that DMOs need to manage social media because this is where travelers hold conversations about their experiences. Importantly, DMOs need to bear in mind that tourists easily navigate across contexts to search and consume information. Therefore, the “liquidity” of marketing information is very important with the new interactive environment. As a result, a new set of metrics are needed to reflect the nature of interaction in different contexts. In this study, a series of metrics are proposed focusing on the effects of website advertising, search engine marketing, and social media marketing. Also, this paper will consider the increasing importance of mobile communication for travelers.

Section I. Metrics for websites: from conversion to engagement

In the interactive marketing environment, the effective marketing is achieved by engaging consumers so as to construct a positive psychological attachment towards the product (Paul and Stewart, 2002). Therefore, the effectiveness of the destination website is not only reflected by the numbers that are measured in the conversion studies, but also the psychological process of consumers in the process of interaction. The following metrics of the websites advertising include interactivity, information processing, conversion, and engagement.

a. Website Browsing Behavior

Since the Internet has been regarded as the most popular and efficient source for travel planning, the ability of websites to track the behavior of their visitors has been considered one of the most important facets of the new medium. In the online market consumers, web navigating and purchasing behavior can be easily and accurately tracked using server-side or client-side programs (e.g., Clickstream Data). These data provide micro-level information to study online travelers’ information search behavior. Bucklin and Sismeriro (2003) pointed out two basic aspects to estimate browsing behavior such as a visitor’s series of binary decisions to stay or exit the site, and the duration of each page view (i.e., stickiness). Based upon these studies the following metrics should be collected.

- The number of pages visited
- Time on website
- Percentage of repeat visitors/Percentage of new visits
- Bounce rate (total number of visits viewing only one page / total number of visits)
- Ratio of # of pages visited/length of time on website
- Entry pages
- Referral source
- Search terms used to access each page

b. Evaluating the Website

Several models involving many different measurement strategies have been proposed to evaluate user navigation on the website (Pan, et al. 2010). However, it is argued based upon this
literature that there are three key aspects that should be evaluated: 1. Informativeness; 2. Entertainment; and, 3. Trust.

Informativeness

Several researchers have conducted to evaluate website informativeness, with the definition as the degree to which a website provides users practical and vivid information (Luo, 2002). Importantly, Luo (2002) found a strong significant relationship between website informativeness and a positive attitude toward the Internet advertising. Based upon these studies, metrics should be developed to measure the degree to which:

- The destination website provides quick and easy access to large volumes of information;
- The information obtained on the destination website is useful;
- The visitor can learn from using the destination website, and,
- The visitor thinks the information obtained on destination website is helpful.

Entertainment

Advertising researchers have demonstrated that the value of media entertainment lies in its ability to fulfill users' needs for escapism, hedonistic pleasure, aesthetic enjoyment, or emotional release (McQuail 1983; Eighmey 1997; Luo 2002). These studies indicate that media providing higher entertainment value are more likely to motivate viewers to use the media more often. Stern and Zaichowsky (1991) stated that Internet users who perceive entertainment on banner advertising are more likely to form brand loyalty to the advertised products, and higher chance of purchasing the brand. Thus it is proposed that metrics should be included which the extent to which:

- Surfing the destination website is entertaining;
- The destination website is fun to use;
- Visitors feel excited when surfing the destination website;
- Visitors enjoy surfing through the destination website; and,
- The destination website is considered “cool” by visitors.

Trust

The literature indicates that trust is one of the most significant variables influencing online consumer behavior (Gefen 2002; Pavlou and Fygenson 2006; Pavlou and Dimoka, 2006). Ba and Pavlou (2002) defined trust in online purchasing as the buyer’s belief that a transaction with a seller will occur in a manner consistent with consumer’s confident expectations. Therefore, it is argued that trust in the destination website should be measured by asking the visitors the extent to which they believe:

- Even if not monitored, he/she would trust the destination website to do the job right; and,
- He/she trusts the destination website

c. Website use Outcomes

This study uses the extensive literature in advertising and tourism evaluation to propose four different measurement strategies to estimate the effects of a traveler actually visiting the destination website: 1. The attitude towards the website; 2. One’s intention to visit the destination; 3. The number of actual visitors and change of expenditure as the core measure for traditional advertising will be considered; and, 4. The likelihood that the website will be recommended to others.
Attitude toward the website

Attitude measurement has been largely used in traditional advertising media as a response to advertising with the definition, a consumer’s overall evaluation of the advertising message (Rogers 2002). Based on this literature, attitude is an important mediating factor between the consumer’s perception obtained from advertising exposure and actual consumption behaviors (Ajzen 1991; Ajzen and Fishbein 1980; Stewart and Pavlou 2000). Adapting traditional measurement of advertising attitude into Internet advertising (e.g., Nagar 2009; Nysveen and Breivik 2005), it is argued that the following attitudes toward the destination website should be used:

- Interesting;
- Enjoyable;
- Effective;
- Likable; and,
- Favorable.

Intention

This study also proposes that intention to purchasing is a critical facet of behavior linking positive attitude and actual behavior. That is, successful advertising is not required to cause immediate, but rather long-term effects. In this sense, understanding future intention to visit the destination is important for DMOs to create marketing strategy. Thus, a key metric should measure the extent to which a destination website visitor is:

- Likely to visit the destination.

Visitation and Expenditure

In tourism advertising, estimating conversion rate (i.e., how many visitors to the destination were influenced by the advertising activity) is a key measure (Burke and Gitelson 1990). At the same time, it is important to identify the degree of expenditure change resulting from the advertising program (Burke and Gitelson 1990). This study argues that the following two measures (i.e., net conversion and net expenditure) are important metrics with which DMOs can evaluate the success of their website:

- When did the visitor (or members of your travel party) make the following trip-related decisions (before or after seeing or hearing travel ads about the destination)?
- To what extent did the visitor actually change (increase or decrease) the amount of money spent from what was originally planned?

Recommendation

The intention to recommend the destination website to others is a vital indicator needed to bring about long-term behavior (Gefen and Devine 2001). Thus, key metrics include the extent to which destination website visitors:

- Encourage others to use the destination websites;
- Consider the destination website as first choice when planning trip to the destination; and,
- Are inclined to do more information search with the destination website.
**d. Nature of visitors**

Studies have shown that visitors tend to "frame" the information search process differently and therefore respond to online advertising differently (Fesenmaier, Xiang, Pan, and Law, forthcoming). This study proposed two key aspects of visitors which determine the nature of the frames.

**Past experience**

Many studies indicate that it is important to differentiate online travelers between first-time and repeat visitors as the nature of their use varies substantially (Reed & Ewing, 2004). Thus, this study suggests the following metrics:

- The number of trips taken in last 12 months; and
- The number of trips taken to/through the destination.

**Flexibility**

Travel decisions generally follow a sequential, hierarchical and multistage contingent decision process (Fesenmaier and Jeng 2000; Hyde and Laesser 2009; Jeng and Fesenmaier 2002; Payne et al. 1993). Fesenmaier and Jeng (2000) found that travelers possess the different perceived importance on different stages of decisions (e.g., core, secondary and en route) and different level of behavioral flexibility to change. Based upon this research, this study argues that travelers perceived flexibility can affect the entire Internet advertising communication process and that it can be measured by the extent to which website visitors:

- Are flexible/willing to change decisions with regards to various aspects of the trip (e.g., destination, restaurants, places to shop, etc.).

**Section II Metrics for search engine marketing: from analytic to strategic**

Recent studies by Hopkins (2008), Xiang, Pan, Law, & Fesenmaier (2010) and Pan, Xiang, Law and Fesenmaier (in press) indicate that search engine marketing (SEM) is one of the most important marketing activities as search engines have become a key online mechanism connecting supply and demand. Following from this research the following metrics should be collected.

**a. Traffic**

Recent USTA (2008; 2009) reports indicate that the majority of online American travelers use search engines for their travel planning, and that the search engine has become the ‘first step’ in the travel planning process (Fesenmaier, et al. in press; Xiang, Wober, and Fesenmaier 2008). As such, it is important for DMOs to understand the browsing pattern of online travelers in the way accessing tourism destination websites. The traffic from search engines toward official destination website can be derived from server logs. The following metric of traffic volume is a key benchmark to determine success of search engine marketing:

\[
\text{Traffic from search engines in visits} = \frac{\text{Total traffic to destination website in visits}}{\times 100}
\]
b. Visibility

In search engine marketing, tourism businesses have a challenge to improve and maintain the ranking of their websites in the search engine result pages (Spink and Jansen 2004; Morgan and Hunt 2005). Pan et al. (2007) indicates that travelers are not likely to look beyond the first three pages of organic search results and top three results have the highest impact of users’ perception of the relevance of search results. Thus, this study argues that the search engine metrics should consider the visibility of tourism related websites in search engine result pages as the prominent assessment. Key measurement includes:

- The number of searches are conducted that includes the name of the destination within the search query; and,
- The number of tourism-related website addresses (URLs) of organic search results on the first page and within the second page, based upon key search queries;

c. Persuasiveness

The brief descriptions provided by search engines are important advertisements of for the destination. Recent studies by Kim and Fesenmaier (2008) and Xiang et al. (2010) have evaluated the persuasiveness of these descriptions and indicate that they are quite effective in attracting the attention of travelers searching for alternative websites. Based upon this research, it is argued that key metrics that DMOs need to monitor are:

- The key words included in search engine queries used to access the destination website; and,
- The responsiveness of visitors to the search engine results in terms of attitude, etc.

d. Cost and Benefit

In general, search engine marketing can be defined as a form of marketing on the business and organizations that obtain high visibility in search engine results through paid or unpaid methods (Morgan and Hunt 2005). Non paid forms search engine optimization helps improve the ranking of a website when a user types in relevant keywords in search engine. Paid form includes paid inclusion that pays search engine companies to be included in their organic listings, and search engine advertising (paid placement) that purchases display positions at the paid listing area of a search engine (Pan, et al., in press). This study argues that the relationship between cost (i.e., how much a business or organization spend their budget on developing the search engine marketing), and benefit (i.e., how successful a business or organization achieve traffic and visibility that mentioned above) is a key metric for measuring the effectiveness of the search engine marketing program.

Section III Metrics for Social Media Marketing: Discussion to meaning

Social network websites have become extremely influential marketing channels (Mangold and Faulds 2009). Therefore, CVBs are now actively pursuing the presence in the major social network websites (i.e. facebook, tweeter) and trying to increase the number of
participators of their social community. The following five sets of metrics are considered key in measuring the effectiveness of this part of the destination marketing effort.

\textbf{a. Interaction}

Consumers join the social network with motivations to communicate with others, share their opinions and stories, and acquire personalized information (Kaplan and Haenlein 2010). As a result, if there is no interaction in the social network, the information and stories promoted by CVBs won’t influence participators. Key metrics for measuring the level of interaction are:

- Number of posts (ideas/threads);
- Number of comments and Trackbacks;
- Number of active contributors;
- Word count per comment or post;
- Completed profiles;
- Connections (between members); and,
- Ratios: Member to contributor; Posts to comments;

\textbf{b. Recommendation}

Social media has changed information consumption (Kaushik 2010). With the digital tools for self-publishing and sharing, consumers co-create content by leaving comments and re-distribute the information by sharing through social networks. Thus, consumers are now considered “multipliers of influence.” Metrics include not only the indicators of how much attention the destination website can draw (i.e. the numbers of websites visitors, clicks, followers), but also indicators of consumer recommendations. Key metrics are:

- Number of referrals;
- Number of retweets on the tweeter;
- Number of “like” on the facebook; and,
- Average shared links click-through rate

\textbf{c. Meaning}

User-generated content (UGC) such as blogs, comments, discussions have become an important source for potential consumers to get knowledge of products (Dhar and Chang 2008). For tourism destinations, studies indicate that destination image is co-created by UGC and the potential visitors’ perceptions toward destinations are substantially influenced by UGC (Choi, Lehto, and Morrison 2007). Therefore, monitoring opinion-rich content is now considered essential for competitive analysis, marketing analysis and risk management (Nasakawa and Yi 2003). Based upon this work, it is proposed that DMOs collect information regarding:

1. The objects (i.e., hotels, attractions, etc.) visitors are talking about;
2. The components, attributes and features of the objects the visitors are commenting on; and,
3. The opinions towards the objects - positive or negative.
d. Outcomes

In the era of social media, the effects of marketing activities can be quantified (Kaushik 2010). Quantifiable value refers to the direct value created by social media efforts and measured by ROI ratio. For example, a blog can bring money to organization. If the business has a good blog, which means has high blog growth, high traffic, and increasing feed subscribers, the organization has a good platform for advertising (Li and Stromberg 2007). For a destination promotion blog, the local business mentioned in the blog can gain referrals to their business website. Therefore, the direct value of blogging is the sum of advertising revenues and converted revenues from the referrals of the blog. By calculating the cost of blogging, a key metric of blogging is:

\[
ROI \text{ of Blogging} = \frac{\text{Gains of blog} - \text{Cost of blog}}{\text{Cost of blog}}
\]

\[
\text{where: Gains of blog} = \text{advertising revenues} + \text{converted revenues of referrals}
\]

\[
\text{Cost of blog} = \text{technology cost} + \text{human resource cost} + \text{opportunity cost}
\]

Section IV Metrics for Mobile Marketing: From function to creative

If the Internet provides the foundation for interactive marketing, the launch of the iPhone and Android-based phones enable mobile systems to become an important interactive marketing channel. As such, mobile phones represent an important “extension” of desktop/laptop to do web-browsing and search as well becomes “creative” within the touristic experience. Therefore, measuring the activities that people within this mobile environment is important to improving marketing performance; the following identifies two areas where metrics should be developed.

a. Mobile web

The metrics for mobile web activities are similar to the ones for PC-based websites. Several key metrics, for example, are number of visits, the time staying on the website, number of pages viewed etc. However, on mobile platform key metrics are particularly important:

- The places/setting where are people are accessing the website;
- The search engine keywords used to arrive at your website; and,
- The nature of the devices that people are using to access your website.

b. Creative Apps

Mobile phone applications (apps) assist travelers by providing access for information-seeking anytime and anywhere which have the potential enhance people’s experiences (Kramer, Modsching, Hagen, and Gretzel 2007). Indeed, studies now suggest that many of these apps actually enable travelers to become much more “creative”. Two criteria are acknowledged for a good destination guide app: comprehensiveness of information and entertainment. Therefore, metrics for both dimensions are proposed:

- The nature and extensiveness of information;
- The extent of entertainment; and,
- The extent to which the app enables visitors to share their experiences with others.

CONCLUSION

By examining the influence of interactive marketing from both academic and industry practice, this study identifies the appropriate metrics for DMOs in three dimensions of interactive marketing in two platforms (PC-based Internet and Mobile-based Internet). Based on the understanding of the nature of interactive marketing, the new metrics mainly focus on the interactive process with consumers and the outcomes of the interactive process. The new metrics can not only provide justifications for marketing accountability of DMOs, but also the benchmarking indicators for comparison and improvement. Facing the unstable economic situation and intensive competition among destinations, DMOs are suggested to obtain a better and valid understanding on the interactive marketing, to implement the appropriate metrics to monitor the effects of their marketing efforts, and furthermore to identify the most effective marketing strategy.

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