



8th February 2023

## Making your KPIs work harder for your organisation

The role that destination marketing and economic development organisations are taking in their communities is changing. And with it comes a new pressure to find more reliable ways of demonstrating the true impact that you're having in your city or nation. How can you prove the long-lasting impact of your strategy when you're advocating for the value of your work to your key stakeholders?

Ten of our expert partners shared their thoughts on how place brand and marketing organisations can re-think their approaches to the Key Performance Indicators [KPIs] that they use and how you can make sure you're measuring impact in the areas that will make a difference for your organisation.

### Empowering your community to take action.

It's helpful to distinguish between place *marketing* versus place *branding* or place *making* in terms of KPIs. Performance – the “P” in KPI – has very different implications in each of those arenas. However, there are overlapping considerations that are relevant to all stakeholders.

- Place branding is identity-driven, an inside-out effort to shape the image of a locale through values-driven brand actions and storytelling. Martin Boisen argues that places should consider Key Perception Indicators such as the number and impact of on-brand actions by partners; internal measures such as staff engagement; and measuring how audience perceptions are tracking relative to a place's value proposition.
- Place marketing is about promoting a destination's appeal to select segments to influence behaviour and drive choice.
- Place making is a process of bringing the brand to life through *in situ* experiences that are physically manifested in the environment.

Ideally, all three work in tandem to infuse the stories and experiences of a place with a greater sense of relevance, ambition, and possibility not only for external audiences but for the people who already live, work, invest and study in the destination. As Charles Landry underscores in his book, *Cities of Ambition*, “most importantly there is a narrative drive and a story that feels compelling and gives everyone a role in its unfolding.” The

ultimate test is if these collective efforts can unleash what Landry calls, “a sense of verve and ‘can do,’” in the community. Understanding how to move the dial on that indicator is key for anyone concerned about the future.

Jeannette Hanna, Chief Strategist, Trajectory

## Focus on quality over quantity.

The appropriate KPI's differ depending on the situation. For some places, such as those with stagnant or declining populations, simply attracting new residents and visitors, as well as retaining employers, are the critical KPI's. For those who are already growing, but want to define that growth and craft the ideal place, the KPI's shift to numerous measures of diversity (are we welcoming to all age groups and other demographics, or are we displacing one group with another?), fiscal and place sustainability (are our investments helping us generationally or just giving us a quick tax bump?), and quality over quantity (what are the best investments to enhance 'place' versus growth for growth's sake?). We find that when places have true visionary leaders supported by forward-thinking economic development and tourism organisations, the focus is on long-term (20 to 30-year) evolution of quality over quantity. When the right product is there, there is a flight to quality that occurs and quantity is not an issue. Then the numerous new residents, businesses and tourist flows can be managed, versus attracted at any cost.

Rob Hunden, CEO, Hunden Strategic Partners

## Challenge yourself to develop KPIs that support a shared vision for your place.

The most beneficial KPIs that tourism organisations can employ in sustainable development are ones that confer a widely supported social license for tourism and a shared vision. They measure the ongoing strength and diversity of the destination network and the sentiment/alignment of the destination's citizens and stakeholders with the tourism vision and execution. There are examples of this from progressive destinations worldwide, but for the most part, they are not currently widely used.

David Peacock, Senior Advisor, Future Tourism Group, Simpleview

## Identify the value of your place brand.

Brand measurement is part and parcel of any sound tourism and investment promotion strategy. Conducting perceptions research, for instance, is key to understanding how to

set the messaging of the marketing communications plan. But when it comes to demonstrating the added value of your work to stakeholders – especially political leaders and business investors – financial measures are more appropriate. Stakeholders want to understand if the money they are investing in place brand promotion is bringing expected returns.

There is no better way of capturing those economic benefits than place brand valuation. Firstly, a rigorous analysis can help you understand better which particular segments of the place economy are providing the best returns and which are offering the promise of future growth. Secondly, tracking changes in place brand value over time and benchmarking against peers allows you to identify the exact premium delivered by a well-designed and well-executed place brand strategy. And last but not least, while providing a complex financial analysis that can literally enrich your commercial strategy, it also captures a whole world of your effort and skill in a single dollar number that will be very easy to comprehend and hopefully very impressive for all stakeholders – from financial investors, to politicians, to the general public.

Konrad Jagodzinski, Place Branding Director, Brand Finance

## **Demonstrate the benefits to your community.**

The constant challenge for all tourism and economic development organisations is connecting what they're doing to real-life benefit for their community and stakeholders. Tying those efforts to local spending by the appropriate audiences that are receiving marketing as part of the organisation's strategy is vital. And not just an overall spending number that can't be tracked back to those specific efforts. Reporting on spending directly from those who received messages can and should be done. It allows for a much more linear connection from the strategy to the vital local outcome. Adara has partnered with a credit card data company, Commerce Signals, to provide that capability.

Leroy Bridges, VP of Sales, Adara

## **Balance economic impact against long-term sustainable development.**

Key Performance Indicators are of course different for every tourism and economic development organisation but for the destinations that we manage (Kent and Hertfordshire) and with our consultancy work for clients – the most valuable KPI that demonstrates the long term success of our strategies has to be economic impact.

We help to increase the value of local visitor economies through innovative marketing campaigns, bidding to host large events and stimulating the development of tourism

product that we know consumers want plus ensuring that we have high quality accommodation available for visitors. We are of course mindful however of the environmental impact that attracting substantive numbers of visitors can have on our destinations so our economic strategy aims to increase visitor spend (rather than just visitor numbers), encourage more overnight stays (rather than day trips) and disperse visitors throughout the year.

Deirdre Wells OBE, CEO, Go To Places

## **Make sure you're speaking your stakeholders' language.**

Ideally, we should be able to demonstrate the effect of our work in terms of stakeholders' own KPI. They should see us as organisations that give them a leg up through increased customer inflow, media attention, improved productivity, or whatever else their own metrics are. If they understand that we are allies who make their own work easier, cooperation and engagement follow naturally.

Dr Natasha Grand Norman, INSTID (Institute for Identity)

## **Manage your digital footprint.**

In today's fast-paced digital age, it is crucial for organisations to stay ahead of the curve when it comes to understanding what tourists and businesspeople search online while planning their next touristic adventure or business move. One key metric that can provide valuable insight in this regard is D2 – Digital Demand ©. It is a software that gathers and analyses the total amount of "searches" performed by global citizens for any Country, Region, or City worldwide. By monitoring Digital Demand, organisations can gain a better understanding of what products or services are most popular and can use this information to inform their product portfolio and marketing strategies. Additionally, by measuring the impact of campaigns and understanding consumer perceptions of place, organisations can make more informed decisions and better allocate resources to maximize their ROI.

Jose Torres, CEO, Bloom Consulting

## **Look beyond traditional financial metrics.**

To truly showcase the value and sustainability of your organisation to stakeholders, consider embracing a sophisticated and creative approach to measuring the impact of your work. Rather than solely relying on traditional financial metrics, consider incorporating innovative indicators that capture the comprehensive, multifaceted nature of your organisation's efforts. For instance, consider tracking and reporting on metrics such as community engagement (e.g. number of public consultations and workshops held, percentage of local residents who feel their input is valued), community well-being

(e.g. percentage of residents with a sense of belonging, access to basic amenities), sense of place (e.g. number of people with a strong connection to their community, percentage of visitors with positive perception of community character), economic impact (e.g. number of jobs created, amount of money injected into the local economy), cultural vibrancy (e.g. number of cultural events and activities hosted, percentage of visitors engaging with local culture), and environmental stewardship (e.g. amount of water/energy conserved, percentage of waste diverted from landfills). By tracking and reporting on these diverse, impactful indicators, you can craft a compelling narrative of the value and sustainability of your organisation, and secure the resources needed to continue driving positive change.

Manolis Psarros, CEO & Chief Strategist, Toposophy

## It's not just about understanding the what – you need to know the why too.

In the Anholt-Ipsos Nation Brands Index and City Brands Index (NBI and CBI), we see that people who have experienced a place first-hand, whether through visiting for leisure and business or living there, are more likely to have a favorable view of the place. Based on this showing, strong visitation is essential for organisations trying to demonstrate success.

However, last year's edition of NBI demonstrated that the desire to visit and invest in nations decreased in 2022 and it is therefore also important for organisations to understand what drives visitation. In looking at the top 10 NBI nations, there is a pattern where they also tend to rank within or close to the top 10 on both likelihood to visit or invest, so having a solid overall brand is essential. Further, strong economic opportunities, nature or climate, and safety are important when thinking of driving visitors or investment.

Mark Blutstein, Senior Account Manager, Ipsos Corporate Reputation