



HALO MAGIC

Creating a Singular Brand
for Destination Marketing & Economic Development

Bill Siegel

March 2016

Today's Presentation



1/ Halo Magic

Research demonstrates strong lift from destination promotion on both tourism **AND** economic development image.



2/ Case Study

Developing a singular brand for tourism and economic development.



The Halo Effect in Psychology



Edward L. Thorndike
1874 - 1949

THE HALO EFFECT:

It is a cognitive bias in which our judgments of a person's character can be influenced by our overall impression of them.



The Halo Effect in Psychology



- ✓ Thorndike had commanding officers rate soldiers on a number of characteristics.
- ✓ If rated high on one attribute, e.g., attractiveness, tended to rate high on all.
 - ✓ **Strong positive correlation.**
- ✓ Can work in opposite direction - - -
 - ✓ **“Horns Effect.”**



The Halo Effect in Marketing



Impact of Destination Marketing on Tourism Image



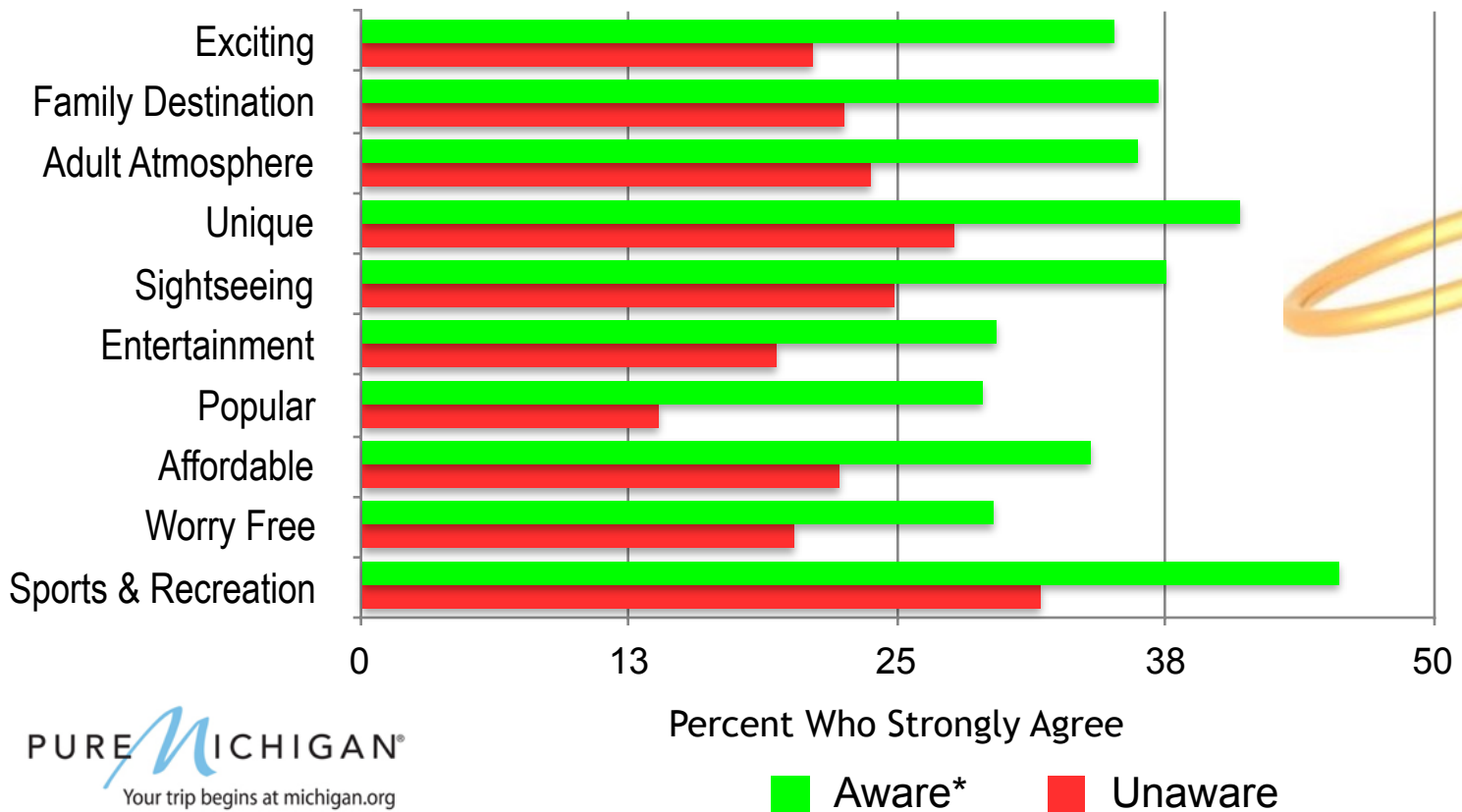
Halo Magic

Image lift goes well beyond
messages communicated by
creative.

Positive impact across many brand
attributes.



The Halo Effect: 2014 Tourism Campaign Impact on Michigan's National Tourism Image



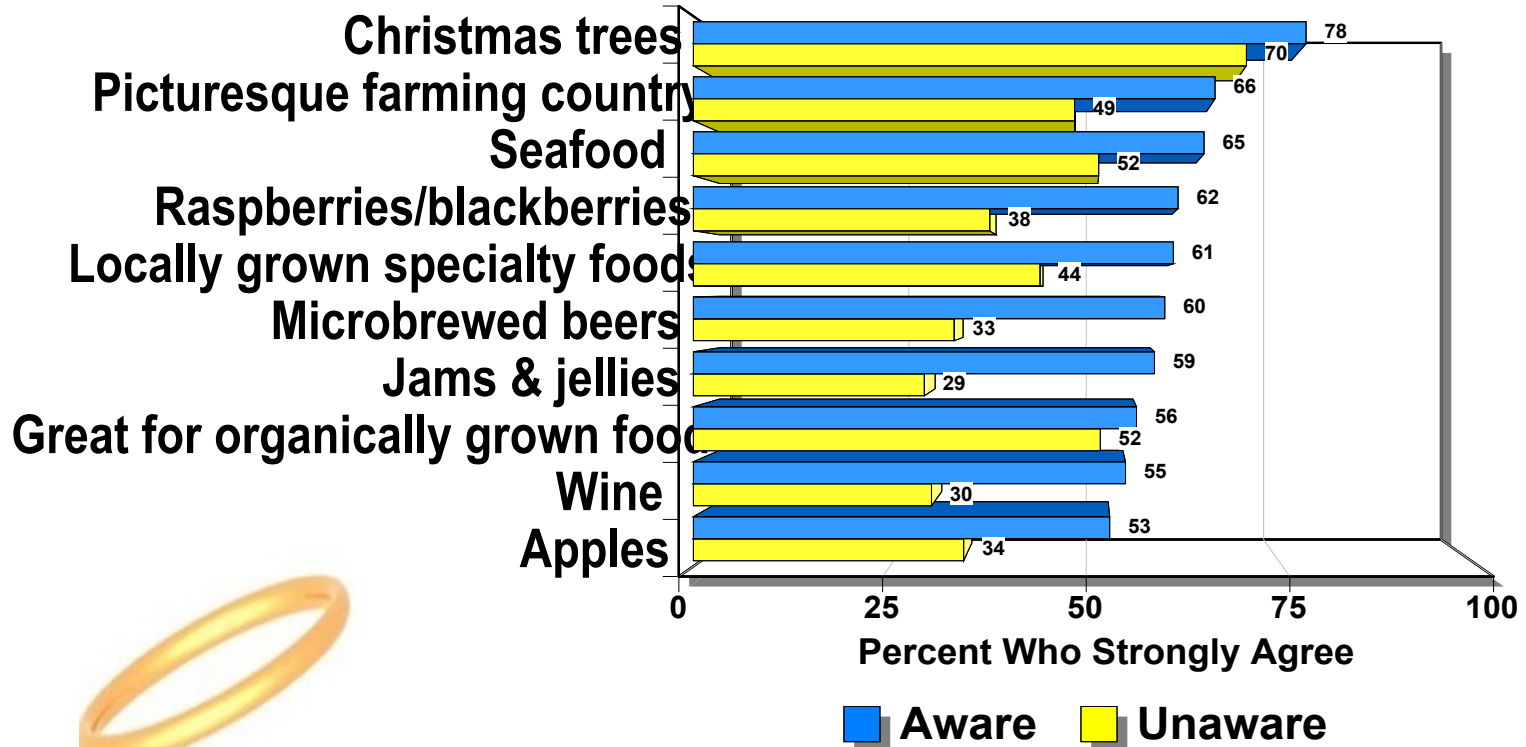
Beyond Tourism: Impact on Agricultural Image



Impact of Tourism Advertising on Oregon's Agricultural Image



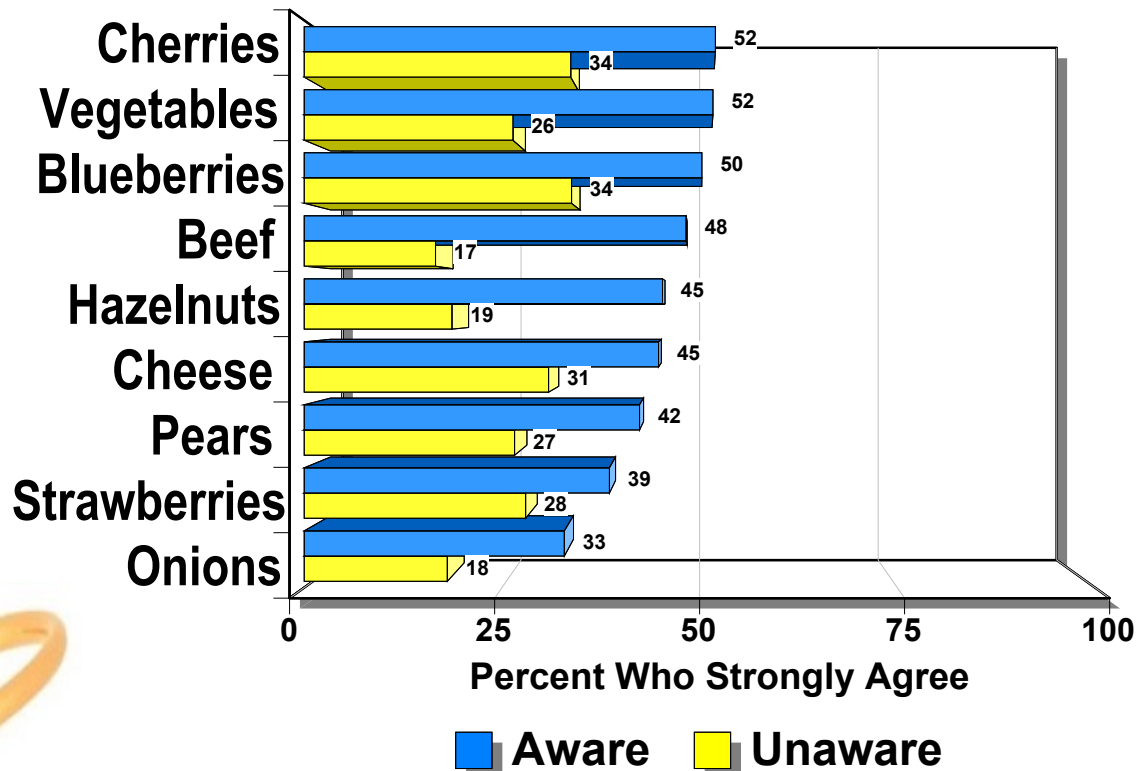
Base: Residents of Oregon's Regional Advertising Markets



Impact of Tourism Advertising on Oregon's Agricultural Image



Base: Residents of Oregon's Regional Advertising Markets





Impact of Destination Campaigns
on **Economic Development**

Now a Topical Issue



OXFORD ECONOMICS

**Destination Promotion:
An Engine of Economic
Development**

**How investments in the visitor economy
drive broader economic growth**

Demonstrates a strong relationship between destination marketing and economic development through econometric modeling.

The Next Step: Direct Measurement



- Measurement of economic development impact of tourism campaigns for multiple DMO's through large-scale advertising effectiveness studies.
- Paint a picture of **HOW** and **WHY** destination marketing creates synergy with economic development.
 - *Awareness and image enhancement.*
 - *Positive impact of visiting the destination.*

Method



- Recent large-scale online surveys of a representative sample of adults 18+ in advertising markets for seven U.S. states and two CVBs.
- Non-residents only included for analysis.
- Focus on image lift created by:
 - A. *Tourism ad awareness.*
 - B. *Visiting the destination.*

	Sample
North Dakota	893
Wisconsin	1,336
Ohio	1,006
North Carolina	1,601
New Mexico	6,032
Minnesota	1,698
Michigan	4,022
Portland OR	997
Lake Erie Shores & Islands OH	1,053
TOTAL	18,638

Method



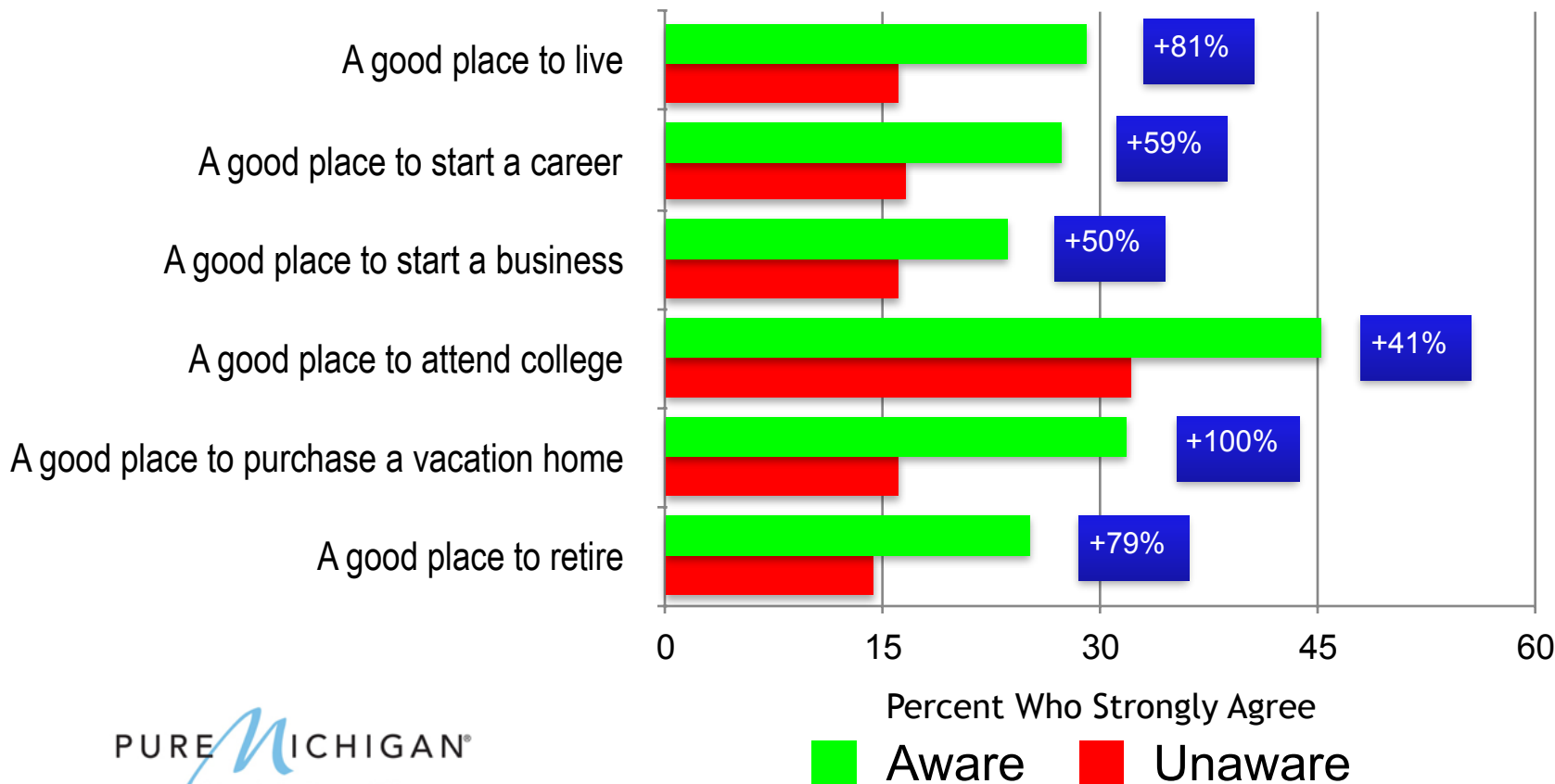
- Respondents shown client ads across media channels to measure awareness.



Impact of Michigan's 2014 *Tourism* Campaign on State's Economic Development Image



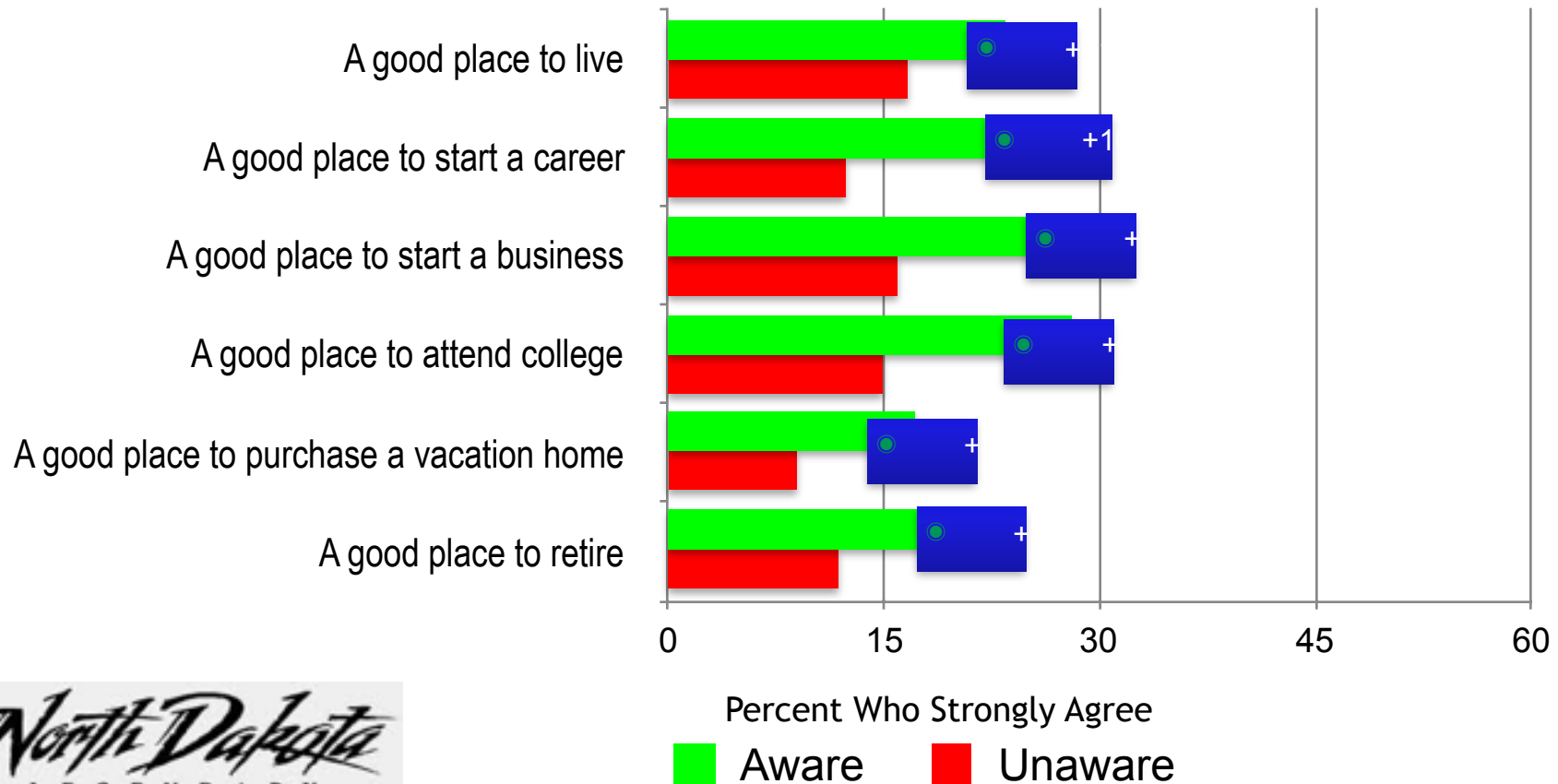
Base: National Out-of-State Residents



Impact of North Dakota 2014 Tourism Campaign on State's Economic Development Image



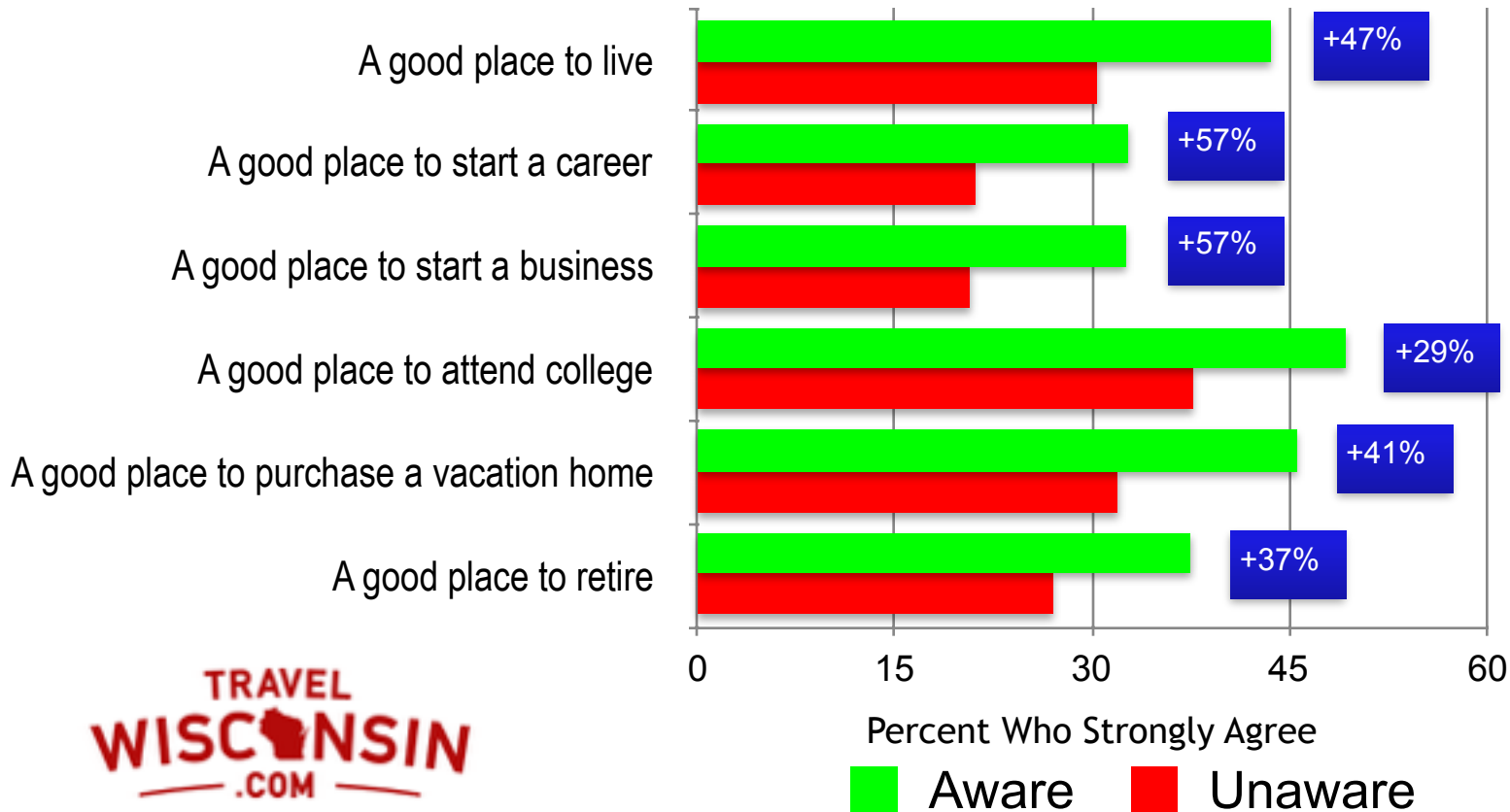
Base: Out-of-State Residents



Impact of Wisconsin 2014 Tourism Campaign on State's Economic Development Image



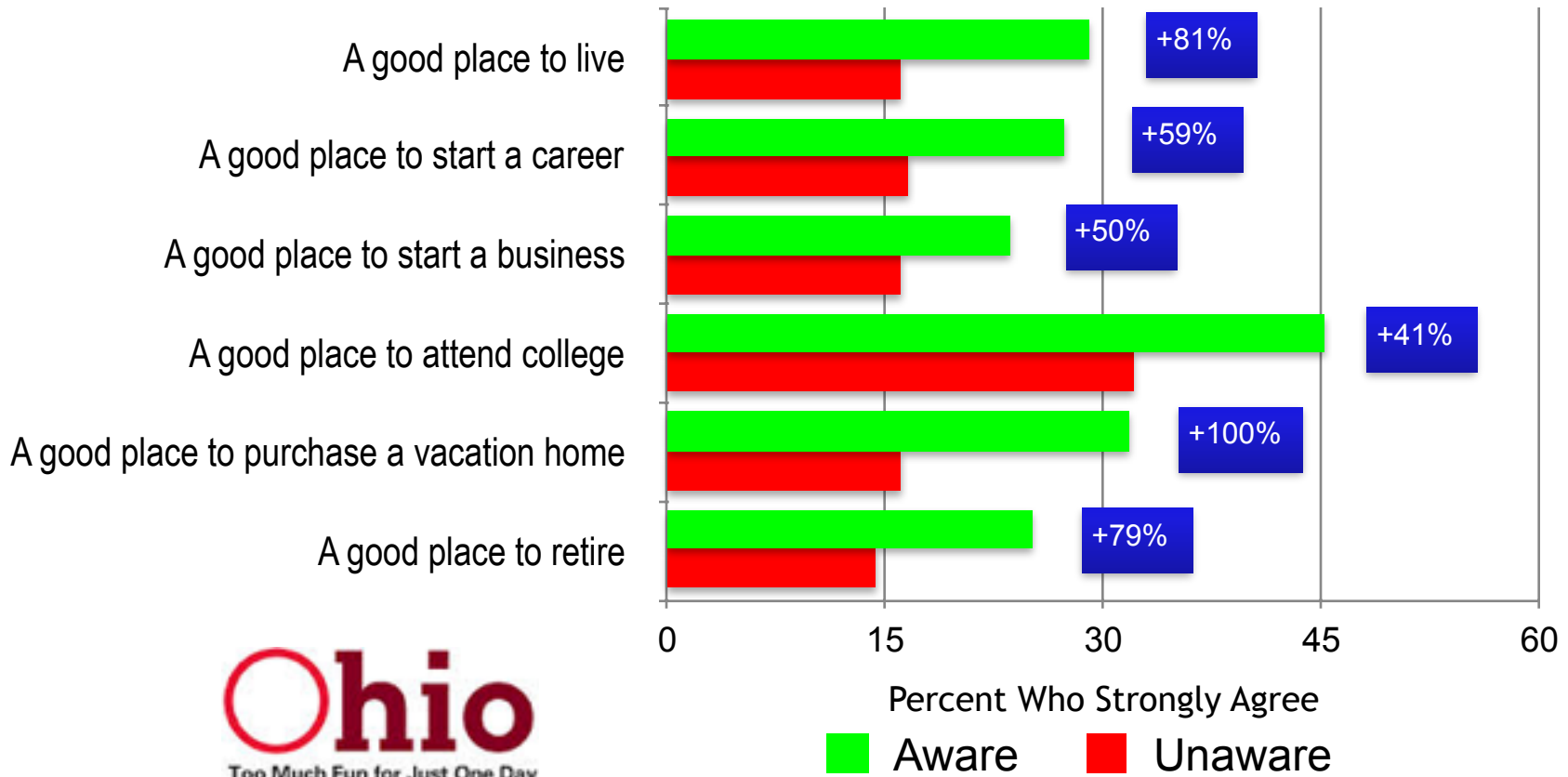
Base: Out-of-State Residents



Impact of Ohio 2014 Tourism Campaign on State's Economic Development Image



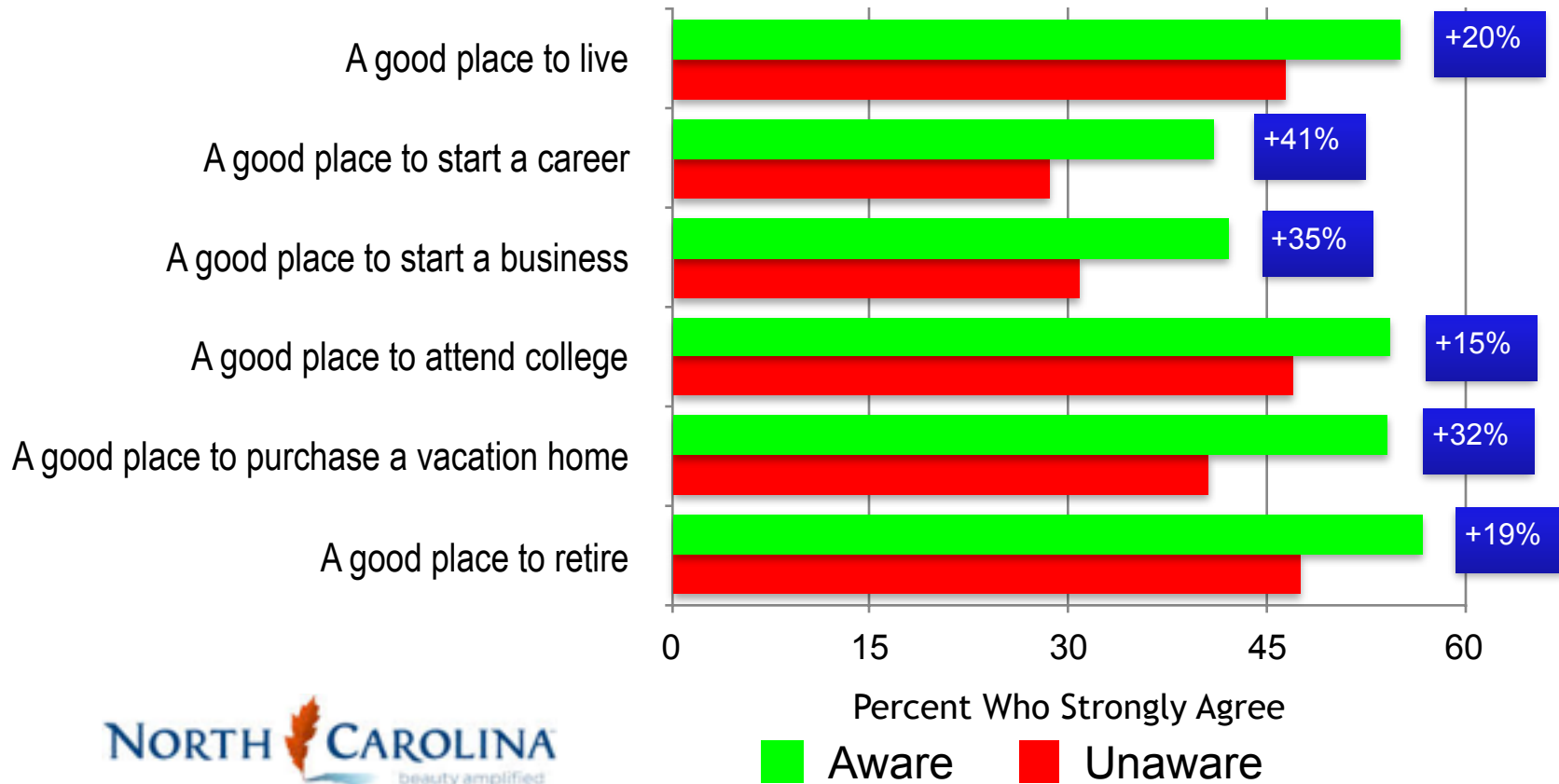
Base: Out-of-State Residents



Impact of North Carolina 2014 Tourism Campaign on State's Economic Development Image



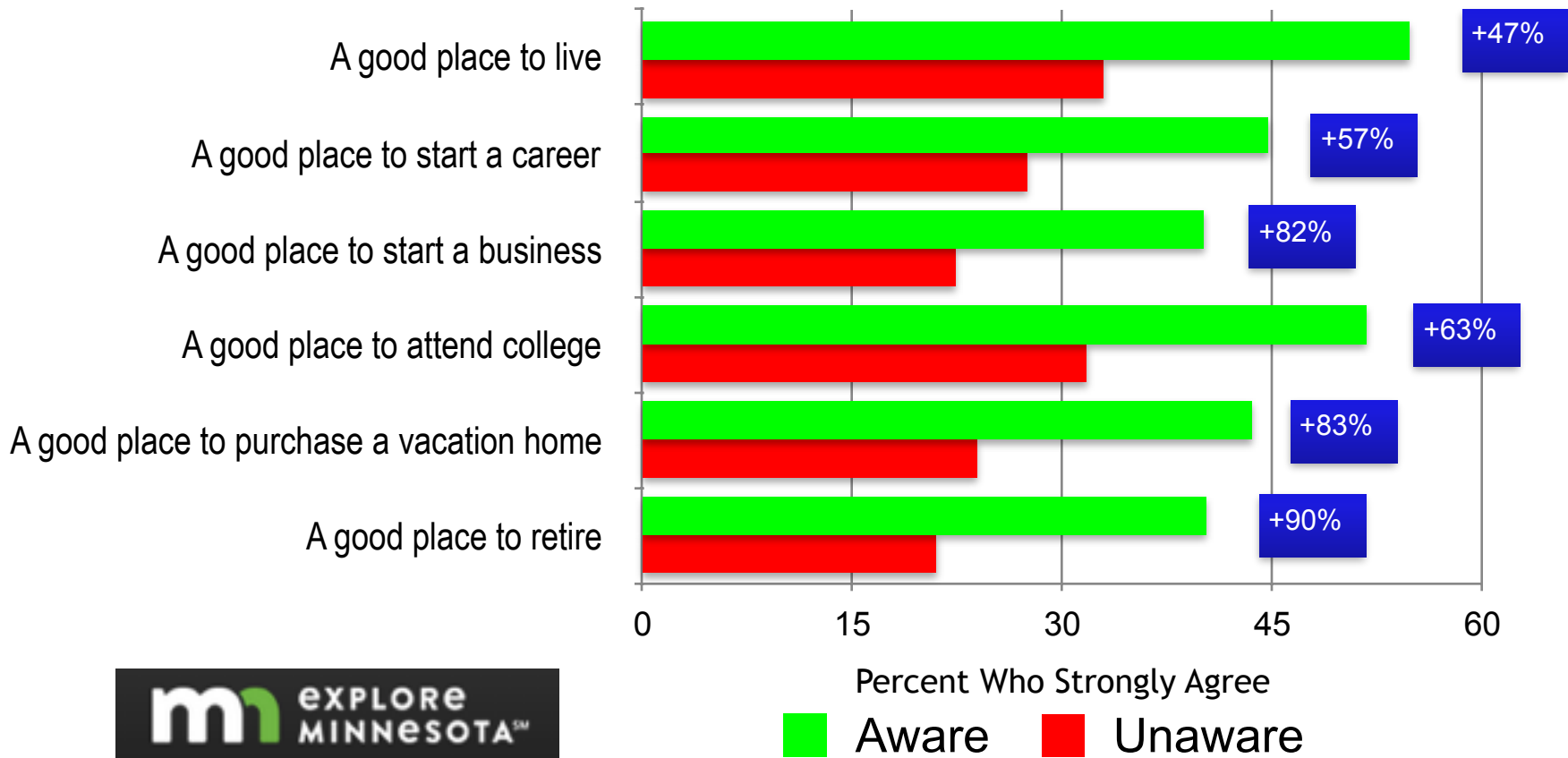
Base: Out-of-State Residents



Impact of Minnesota's 2014 Tourism Campaign on State's Economic Development Image



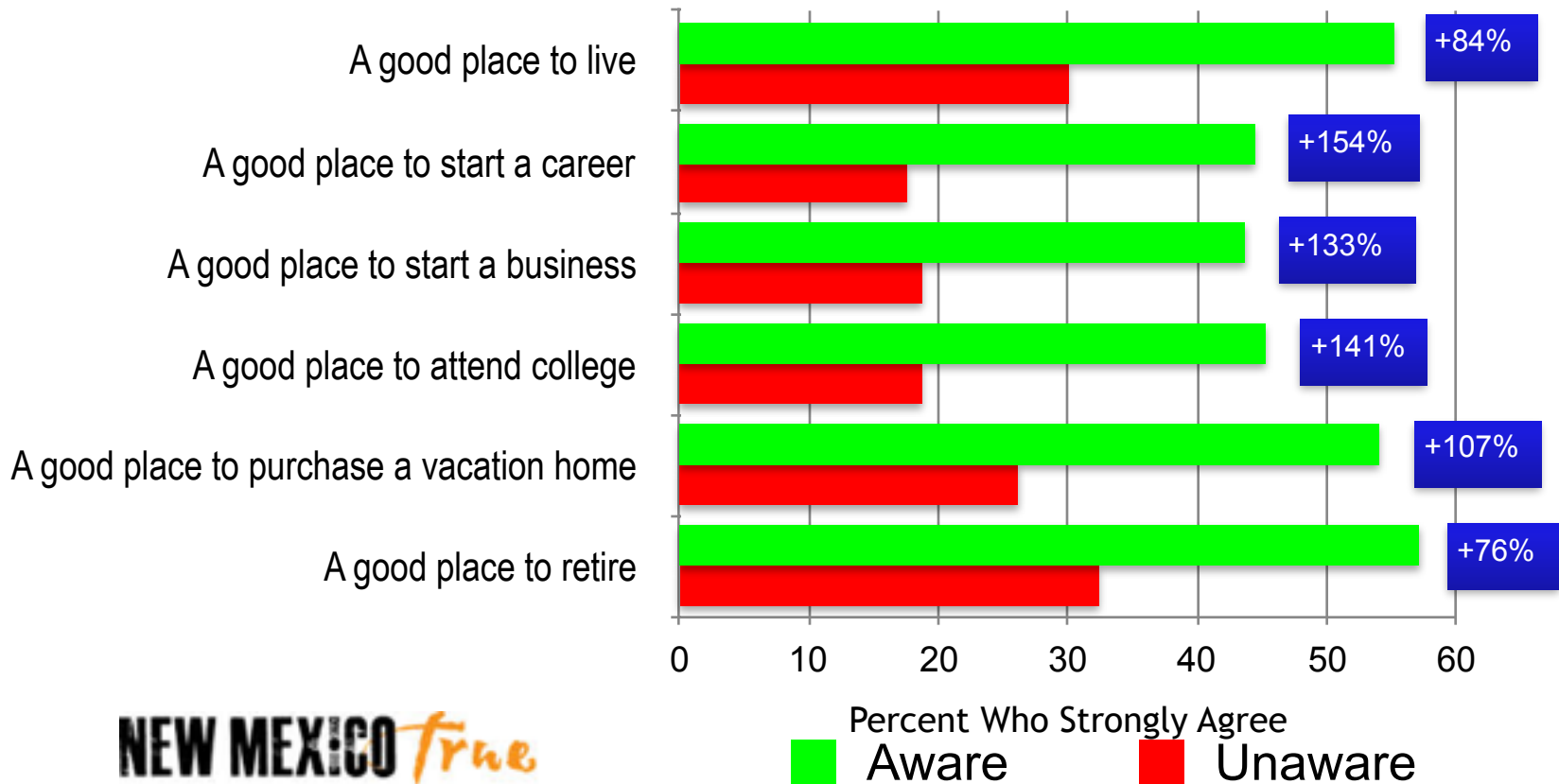
Base: Out-of-State Residents



Impact of New Mexico 2014 Tourism Campaign on State's Economic Development Image



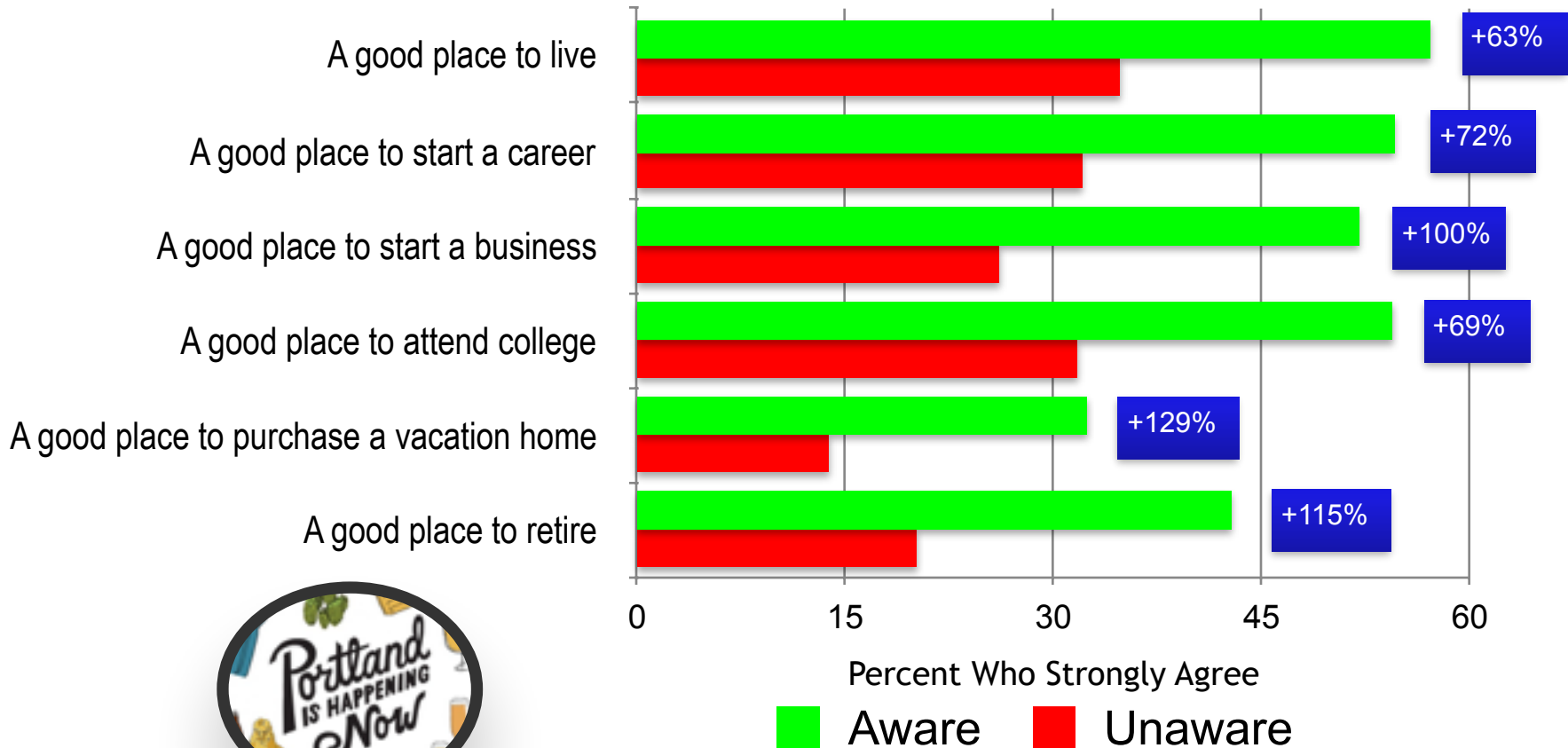
Base: Out-of-State Residents



Impact of Portland 2014/2015 Tourism Campaign on City's Economic Development Image



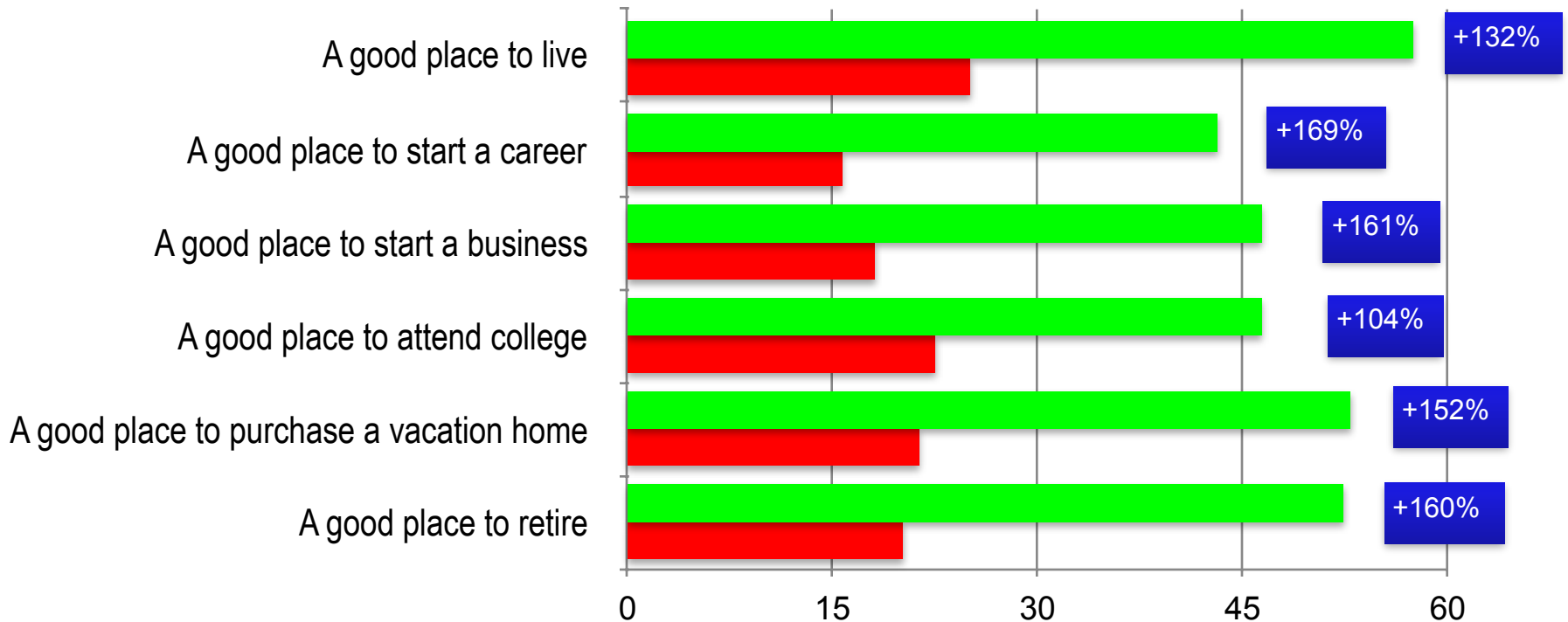
Base: Advertising Markets



Impact of Lake Erie Shores & Islands 2014 Tourism Campaign on Region's Economic Development Image



Base: Advertising Markets



Percent Who Strongly Agree

■ Aware ■ Unaware

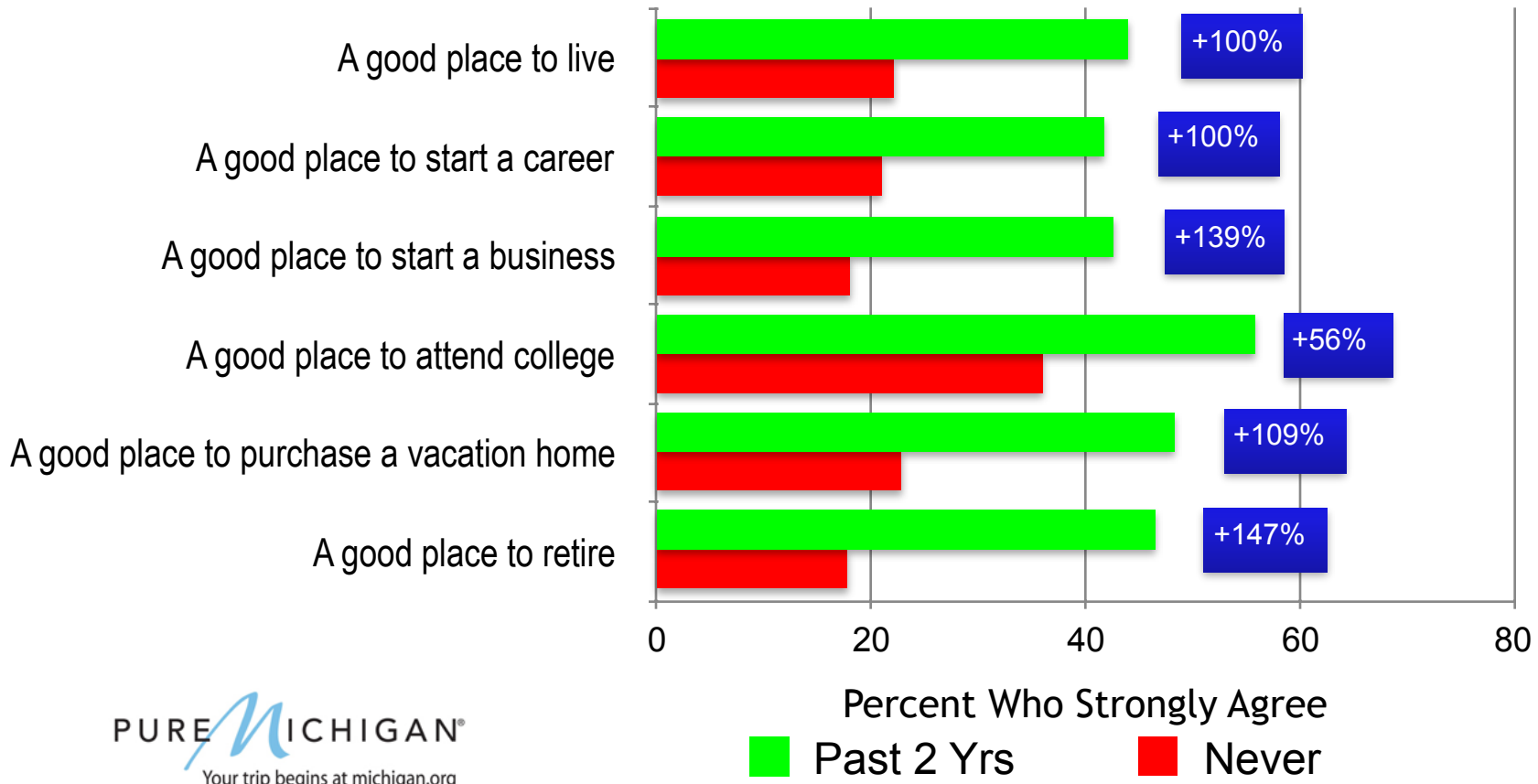
Impact of *Visitation* on Economic Development Image



Impact of *Visitation* on Michigan Economic Development Image



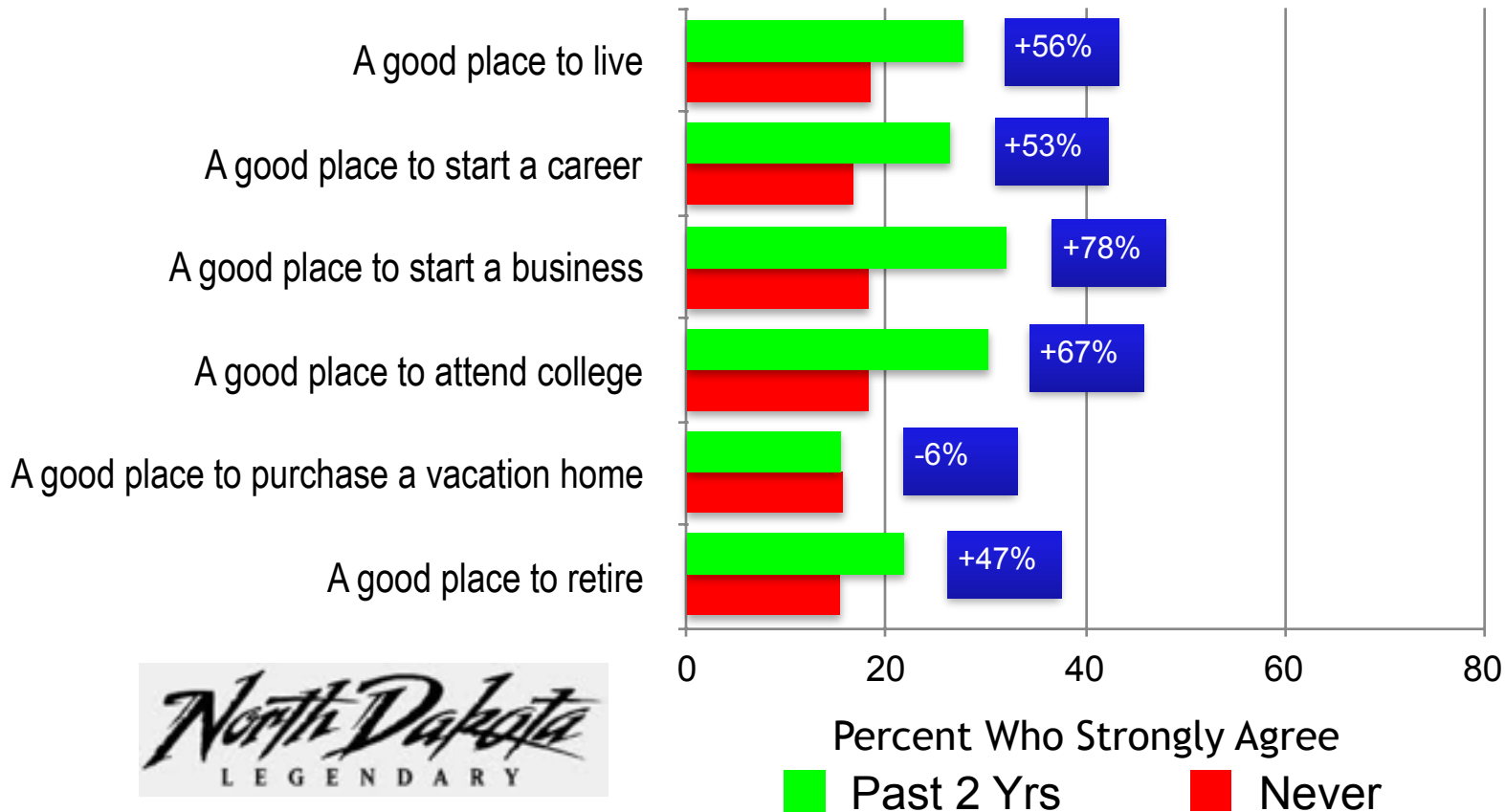
Base: National Out-of-State Residents



Impact of *Visitation* on North Dakota Economic Development Image



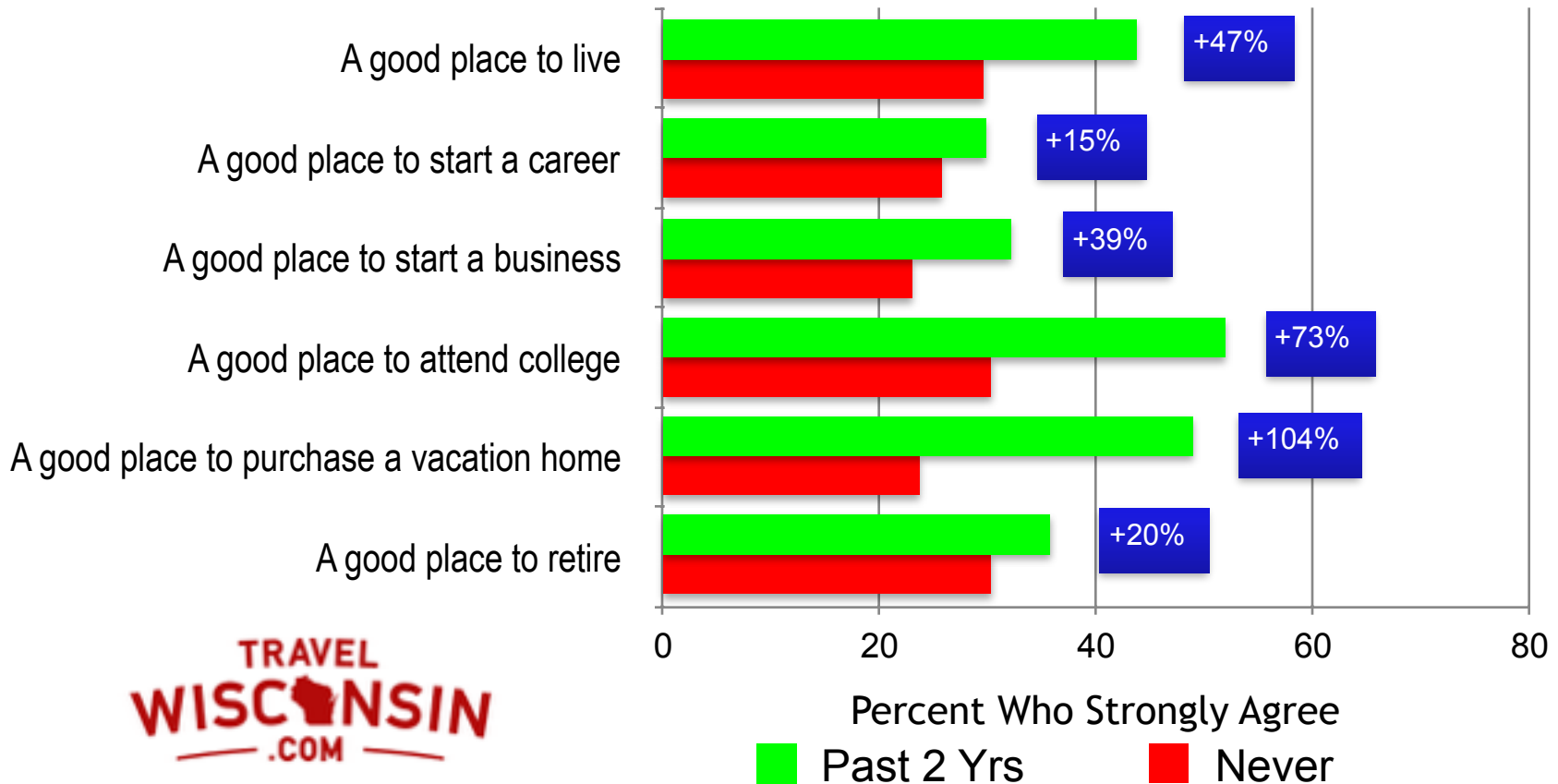
Base: Out-of-State Residents



Impact of *Visitation* on Wisconsin Economic Development Image



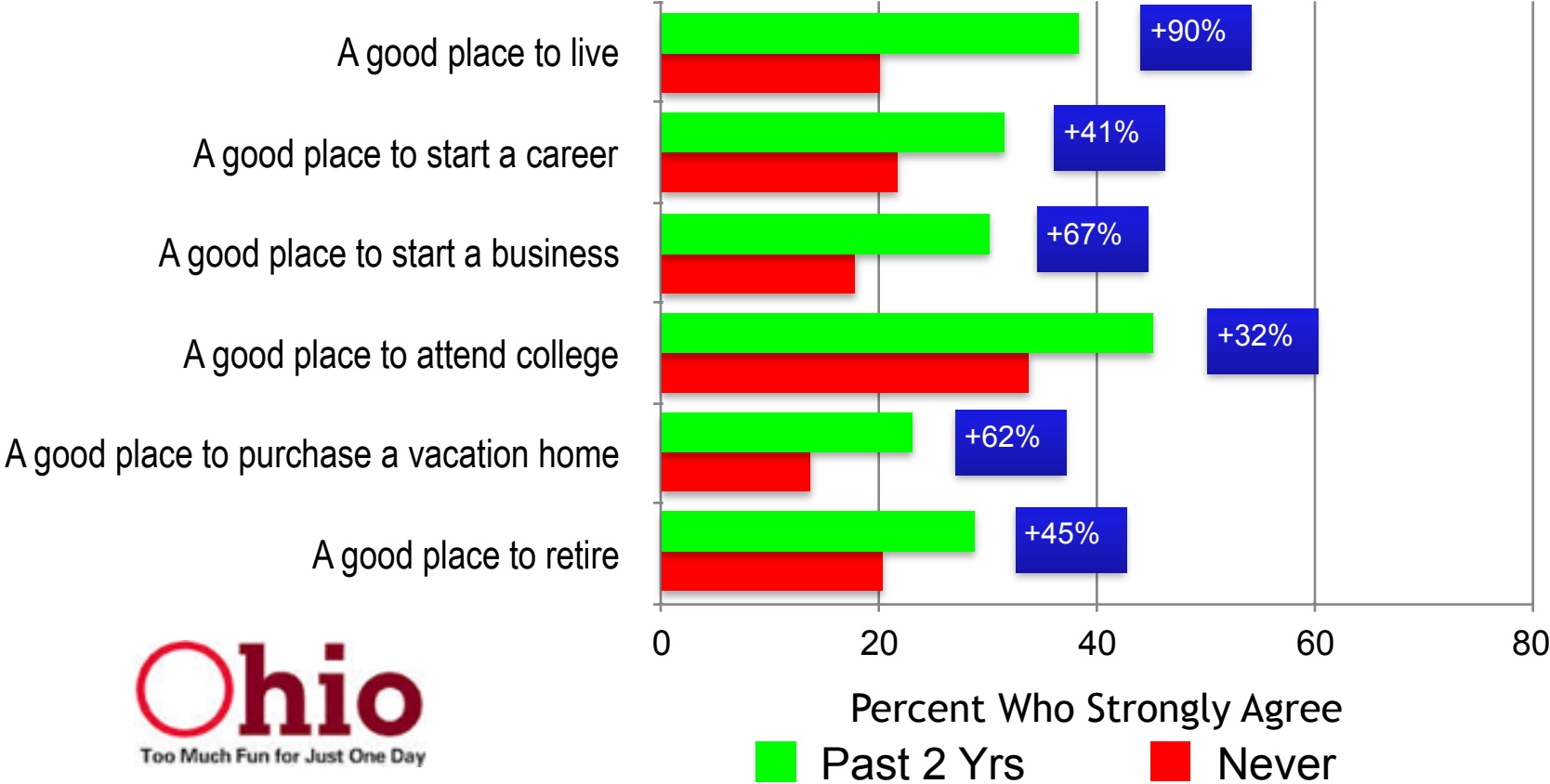
Base: Out-of-State Residents



Impact of *Visitation* on Ohio Economic Development Image



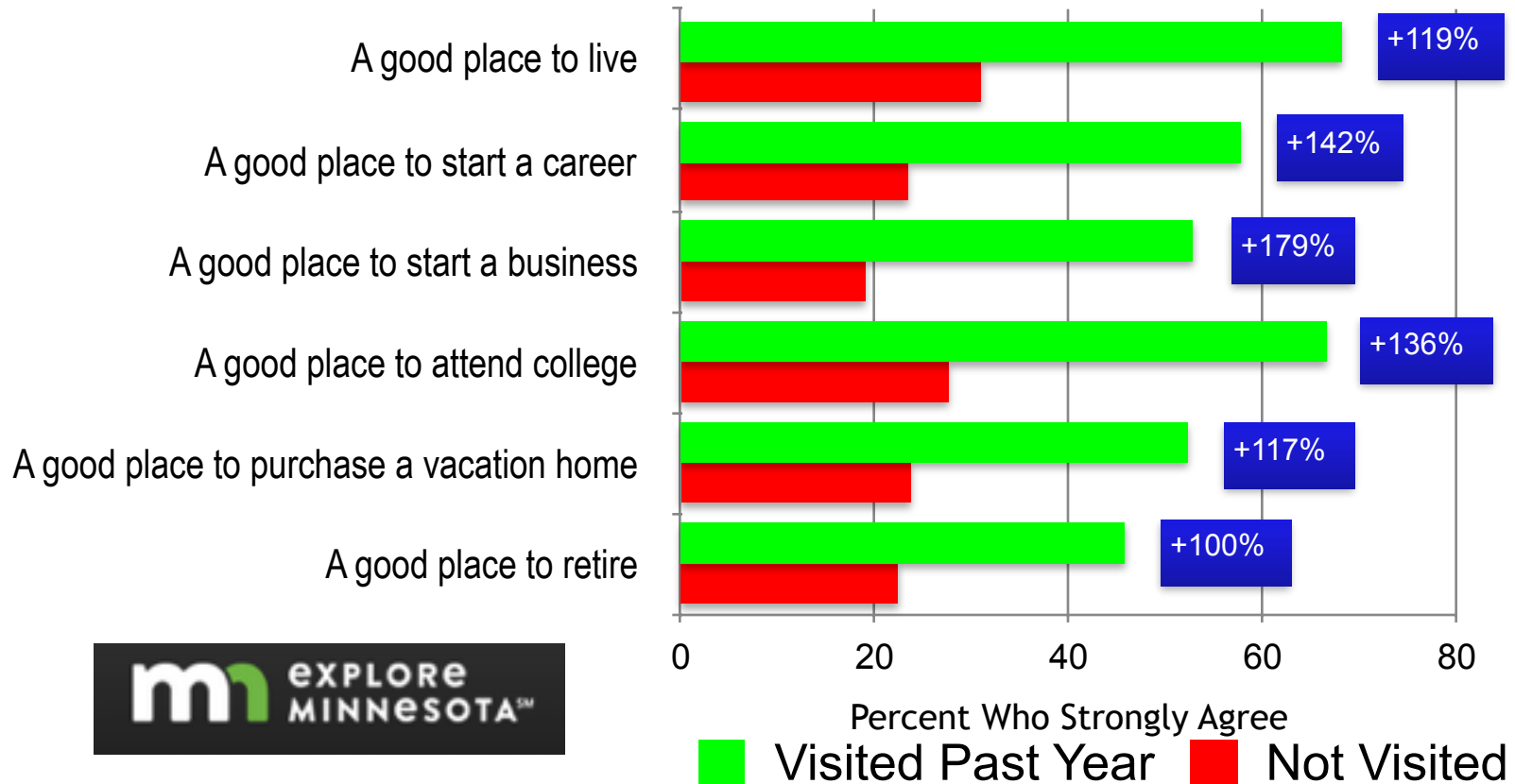
Base: Out-of-State Residents



Impact of *Visitation* on Minnesota Economic Development Image



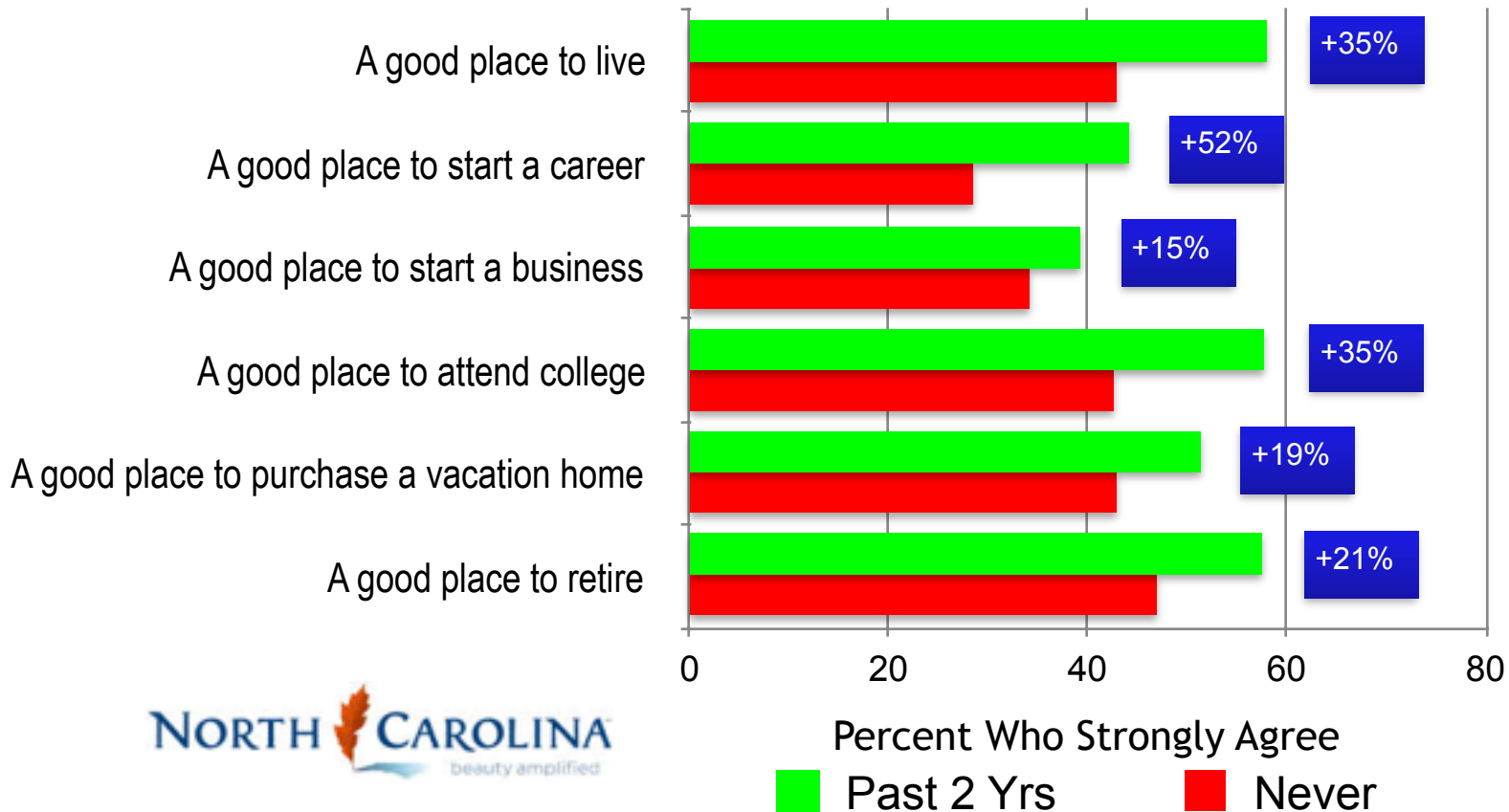
Base: Out-of-State Residents



Impact of *Visitation* on North Carolina Economic Development Image



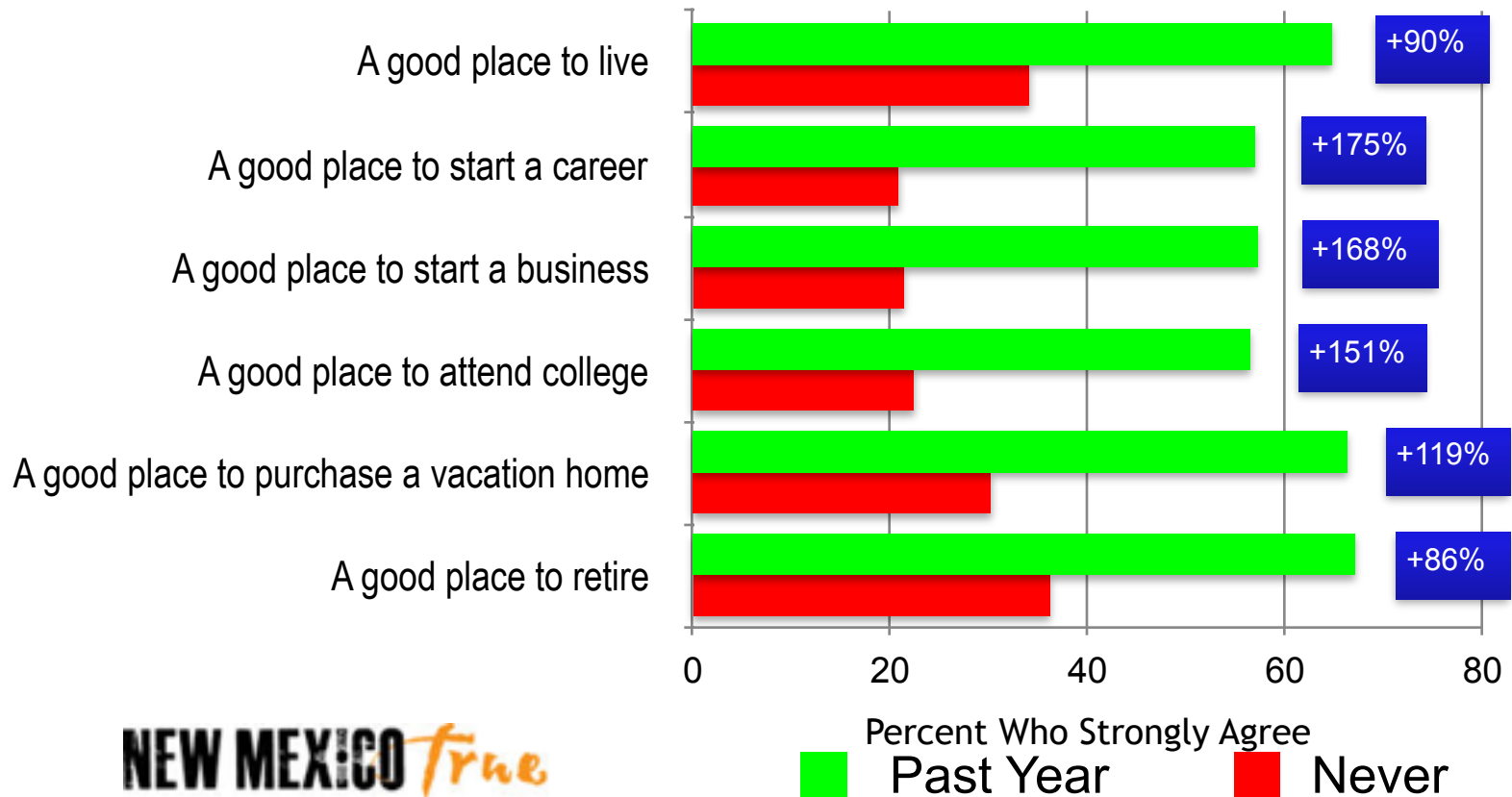
Base: Out-of-State Residents



Impact of *Visitation* on New Mexico Economic Development Image



Base: Out-of-State Residents



NEW MEXICO True

Impact of *Visitation* on Portland Economic Development Image



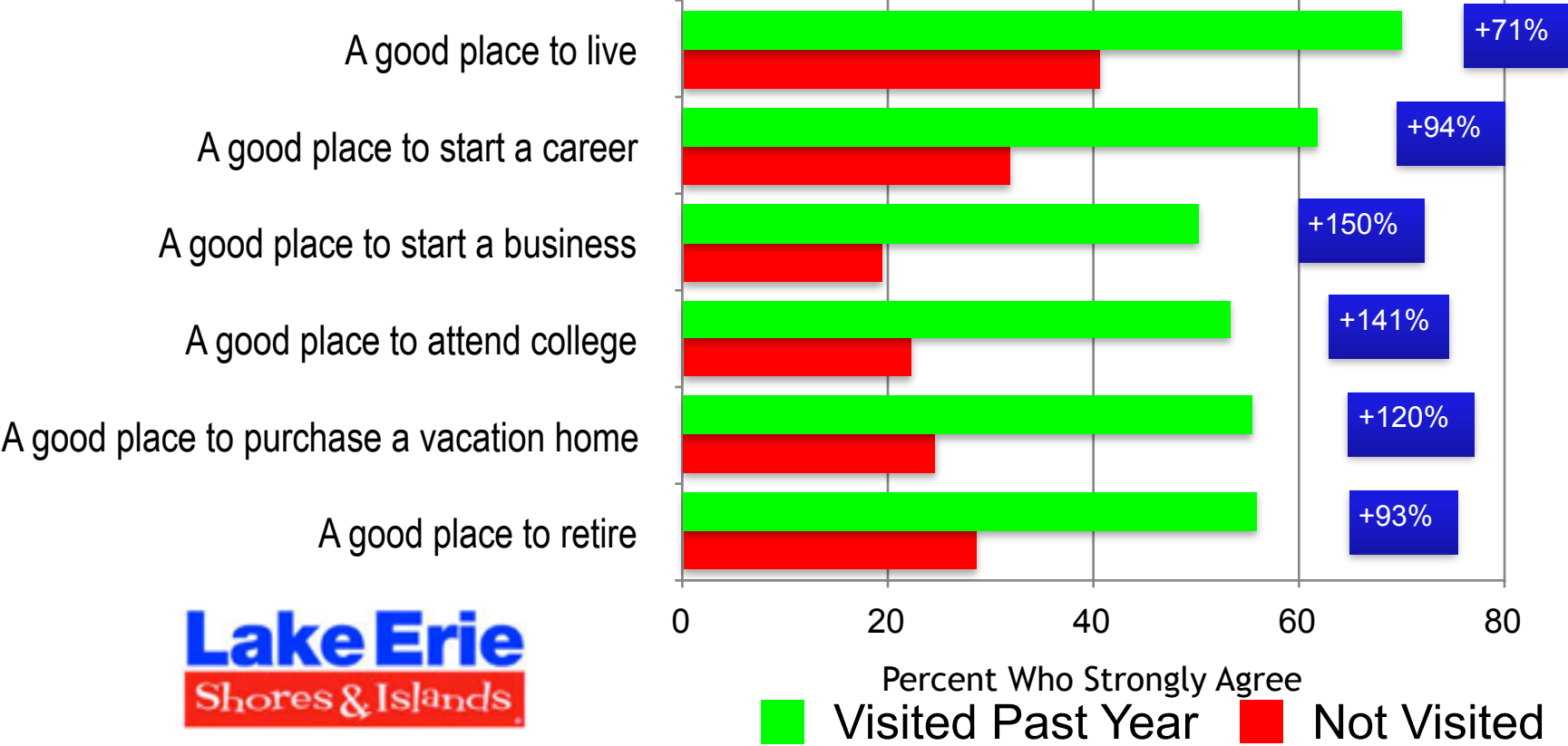
Base: Advertising Markets



Impact of *Visitation* on Lake Erie Shores & Islands Economic Development Image



Base: Advertising Markets



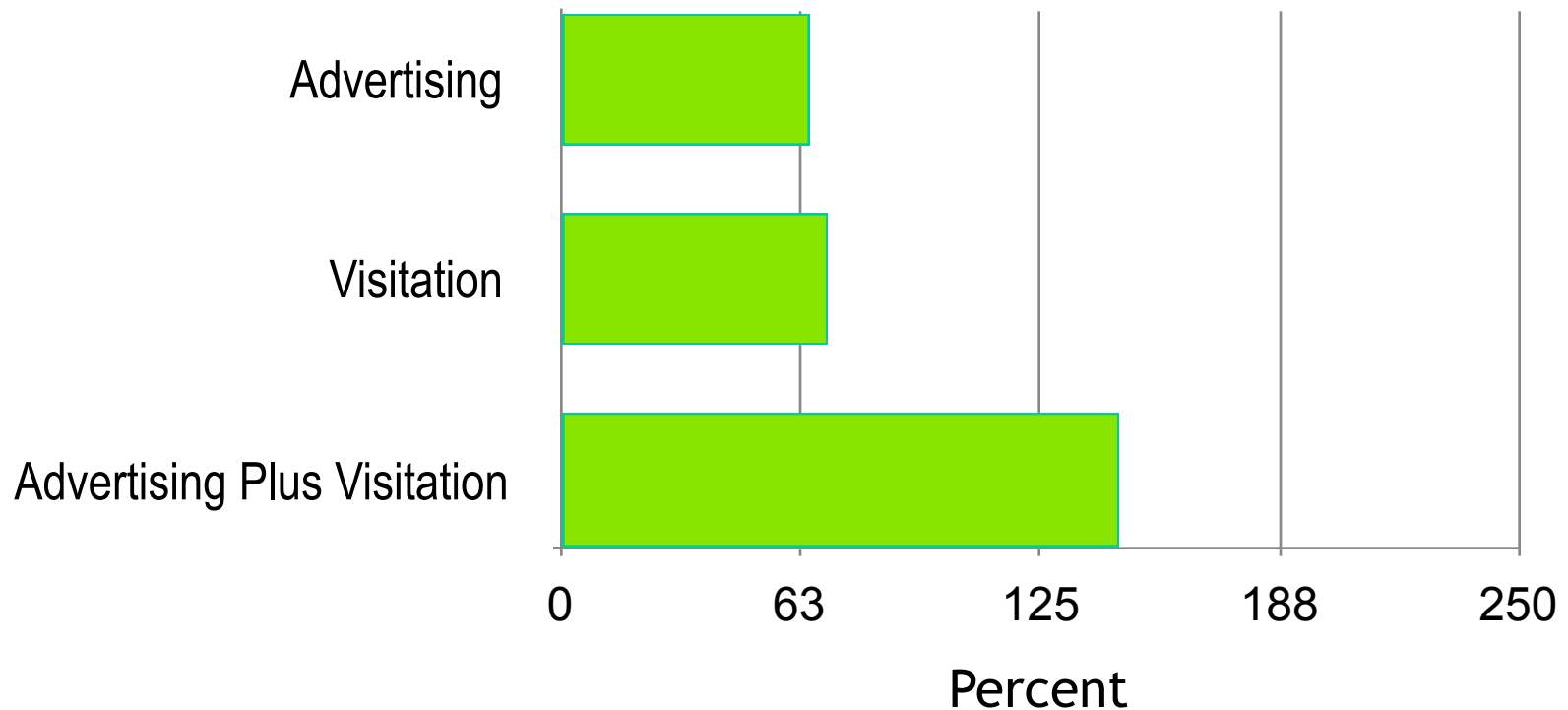


In Summary

“A Good Place to Live”



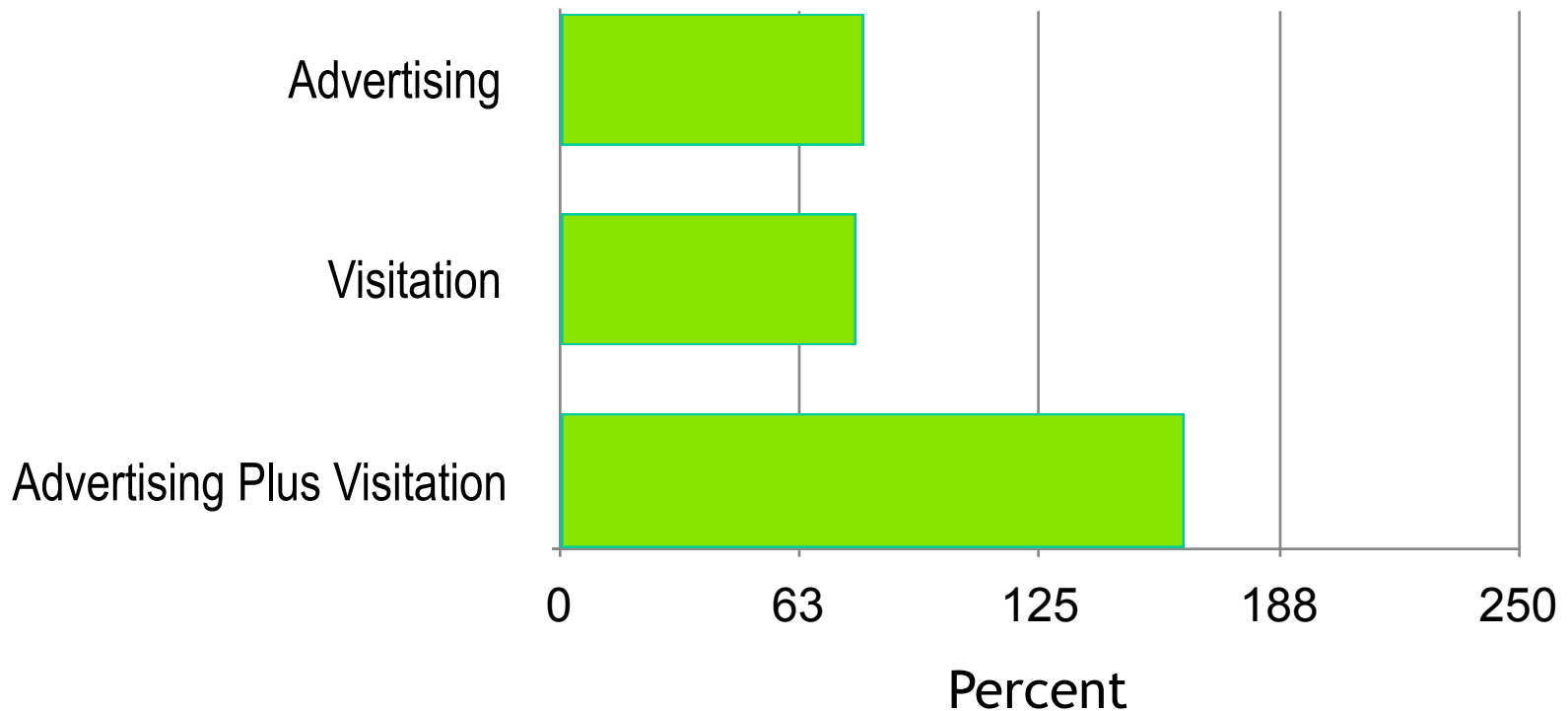
% Image Lift Across Nine DMOs



“A Good Place to Start a Career”



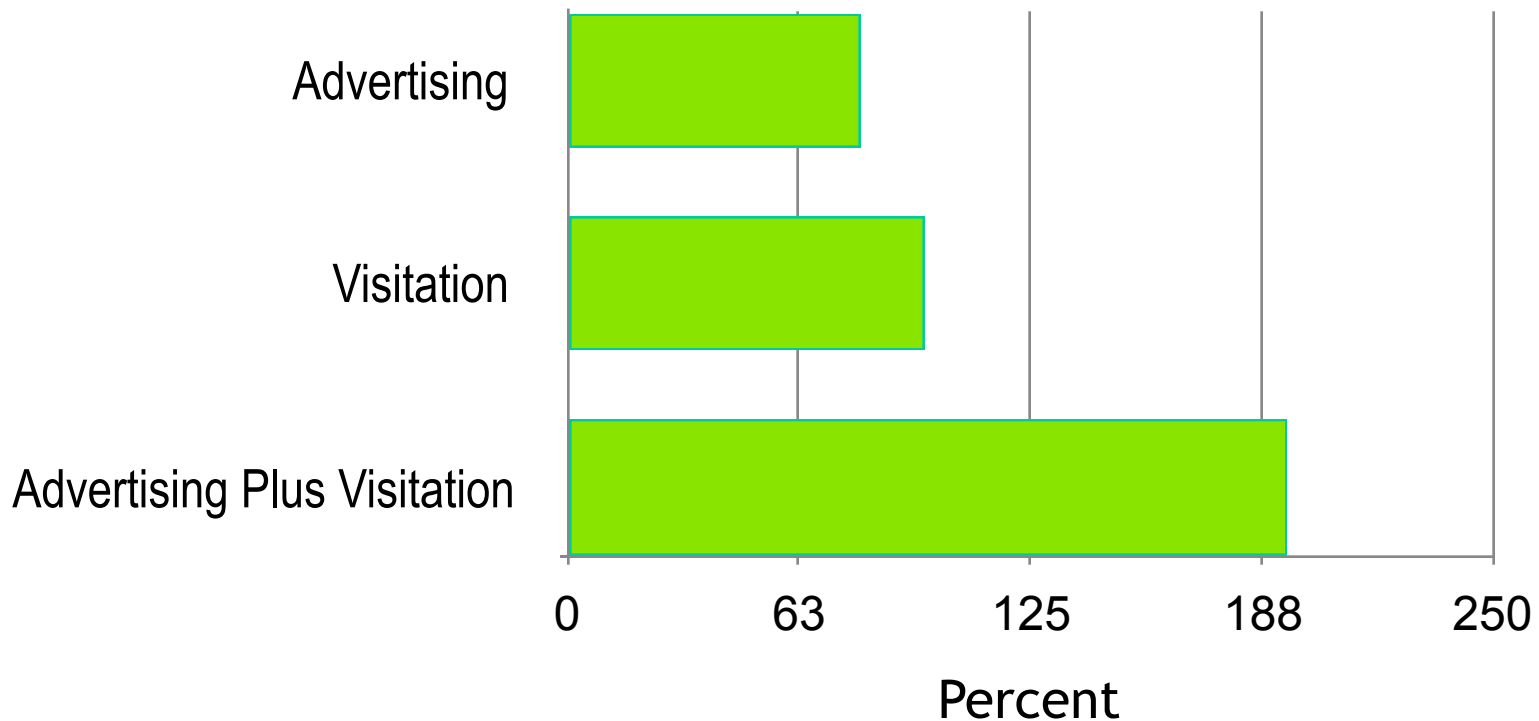
% Image Lift Across 9 DMOs



“A Good Place to Start a Business”



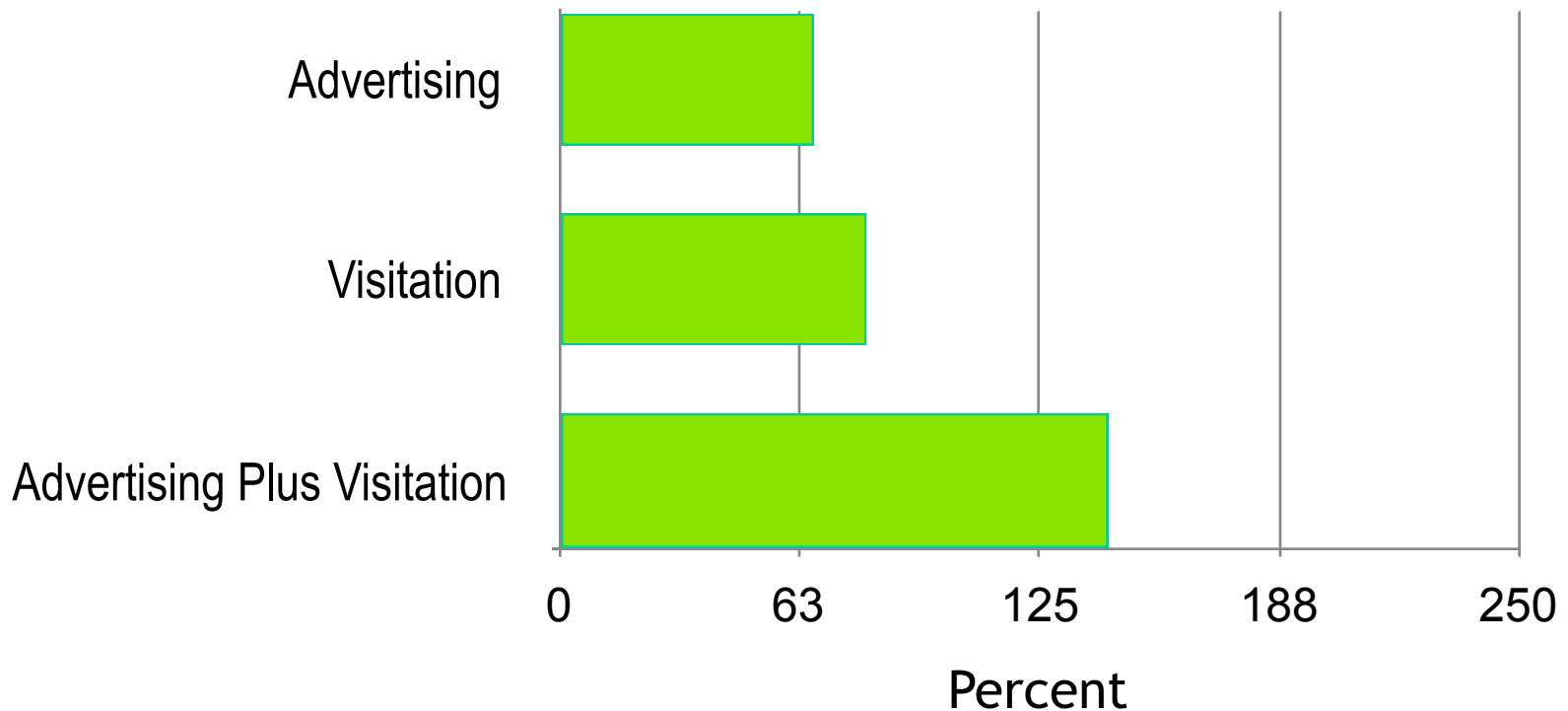
% Image Lift Across Nine DMOs



“A Good Place to Attend College”



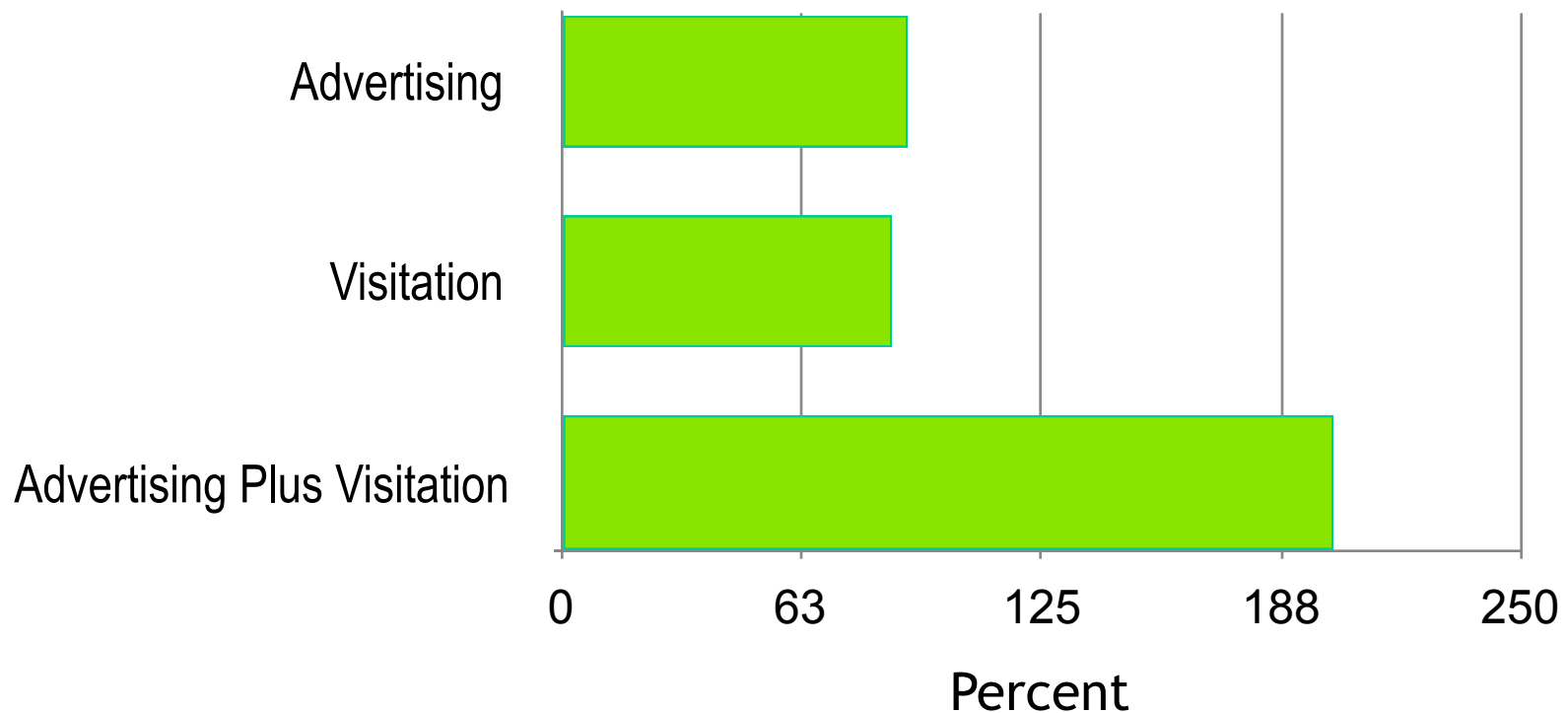
% Image Lift Across Nine DMOs



“A Good Place to Purchase a Vacation Home”



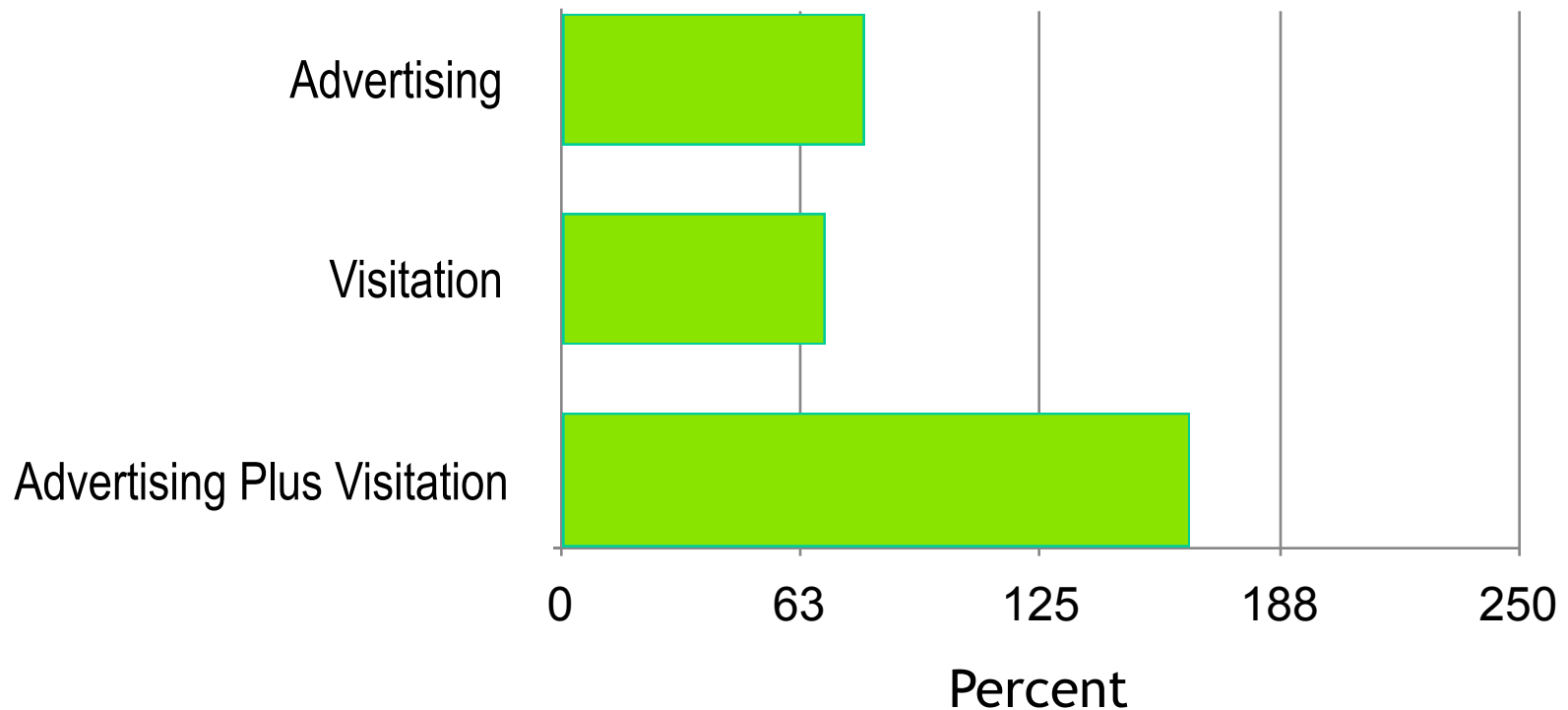
% Image Lift Across Nine DMOs



“A Good Place to Retire”



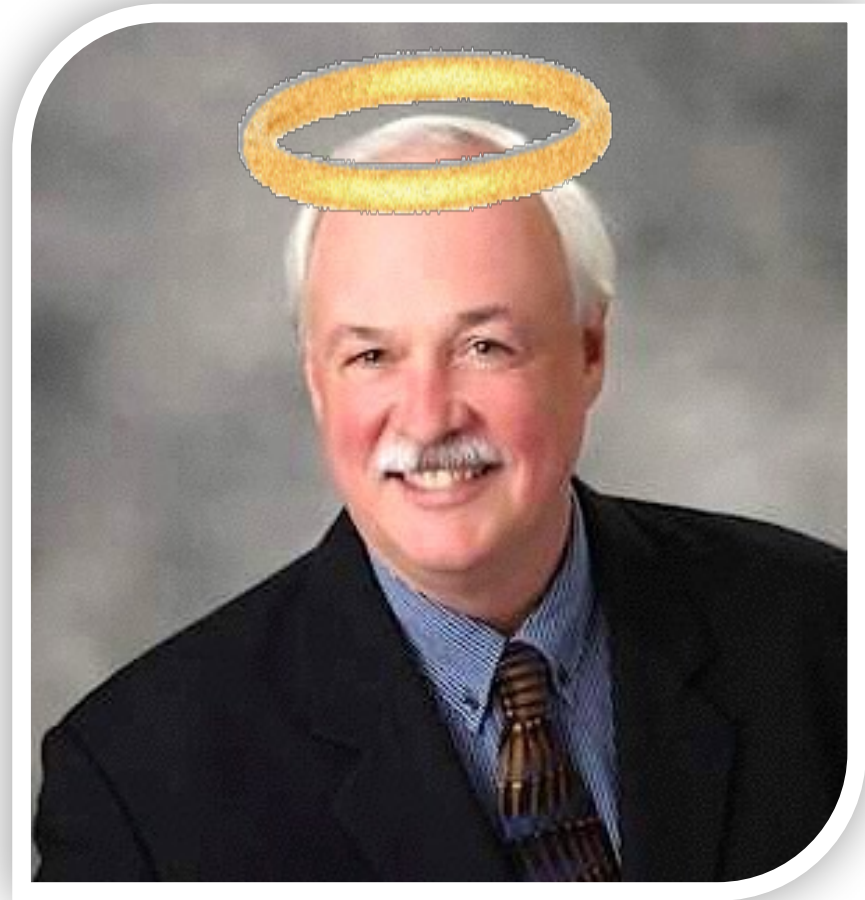
% Image Lift Across Nine DMOs



Creating a Singular Brand for Tourism and Economic Development



PURE MICHIGAN®



Pure Michigan Case Study



Pure Michigan Case Study



- ✓ Not here to tell you what may or may not work for you.
- ✓ Here to share how Pure Michigan happened and its results.
- ✓ Was not a straight line.

PURE *M*ICHIGANSM
Your trip begins at michigan.org

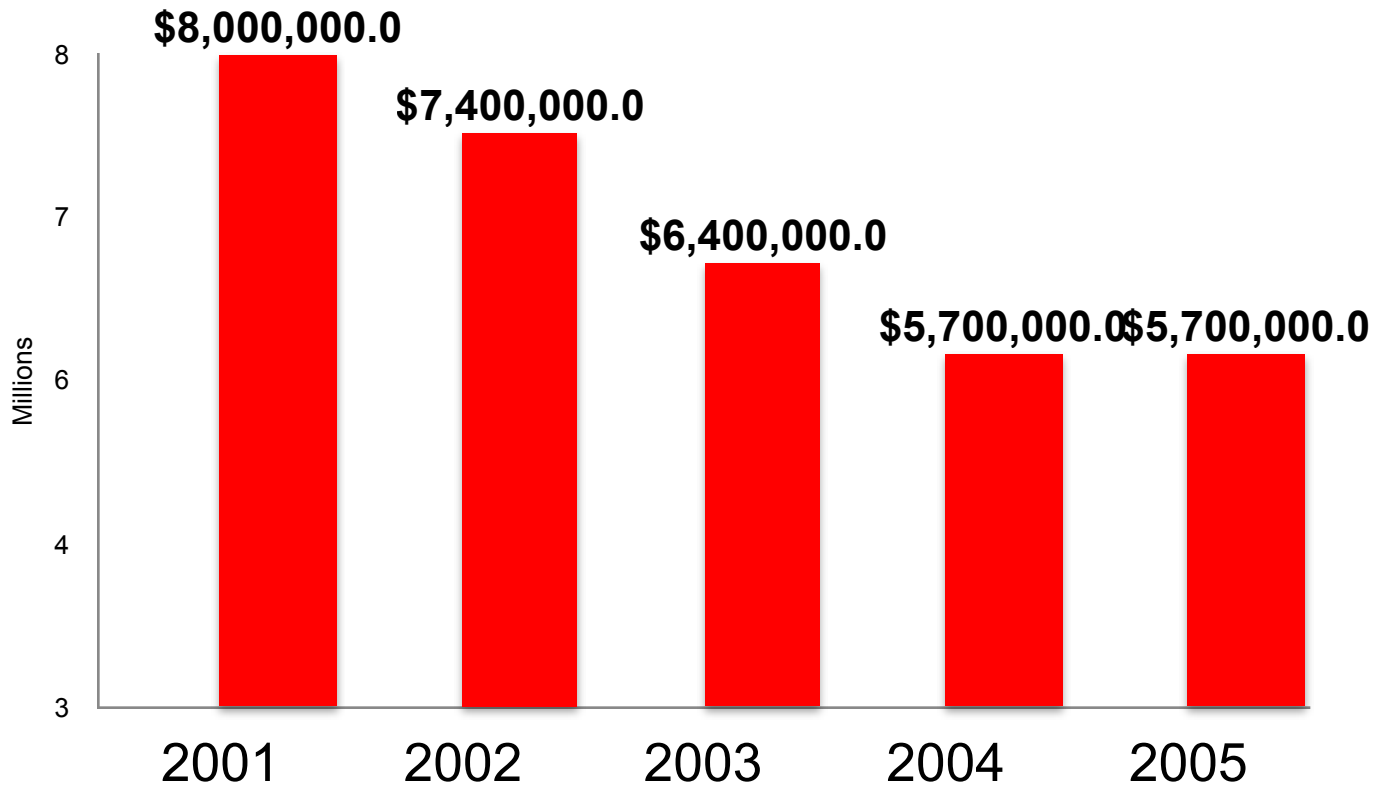
Four Keys to Pure Michigan



- ✓ A powerful brand that inspires confidence and produces results.
- ✓ ROI data that proves effectiveness.
- ✓ Industry leadership and unity behind the data and the brand.
- ✓ Sufficient budget to promote the brand.

PURE *M*ICHIGAN™
Your trip begins at michigan.org

Pre-Pure Michigan Budget Declines



2005: Rock Bottom



- ✓ Doing less every year, due to budget cuts.
- ✓ Demoralized, fragmented private sector.
- ✓ Business declines in middle of decade-long Michigan recession.
- ✓ Ranked 50th in hotel occupancy rate.
- ✓ One bright spot: Got first advertising ROI results for 2004 (Longwoods).

First ROI Data (2004)



- ✓ Michigan spent \$3.5 million on advertising.
- ✓ Generated 990,000 trips to state.
- ✓ Those visitors spent \$164 million.
- ✓ And paid \$11.5 million in state taxes.
- ✓ ROI = \$3.27 in taxes for each ad dollar spent.

Source: Longwoods International

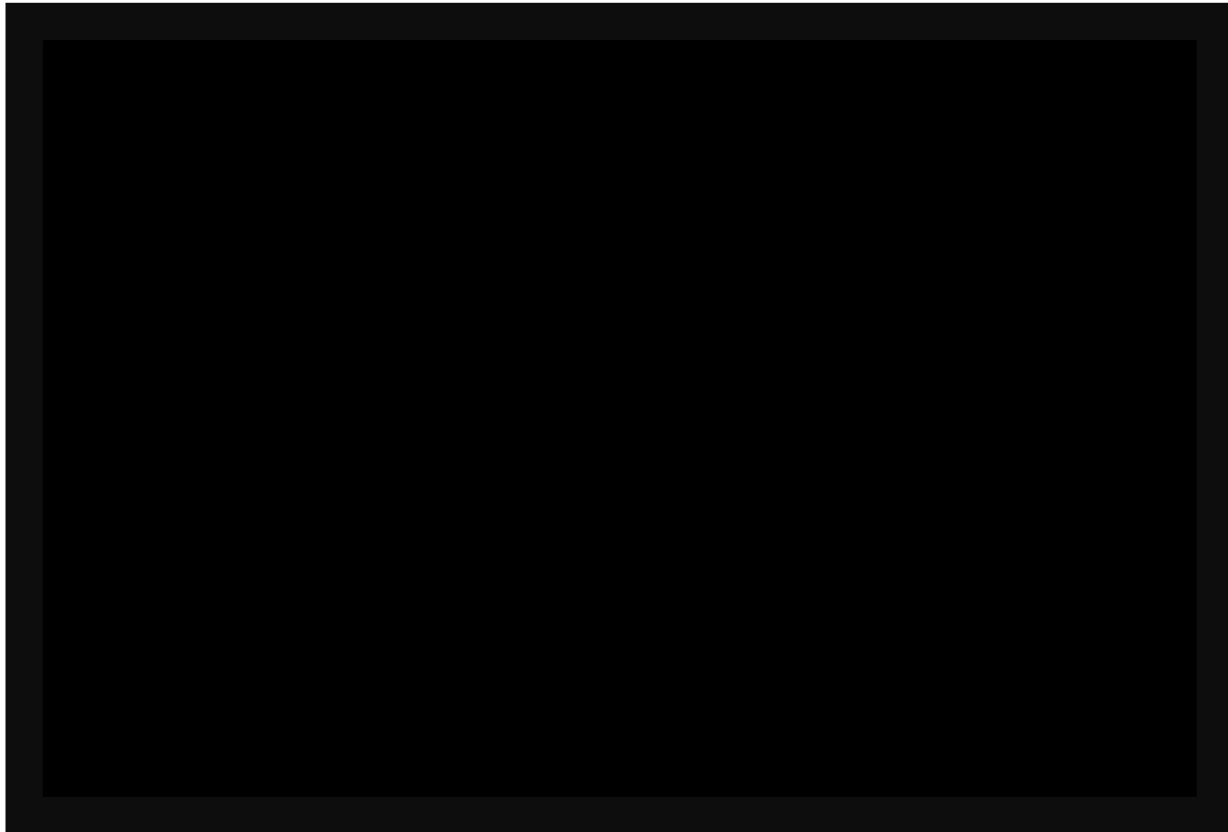
2006: Budget Increased to \$13.2 Million



Created a new brand
for the state:

PURE *M* ICHIGAN

“Sunrise”



Consistent Award-Winning Campaign



DAVID
OGILVY
AWARDS



ADVERTISING
RESEARCH
FOUNDATION



U.S. TRAVEL
ASSOCIATION

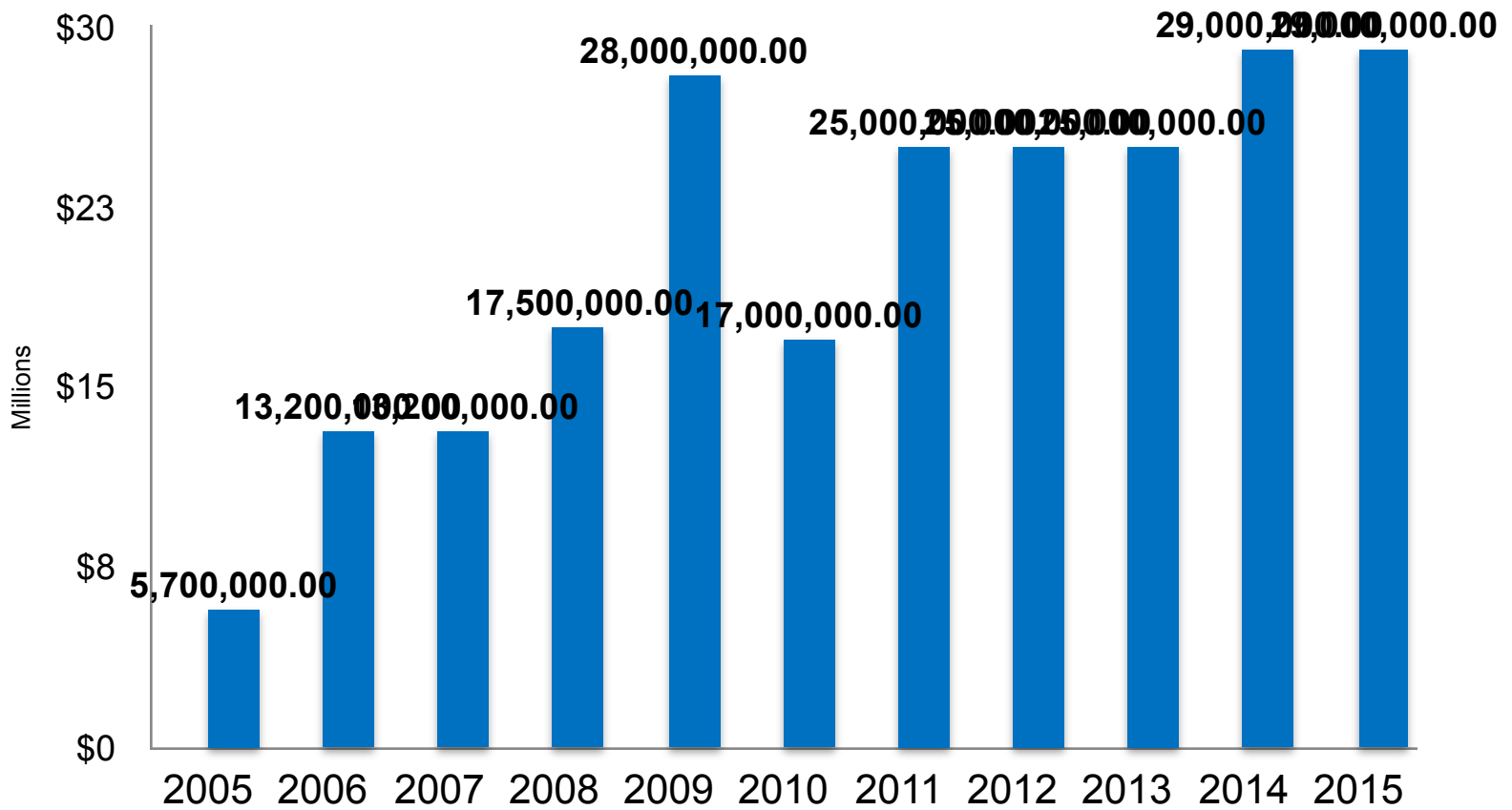
Ten Best Tourism Campaigns Ever



1. Las Vegas (“what happens here, stays here”)
2. Incredible India
3. New Zealand
4. Australia (Paul Hogan, 1980s)
5. Jamaica
6. **Pure Michigan**
7. Alaska (B4UDIE billboards, 2005)
8. Canada
9. Oregon
10. Virginia (is for Lovers)

Forbes

Pure Michigan Budgets



Pure Michigan Results 2006 – 2014



- ✓ Generated 22.4 million out-of-state trips to Michigan.
- ✓ Those visitors spent \$6.6 billion at Michigan businesses.
- ✓ They paid \$459 million in state taxes on those trips, primarily sales tax.
- ✓ **Cumulative Pure Michigan ROI is \$4.81.**

2010 Michigan Governor's Race

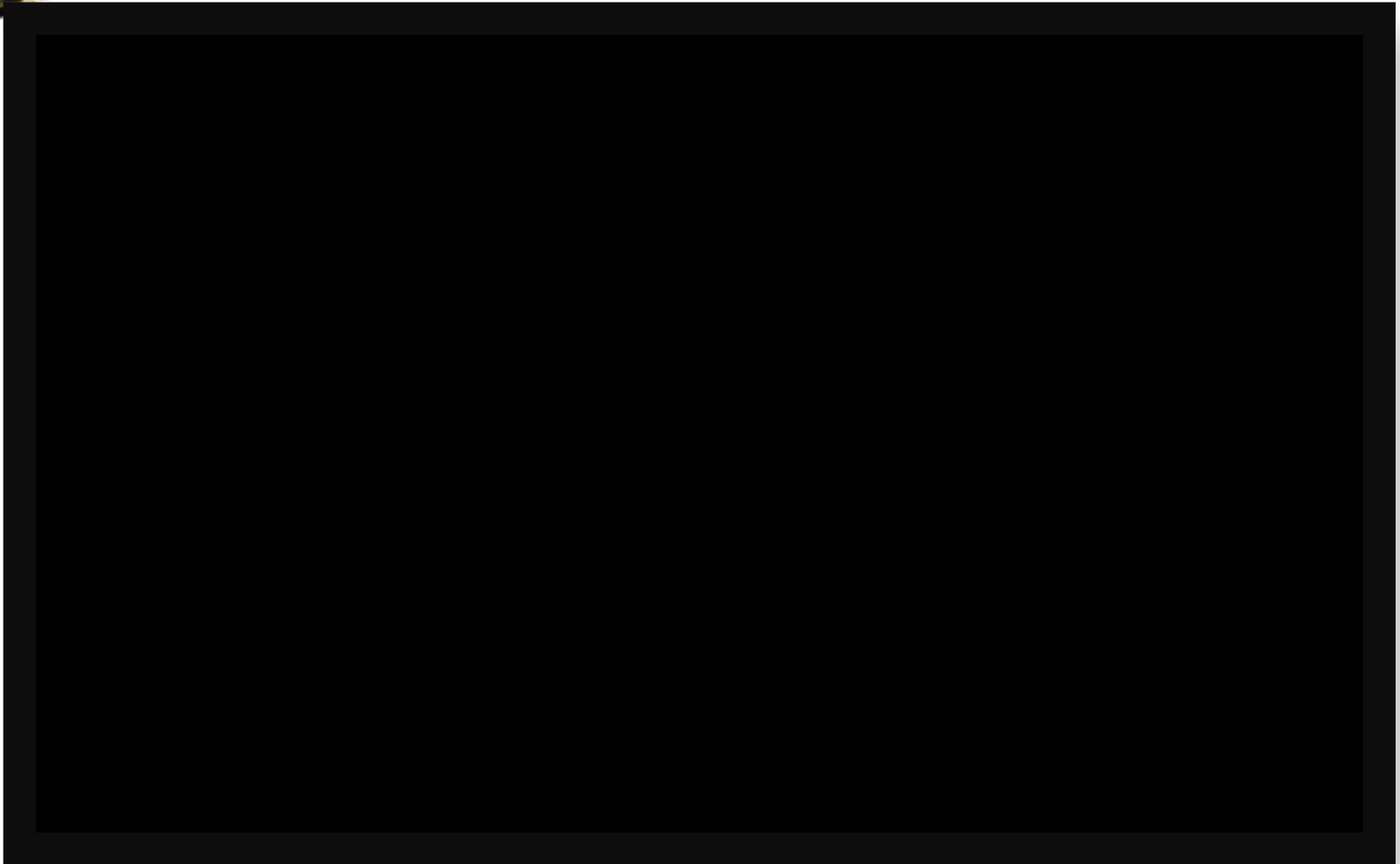


Republican Rick Snyder makes Pure Michigan a campaign issue.

He calls for consistent funding at \$25 million per year.

For a campaign created during the previous **DEMOCRAT** administration!

Michigan 2010 Upper Hand Commercial



Snyder Team Cancels “Upper Hand” Campaign



Michael Finney

Snyder pick to use 'Pure Michigan' to attract business to state

BY TOM WALSH
FREE PRESS BUSINESS COLUMNIST

[Comments \(64\)](#) [Recommend \(2\)](#) [Print](#) [E-mail](#) [Letter to the editor](#) [Share](#) [?](#)

LANSING — Gov. Rick Snyder’s choice of Michael Finney was approved Tuesday as president and CEO of the Michigan Economic Development Corporation, the public-private agency that works to attract and expand business and jobs in the state.

Michigan's Marketing Brand



Michigan's Marketing Brand



The screenshot shows the Pure Michigan website's navigation and content. The top navigation bar includes 'PURE MICHIGAN', 'WHY MICHIGAN', 'START UP', 'GROW' (highlighted), 'COMMUNITY', and 'ABOUT MEDC'. Below this is a secondary navigation bar with links: 'Find Talent', 'Access Capital', 'Business Connect', 'Incentives and Taxes', 'Growth Industries', and 'Export Assistance'. The main content area features a large image of a blue truss bridge over a river with the word 'GROW' overlaid. Below the image is the heading 'Business Connect'. On the left side, there is a sidebar with 'ON THIS PAGE' and a link to 'Pure Michigan Business Connect', along with social media icons for RSS, Facebook, and a plus sign. The main content area has a sub-heading 'PURE MICHIGAN BUSINESS CONNECT' and a paragraph of text.

PURE MICHIGAN

WHY MICHIGAN

START UP

GROW

COMMUNITY

ABOUT MEDC

Find Talent Access Capital Business Connect Incentives and Taxes Growth Industries Export Assistance

GROW

Business Connect

ON THIS PAGE

Pure Michigan Business Connect

PURE MICHIGAN BUSINESS CONNECT

Pure Michigan business connect is a [multi-billion dollar public/private initiative](#) developed by the Michigan Economic Development Corporation that connects Michigan businesses by introducing them into the purchasing pipelines of the state's larger companies. Through this Business-to-Business (B2B) network, Michigan companies are encouraged to increase their procurement spending within the state. Professional assistance is available to small businesses and startups at little or no charge, including legal, accounting, Web development and human resource assistance.

Pure Michigan: Off to the Races



Water



Coke



Beer



Detroit Tigers



Agriculture



Kroger



Non-Profits



New Standard License Plate



Michigan = *Pure Michigan*



Tourism Partners Join the Parade



2014 Pure Michigan Advertising Partners

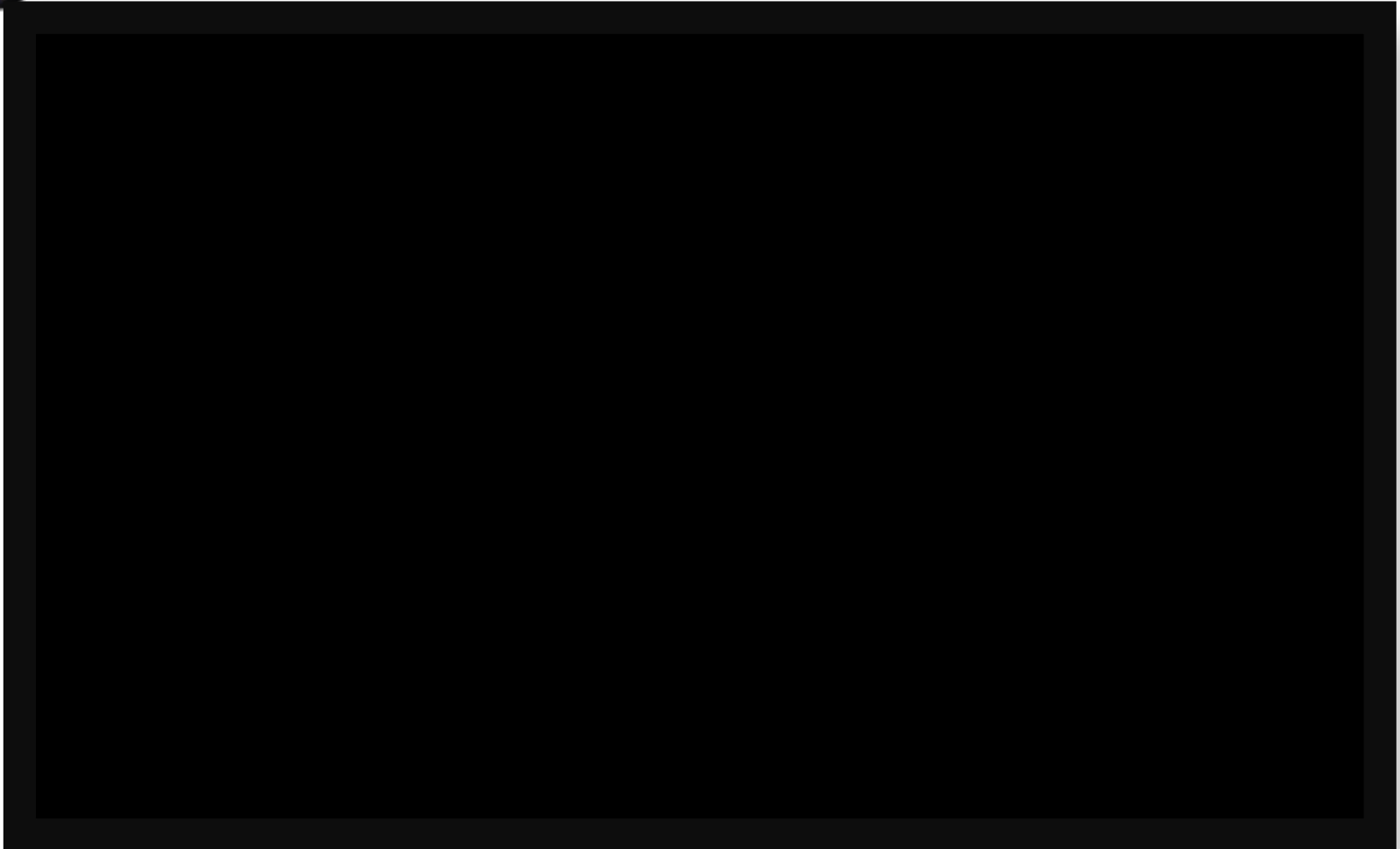


**44 advertising partners
in 2014.**

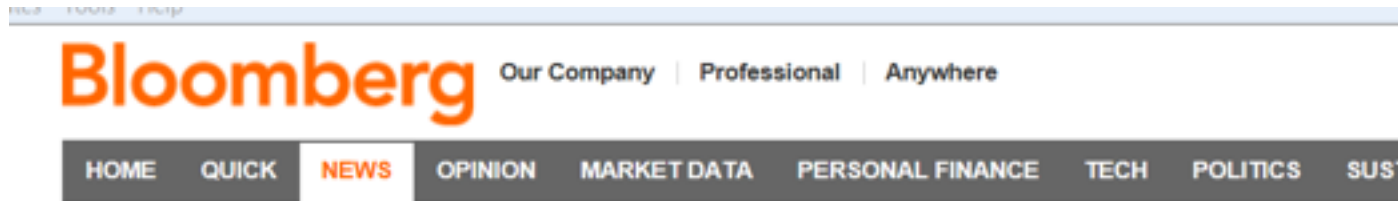
- ✓ Invested **\$5.7 million** in Pure Michigan ads.
- ✓ \$20,000 to \$500,000 per partner.

**Started with 2 partners
@ \$230k in 2002.**

Traverse City Partner TV Ad



It's About More Than Tourism



Hamptons of Michigan Draws New Yorkers With Bargain Homes

“A surge in tourism from visitors outside of Michigan is helping increase demand for vacation houses in the region, where the median home price is about a quarter of that in the Hamptons.”

Bloomberg, Sept. 14, 2012

The Bottom Line



- Brings in many visitors regionally and nationally.
- Creates jobs in a difficult economy.
- Generates incremental dollars to a state treasury struggling with solvency.

PURE *M*ICHIGANSM

The Bottom Line



- Now the **SINGULAR BRAND** for **MICHIGAN**:
 - *Tourism.*
 - *Economic Development.*
 - *Many marketing partners.*

PURE *M*ICHIGANSM

Andy Levine



Forbes

“... while tourism marketing has been shown to generate significant economic impact by driving visitation, these results demonstrate the potential long-term benefits for broader economic development.”

Susannah Martinez, New Mexico Governor



“By showing a true picture of New Mexico, we’re doing a better job of getting the message out that New Mexico is a great place to live, start a career, and raise a family.”

Scott Walker, Wisconsin Governor



“Investing in tourism promotion and marketing at the national, state, and local level is not only an effective way to attract visitors and grow the economy, it also enhances the image of the state as a place to live and do business.”

Bill Geist, Zeitgeist Consulting



ZEITGEIST CONSULTING

**DMO
PRÖZ**

“The jury is in. The verdict is crystal.

The visitor-focused advertising of DMOs has a pronounced impact on measures that many community leaders have long said are more important than “tourism.”

Bill Geist, Zeitgeist Consulting



ZEITGEIST CONSULTING

**DMO
PRÖZ**

“Destination Marketing is crucial to showcasing our communities to far more than visitors but, indeed, to future residents and investors.

And, now, no community leader can honestly argue with that.”

In Conclusion



- ✓ Tourism marketing is destination branding for every purpose.
- ✓ Unite under tourism brand.
- ✓ Expand tourism marketing to promote growth.



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