

EQ[®] Up Close: Case Study Series

Tourism Yukon:
Using EQ[®] to Drive Department-Wide,
Research-Based Decision Making



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"Some of our highest returns were coming from our overseas markets, where we were working with the in-market [international] offices of the CTC and found ourselves using EQ."

*Denny Kobayashi, Senior Manager Global Marketing
Yukon Department of Tourism & Culture*

Case Summary

Tourism Yukon is in the start up phase with EQ. They have done some initial work with consumer campaigns conducted in Australia, and in assessing potential within Canadian markets; however their primary focus thus far has been on increasing understanding of EQ and its applications among internal stakeholders. The initial exercise has been to integrate EQ with their other research and to test a few campaigns to establish a foundation for business decisions relating to the full spectrum of the department's activities. These activities include: establishing target geo-markets and audiences, consumer marketing and communications, media relations, product development, visitor information services, and industry partnerships. At this stage, Tourism Yukon is pleased with its initial marketing results and the EQ adoption that has occurred within the department, and looks forward to seeing the results of their Yukon-specific EQ research.

Introduction

Tourism Yukon is a branch within the Department of Tourism and Culture of the Government of Yukon. The organization became a licensee in June 2011 and is in the early stages of implementation. This case is informed by comments from Tourism Yukon staff and its advertising agency of record.

Reasons for investing in EQ

Tourism Yukon's Marketing Unit leads tourism-marketing efforts for the territory. As stated on the organization's website, "By taking a targeted, market-driven, industry-led and research-based approach to marketing, the unit develops and implements programs that are relevant to customers' needs."¹

This research-based approach led Tourism Yukon to develop a consumer segmentation framework that has informed its North American marketing since 2005. By 2011 the research needed refreshing, however the costs were substantive and had the department assessing other options. This assessment identified the following:

- There were similarities between Tourism Yukon's existing North American target segments – Adventure Challengers, Cultural Explorers and Scenic Outdoor Travellers, and some of the explorer types identified in the CTC's EQ segmentation research – specifically, Authentic Experiencers, Cultural Explorers and Gentle Explorers. As a result, it was determined that transitioning to EQ would be relatively easy.
- Tourism Yukon was already applying elements of EQ in overseas markets where they were working with the CTC.

These factors, in addition to Tourism Yukon's desire to present its "Yukon – Larger than Life" brand consistently in all its markets and the CTC's commitment to refresh the EQ research on a timely schedule, were key reasons Tourism Yukon decided to purchase an EQ license.



Benefits

There were a number of benefits to Tourism Yukon upon becoming an EQ licensee. The most immediate included the ability to:

a. Use EQ to inform their market investment strategy

The EQ research contained a number of data points (e.g., trip expenditures) that were sufficiently similar to those used by Tourism Yukon in their market assessment model. For this reason, the organization felt comfortable updating their model using the EQ-based data and was able to reassess the markets in which they were investing.

b. Incorporate EQ into their own visitation research, to guide marketing & product development

Tourism Yukon sees value in the opportunity to incorporate the EQ Quiz within their own consumer surveys, in order to understand which explorer types *visit the Yukon* (as opposed to Canada overall) and how much they spend while there. Having this Yukon-specific understanding will allow the organization to apply EQ insights to its marketing investments and will assist operators to develop better tourism experiences.

¹ <http://www.tc.gov.yk.ca/marketing.html> Sept 28, 2012

c. Apply EQ profile data to two upcoming marketing campaigns

Given the similarities between some of the CTC's target EQ segments and Tourism Yukon's historic target segments, the latter was confident in choosing some initial EQ targets for two upcoming marketing campaigns and applying the robust data found in the EQ profiles even before they had completed its full integration of EQ research described above.

Implementation

Tourism Yukon's initial focus for implementing EQ (first 18 months) has been with internal stakeholders. A cross-department Implementation Committee was formed and tasked to define and develop a plan for how Tourism Yukon would operationalize EQ across the department over a period of two years. The committee has representation from all areas of the Tourism Branch (marketing, product development, visitor information centres, and research) as well as from the Cultural Services and Corporate Services Branches (Communications). The broad base of membership and with co-chairs from two distinct functions, ensures everyone knows EQ is not "just another marketing program." From the start, EQ has been positioned as having application throughout the entire department.

The first steps the Implementation Committee undertook included:

- To develop an internal communications program to educate all staff about EQ – this included having staff do the EQ Quiz; seen as a fun exercise, it provided interesting and personal insights for the staff.
- To speak with other EQ-licensed jurisdictions regarding their approach – to obtain an understanding of what worked well and the lessons learned. A key recommendation they heard related to dealing with operators and they were advised to: "Keep it simple – it is not even necessary to use the term EQ when speaking with operators, using the term 'EQ' makes it sound like a big, complex, program. Instead talk about what it is – understanding your best customers in order to improve the experiences offered and your marketing.
- To review the existing research and cross-reference it with EQ – to obtain an initial sense of their current target visitor types in terms of EQ. This understanding could then be applied to some immediate marketing initiatives.
- To incorporate EQ into the Annual Conversion study, and the Visitor Tracking Program research – to obtain a full understanding of the current mix of visitors to the Yukon as input to the decision on whom to target (for purposes of marketing, product development, etc.).

The focus of the implementation Committee is now shifting to working with external stakeholders in order to build awareness, understanding and excitement regarding the opportunities and application of EQ in the Yukon among small and medium size tourism operators. Tourism Yukon's plans for this stage of implementation are in development and are broadly described below in *Future Plans with EQ* (under "Industry Alignment").

"We see EQ as providing a foundation by which we could build not just our marketing program and our language, but our product development programs and our visitor services programs."

*Pierre Germain, Director Tourism
Yukon Department of Tourism & Culture*



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EQ in action

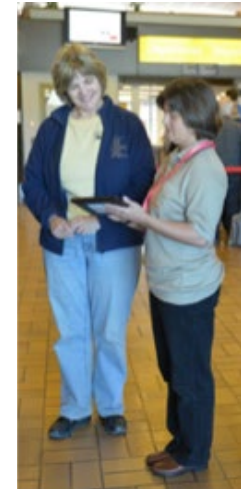
Research – a Visitor Tracking Program:

Tourism Yukon is focused on building a foundation of Yukon-specific EQ research to inform its marketing, product development, visitor services and industry alignment strategies.

During its first year as an EQ licensee, Tourism Yukon conducted a Visitor Tracking Program that included an intercept visitor exit survey. The survey was conducted throughout the summer and early fall and incorporated the Commercial EQ Quiz, asking the twenty questions required to identify a respondent's explorer type in the on-line component of the study. Including these EQ questions allowed Tourism Yukon to obtain a fuller understanding of their visitors by explorer type, specifically:

- When (which season) they came to the Yukon.
- If their trip was part of a larger trip or was Yukon-specific.
- Where they travelled within the territory and what they did while there (e.g., type of travel, activities, accommodations, etc.).
- How much they spent while visiting the Yukon.

Additionally, Tourism Yukon incorporated EQ into its Annual Conversion Study, which measures those who inquired about and then visited the territory. This analysis is integral to understanding the return on investment (ROI) Tourism Yukon has generated through its various marketing channels. Incorporating EQ into the analysis will allow the organization to understand ROI by EQ type. This information, in conjunction with the Visitor Tracking Program results, provides the insights necessary to drive future marketing, product and experience development investments by explorer type.



Conducting a
Visitor Exit Survey

"We use [EQ] to write our creative briefs, so whether we are writing a one-off ad or a press release or a campaign, we always go and identify who the EQ segment is ... what their behaviour is, what type of writing and image we should use, what product we are highlighting so we make sure that creative is aligned."

*Dee Enright, President & CEO,
Outside the Cube (Agency of Record)*



Online banner ad used in Australia consumer campaign

Marketing:

Australia Consumer Direct Aurora Borealis Marketing Campaign

Shortly after becoming an EQ licensee, an opportunity arose for Tourism Yukon to conduct a direct-to-consumer, awareness-building campaign on-line in Australia. Direct-to-consumer advertising was a new endeavour for Tourism Yukon in this market, as they had generally relied on the travel trade and key tour operators to reach this market. However, a stronger understanding of their target explorer types (through the Australia EQ profiles) provided them with the confidence to take advantage of the opportunity and to develop a strong creative brief for the in-market digital agency with whom they were working.

Western Canada Campaign – Allocating funds based on Market Potential

Since EQ is cross-referenced with PRIZM², a geographically referenced segmentation system developed by Environics Analytics, it was possible for Tourism Yukon to identify market potential (i.e., the number of households that reflect their target EQ types) for a Designated Market Area (DMA) – both in total and by neighbourhood within the DMA. Furthermore, linkages with the Print Measurement Bureau (PMB) data provided Tourism Yukon and their marketing agency with media preferences for their chosen EQ types. These analyses provided key insights in determining investment allocation by DMA, and in structuring the media buy to resonate with their target types' media habits (e.g., newspaper – property and section; radio – station and programs; and outdoor – type and locations).

One thing Tourism Yukon found was that while the link to PRIZM and all the subsequent databases is very powerful, it can also be overwhelming, especially without a clear understanding of what you are looking for and how you intend to use the information. When working with PRIZM they found it is particularly helpful to be precise in your needs and to know beforehand the EQ segments on which you want to focus.

Results

Research:

The analyses of the Visitor Tracking Program and the 2012 Annual Conversion Study were not completed at the time of writing. However, once complete, these results will provide input to the decision regarding on which segments the marketing department will focus, especially within the domestic market. The research will also be used to develop Yukon-specific EQ profiles for use by the organization when counselling the industry, and as input to a major initiative to develop and refine tourism experiences in the Yukon.

Although there was initially some concern that adding twenty balanced-scale questions to their consumer surveys (i.e., the EQ Quiz) would result in an increase in respondent fatigue and drop-off rates, that did not occur. Given this, and the ease with which EQ can be integrated with its other research to enrich customer insights, Tourism Yukon sees EQ as providing a “foundational framework” for research-based decision-making.

Marketing:

Australia Consumer Direct Aurora Borealis Marketing Campaign

While exact conversion results (e.g., bookings and visitor spend directly generated from the campaign) are not available, the campaign was seen as extremely successful, particularly given the minimal investment required. Positive marketing indicators included:

- The initial response to the campaign in the first few days was so unexpectedly strong that Tourism Yukon had to set a cap on the number of clicks in order to ensure they could keep to the planned duration of the campaign



Outdoor ad located in a neighbourhood with high potential for Cultural Explorers

“The power of EQ in the Canadian markets was unleashed through the overlay of PRIZM.”

*Denny Kobayashi, Senior Manager Global Marketing
Yukon Department of Tourism & Culture*

² Prizm is a segmentation system developed by Environics Analytics that classifies US and Canadian households into 66 consumer segments based on demographics and preferences for a broad range of behaviours. By cross-referencing EQ and Prizm, EQ licensees can gain geo-demographic data on where their customers live as well as other behaviours, such as media use.

- The average Cost Per Click was approximately 75% lower than the industry average.
- During the campaign period, the total number of Australian visitors to travelyukon.com increased exponentially – resulting in a net increase in traffic of more than 30% on travelyukon.com
- Clicks to specific packages were more than 50 times the industry standard.
- Overall engagement in the video was good – and it kept people’s interest right to the end

While these results cannot necessarily be attributed directly to EQ, it was felt that the rich consumer insights provided in the EQ profiles helped the agency write a great creative brief and create a successful campaign.

Western Canada Campaign – Allocating funds based on Market Potential

Overlaying PRIZM on EQ allowed Tourism Yukon to become extremely tactical in their application of EQ in Canada. Specifically, they were able to maximize the potential return on investment by:

- Reallocating their marketing dollars to reduce the number of markets in which they invested and redeploy the investment into stronger markets
- Identifying key neighbourhoods within a DMA for outdoor advertising placements based on the highest potential target reach
- Maximizing the opportunity to reach their target customer by comparing the industry data for media consumption and social media behaviors outlined through PRIZM – providing a tighter, more defined approach to digital and social media.

The campaign is new in the market and at the time of writing, results were not available regarding the overall impact of these shifts in investment. However, early indicators suggest there has been an increase in interest.

Challenges

Tourism Yukon’s key challenge at this point has been getting all their stakeholders to buy in philosophically to EQ – both internally and externally. They report that not everyone sees the need for, or the benefits of, applying a consumer segmentation framework to the business of tourism. Because the marketing staff was comfortable with the previous segmentation framework, this group did not need much convincing to transition to EQ (especially when updating Tourism Yukon’s North American framework would cost more than licensing the CTC’s more in-depth and global EQ research). However, initially non-marketers did not see the benefits as clearly.



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“We will look at our future marketing investments based on an understanding of the EQ segments that provide the greatest ROI”

*Denny Kobayashi, Senior Manager Global Marketing
Yukon Department of Tourism & Culture*

Some of this discomfort was felt in narrowing the EQ segments on which the department would focus. The Yukon distinguishes among two different types of visitors: those for whom the Yukon is the primary destination and those for whom the Yukon is one part of a larger trip (e.g., visiting enroute to Alaska, or visiting as part of a cruise tour). The department was much more comfortable with EQ once they understood that while marketing might focus investment on EQ segments for whom the Yukon is a primary destination, they could apply EQ to develop experiences for all the EQ segments who visit the territory.

A final challenge for the organization is to use EQ throughout its industry to simplify their collective understanding of the market and the opportunities available – Tourism Yukon believes this is possible. This is not to say that EQ is simple, everyone understands it is complex. Rather, in applying EQ to the business of tourism, by targetting a few segments (rather than everyone), and having a common language to name and describe the segments, it is easier for stakeholders to understand the market and the opportunities available to them. This in turn makes it easier to make good decisions.

Unexpected benefits

While relatively new to EQ, Tourism Yukon has already found some unexpected benefits:

- **Interest from the Department’s Cultural Services Branch** – this branch is focused on the territory’s cultural industries, heritage, and archives. Exposure to EQ and the depth of information available has created excitement within this group regarding the opportunity to use EQ to better understand visitors, and to develop their own programs and services to appeal to specific explorer types. Their involvement on the implementation team suggests that they were seen as potential beneficiaries to using EQ, however they would not have stated that until they saw the information and were able to grasp the opportunities it provided.
- **The product development staff embraced EQ** – An initial perception among some was that EQ is primarily a marketing tool and was licensed for the purpose of enhancing the effectiveness of marketing investments. However, once exposed to the research, the product development staff recognized that the depth and breadth of information provided would be very helpful in working with industry to develop relevant, appealing visitor experiences suited to the visitor types visiting the Yukon.
- **Deep involvement by the Agency of Record (AOR)** – The AOR was involved from the beginning looking at EQ at a strategic level. The agency conducted the initial analysis amalgamating all the research (historical Tourism Yukon research, CTC’s EQ research, and additional EQ-related analysis) as input to the strategic plan; this had the benefit of ensuring the agency staff on the Tourism Yukon account had a strong understanding of EQ and could be involved in discussions regarding which segments to target for which purposes.

“I was skeptical at first [of EQ], as the information we had before wasn’t nearly as robust as what the CTC is providing, and now with a better understanding of the resources I think EQ will be a great asset”

*Shannon McNevin,
Acting Manager Product Development & Research
Yukon Department of Tourism & Culture*



Future plans with EQ

Future plans relating to the implementation of EQ within the organization are still under discussion. In addition to incorporating EQ into the department's other consumer-focused research programs, the marketing team will continue to make decisions based on an understanding of the potential and ROI associated with the various explorer types.

Other areas Tourism Yukon is looking to apply EQ include:

Visitor Information Centres (VIC)

- Tourism Yukon plans to train VIC staff on the different EQ types and the most suitable products for each type (e.g., one that resonates with that type's particular values). Such training would include the questions to ask and an understanding of the words/phrases a traveller might use in response that would indicate the likely type of explorer they are.

Product Development

- Tourism Yukon staff supports tourism operators in their development of tourism experiences through their business counseling services. To this end, Tourism Yukon intends to use EQ when working with operators, especially in terms of: understanding their visitor segments; their potential; and, in refining and developing experiences.
- Tourism Yukon also anticipates using EQ as a framework to understand how well the existing tourism experiences resonate with the values and desires of the current (and future) mix of visitors.

Industry Alignment

- While Tourism Yukon has been discussing EQ and its applications with the industry, they have yet to officially launch EQ or determine how it will be applied with their stakeholders. The following are some of the specific initiatives they expect to develop and introduce to industry over the next year:
 - Customized, Yukon-specific Target Explorer Profiles that incorporate information from the 2012 Visitor Survey and other analyses (e.g., PRIZM)
 - Industry workshops introducing operators to the suite of EQ tools and how to apply them to building experiences and marketing communications
 - An implementation plan that addresses the needs of the whole industry, whether or not the individual operator/stakeholder is targeting the same explorer types as Tourism Yukon.

"Business counselling services will use the EQ research plus our own visitor study to give operators tangible information to make better business decisions regarding target consumers and product development."

*Pierre Germain, Director Tourism
Yukon Department of Tourism & Culture*



Advice for others using, or considering using EQ

Tourism Yukon provides the following tips to others regarding EQ implementation:

Create a Cross Functional Implementation Committee

- In order to ensure a common language across the organization and to build traction quickly, Tourism Yukon suggests creating a cross functional committee of internal champions who will be the EQ advocates within their area. The committee should include a mix of management and implementers, and a key member of the team should be a researcher – someone who can delve into the data and work with internal stakeholders and external research providers to integrate EQ into research, marketing and product development efforts. In fact, Denny Kobayashi suggests that *“EQ be held within research – or with a group that deals with and addresses all areas of an organization.”*

Provide Leadership

- Tourism Yukon also found it critical that key decision makers and EQ champions truly believe using EQ is the right decision. Adopting EQ resulted in change for many areas of the organization and for change to be successful there must be strong leadership and a willingness to push through. As Pierre Germain advises: *“Do not turn back as soon as there are difficulties. Focus on how the breadth and depth of research provided through EQ will help your organization and industry stakeholders make better decisions.”*
- Additionally, they recommend to: *“involve everyone you possibly can in using EQ. The more areas within the organization that use it, and operators that understand what it is and how it can be applied, the better off the whole industry will be.”*

Include Your Agency of Record from the Outset

- This is seen as imperative. Given the role of the AOR in developing and executing strategy that is based on EQ data, Tourism Yukon believes it critical the agency be brought in at the beginning and suggest they be included alongside your staff when trained on EQ, and provided with access to all the information as they are viewed as a partner in your success. Doing so will ensure they are able to quickly incorporate EQ into marketing campaigns and can stand alongside your organization as advocates of EQ when talking to external stakeholders.

“Every segmentation framework before now has been about marketing. This segmentation [EQ] is being taken beyond marketing.”

*Dee Enright, President & CEO,
Outside the Cube*



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