

# DESTINATION MARKETING - DEMOGRAPHIC DATA ARE STILL ESSENTIAL



A recent Digital Tourism Think Tank (DTTT) study, titled "State of Destination Marketing 2024," sheds light on the current trends and challenges the tourism industry faces. The study surveyed approximately 300 Destination Management Organizations (DMOs), government departments, and affiliated tourism boards globally, with support from Brand USA, Destination Canada, and the European Travel Commission. It aims to explore the most effective marketing strategies for engaging travelers and provides insights into the future of tourism destination marketing.

## Factors Impacting Destination Marketing Strategies

The study revealed that economic uncertainty, inflation, and the cost of living significantly impact strategies. More than 50 percent of respondents believe these issues require careful planning.

Despite the rapid transformation of the travel industry, Destination Marketing Organizations (DMOs) continue to empower destinations to address these changes effectively. **The study's findings shed light on destination operators' strategic priorities and overall approach to digital marketing.** It also highlights the importance of promoting sustainable and diverse tourism while meeting consumers' desire for unique experiences.

## AI Revolutionizes Destination Marketing

The use of artificial intelligence in destination marketing is transforming the way destinations reach out to travelers. According to a report, DMOs believe AI's impact will be most notable in content creation, with 49 percent predicting significant influence in this area. Many AI tools are revolutionizing creative processes, from social media posts to more extensive content.

Moreover, 40 percent of DMOs see significant potential in AI for predictive analytics, 38 percent for data analysis and interpretation, and 37 percent for personalized marketing content. However, when applying AI to create web apps and platforms used by their teams, 71 percent of respondents are currently less confident and observe limited potential impact. Additionally, 63 percent of DMOs are skeptical about using AI in conversational marketing. They perceive less impact of AI on campaign creation and optimization (29 percent), creative services (25 percent), and web, app, and platform creation (25 percent).

## The Growing Dominance of Meta Platforms

Paid media is a crucial aspect of marketing for 96 percent of DMOs to accomplish their marketing goals. Of these, 58 percent make year-round investments, while 38 percent invest seasonally—only 21 percent provide support when specific opportunities arise. Social media marketing (SMM) and search engine marketing (SEM) are considered medium to high importance by 96 percent and 95 percent of DMOs, respectively.

Native advertising, or sponsored content, is the most important channel type by 94% of respondents, followed by display and video advertising, which is important for 85% of them. In-stream video ads are also considered significant by 78% of the participants. Furthermore, Connected TV (CTV) is gaining popularity; more than half of respondents believe it is very important.

Regarding prioritizing media and content investments, Instagram and Facebook are still ranked as the most important platforms, with 45% and 35% of respondents, respectively, considering them the most relevant Meta channels. Despite TikTok's global popularity, media investment in this platform has not reached the expected level yet, with only 5% of stakeholders ranking it as a significant channel.

## **Changing Strategies on Data and Privacy**

In a recent survey, 54% of respondents stated that data is the most valuable asset in marketing planning. Demographic data is the most used (88%), followed by behavioral data (79%). However, despite the growing use of data, significant challenges are also involved.

The three main obstacles cited by respondents are the lack of data integration across channels (52%), the high cost of data acquisition (46%), and limited access to quality data (42%). These challenges explain why demographic data is still the primary factor influencing digital marketing decision-making.

The disappearance of third-party cookies operated by Google is expected in mid-2024, and this change is anticipated to impact 37% of respondents' current strategies significantly. In comparison, 15% believe it will have a minimal impact. In response to these data privacy changes, DMOs mitigate their effects by focusing on social channels (60%) and obtaining more first-party data (58%).

A study has found that the inability to track data properly is a significant problem, and the importance of obtaining first-party data is now higher than ever. DMOs can collaborate with experienced travel marketing partners to leverage the current focus on demographics and data challenges. Such partners can deliver high-quality data that is integrated and activated seamlessly across multiple channels and devices.

## **Prioritizing Environmental and Social Targets**

European DMOs are leading the way in adapting their strategies to address critical issues such as sustainability, equity, diversity, and inclusion. They also prioritize environmental sustainability, with 62% focusing on climate change and 56% on biodiversity. In contrast, Canadian DMOs place less emphasis on these issues, with only 29% focusing on climate change and 24% on biodiversity. US DMOs are the least focused on climate change, with only 8% prioritizing it, but 33% focused on biodiversity.

Destination marketing organizations now emphasize social diversity and sustainability in their strategies. According to recent data, 42 percent of the surveyed DMOs prioritize gender equality. In comparison, 45 percent of European DMOs and 40 percent of U.S. DMOs prioritize accessibility for disabled visitors.

The survey also found that about 35 percent of all respondents consider specific strategies for the LGBTQ+ segment, such as sexual orientation, as a top priority. Similarly, 34 percent of the surveyed DMOs significantly promote social and economic diversity.

## Cooperative Destination Marketing: A Co-marketing Approach

Seventy-eight percent of global DMOs invest in campaigns with travel industry partners or co-marketing. This is a collaborative approach in which DMOs engage with local businesses to promote the destination.

The benefits of co-marketing campaigns include:

- Increasing overall marketing investment (58 percent).
- Expanding the audience reached (54 percent).
- Sharing costs (46 percent).

Notably, **70% of Destination Marketing Organizations implement full-funnel marketing campaigns.** These campaigns help maintain a presence during every buying process, from building brand awareness to fostering loyalty. In conclusion, considering the ever-changing travel industry, DMOs must retain flexibility, focus on data, and develop robust strategic destination marketing capabilities.

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