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Marketing and Intermediaries

Spotlight: New Mexico True

When a country or state is best known for its dry climate, desert flora and long, laid back summers, it's pretty difficult to imagine it in winter, covered in snow with skiers and snowboarders merrily zooming down groomed runs, slaloming through glades and pounding the powder.

But New Mexico, which has this extreme variation in climate, has managed to change people's perception recently and open their eyes to a new winter sports wonderland, doused in around 300 inches of snow annually. This has been achieved via the New Mexico True campaign launched by the New Mexico Tourism Department (NMTD) in November 2013.

"Last year (2013) was the first year we did a designated winter campaign," says Rebecca Latham, NMTD Cabinet Secretary. "The perception was that New Mexico is a dry and arid state and we wanted to dispel those misconceptions." New Mexico True summer advertising shows lush greenery and water with mountain backdrops and this has been extended to winter, with a heavy focus on the ski industry. "We are showing that New Mexico has snow and also an abundant offering of skiing and snowboarding as well as snowshoeing, sleigh rides and snowmobiling," Latham explains.

The creative campaign is being disseminated via multi media: "We're using a little bit of everything, really targeting print in AFAR, Food Network magazine, Texas Monthly, Southwest, Outside mag. So we have some really targeted messages based on what the appeal of the publication is. We also do broadcasts, 30-second TV commercials, and also cinema advertising in our main target markets. In New York City and Chicago we do transit advertising, on subway trains and taxi cabs. And we have beautiful, larger than life dioramas in the airports. And closer to home we have billboards within the state of New Mexico," Latham explains. This is backed up with a wide scale social media presence on Facebook, Twitter, Instagram and Pinterest plus 15-second digital ads on targeted websites.

The aim is to enhance awareness of New Mexico's snow and dedicated program of winter recreation which includes eight alpine and three Nordic ski resorts. Probably the most famous alpine area is Taos Ski Valley, but there are also Apache, Angel Fire, Sipapu, Red River, Ski Santa Fe, Pajarito Mountain and Sandia Peak. "It is a general promotion message rather than pin-

pointing specific resorts," says Latham but she says that all the resorts are very pleased that NMTD is fronting a winter campaign and they are already seeing the trickledown benefits of it. "As well as showing our skiing, we are also showcasing our culture - for example, people having a bowl of green chili stew at the end of their ski run, adventures that you can't have anywhere else," Latham describes.



New Mexico print ad in Outside Magazine>

This kind of promotion doesn't come cheaply. "We don't necessarily have the breakdown of our total marketing budget for winter versus summer, but \$8.6 million in total is our annual budget," says Latham. "And that's what we'll be spending in the budget cycle from July up to June 2016."

Is it worth it? Definitely, says Latham, when you look at the return on investment (ROI). "Shortly after New Mexico True campaign launched, we did an ROI study and saw that for every \$1 spent, \$3 was returned on the tax base level, so we know we have a 3:1 ROI. We now have a new study with results coming at the beginning of 2016. We look at the money that's being spent while people are vacationing here and the taxes that are coming back to us as a result of the dollars being spent. Let's say if someone saw a New Mexico True ad and then traveled here as a result of the advertising and let's say they spent \$200 while here, it's the percentage of that that goes back into the state tax level."

Total visitor spending since 2010 has also increased by 24 per cent and the amount of overnight leisure trips has gone up 37.5 per cent: "That is three times the national average," says Latham. The change in perception – and resulting leisure travel increase – has emanated from New Mexico's target "fly markets": Dallas, Houston, Denver, Phoenix, San Diego, Chicago and New York City. "We know that the past two years we have seen record-breaking tourism growth as a result of the New Mexico True campaign," she adds.

So what does Latham envisage for the future? "We don't see the idea of New Mexico True changing at all. But I think there are things that we can do differently and ways we can expand on the message," she says. "However, we don't see it as your traditional ad campaign but more like a standard within the industry in New Mexico. The whole idea of New Mexico True is promoting everything that separates us from our neighbors. That adventure culture we don't see changing."

Sources: Interview with Rebecca Latham, February 2015; nmtourism.org/nm-true-brand/

Marketing communications

Effective communication with target customers is carried out by a variety of methods, referred to as 'marketing communications', and the Spotlight above highlighted the importance of an integrated marketing communications campaign. In many people's perception, marketing is promotion, for promotion is the highly visible, public face of marketing. However, promotion is only one element of the marketing mix, its role being to convince potential customers of the benefits of purchasing or using the products and services of a particular organization. Promotions decisions will be determined by the overall marketing plan, as illustrated in Figure 6.1. Marketing objectives are derived from the strategic tools of targeting and positioning. The marketing mix is then used to achieve these objectives, and promotions are just one part of this marketing mix.

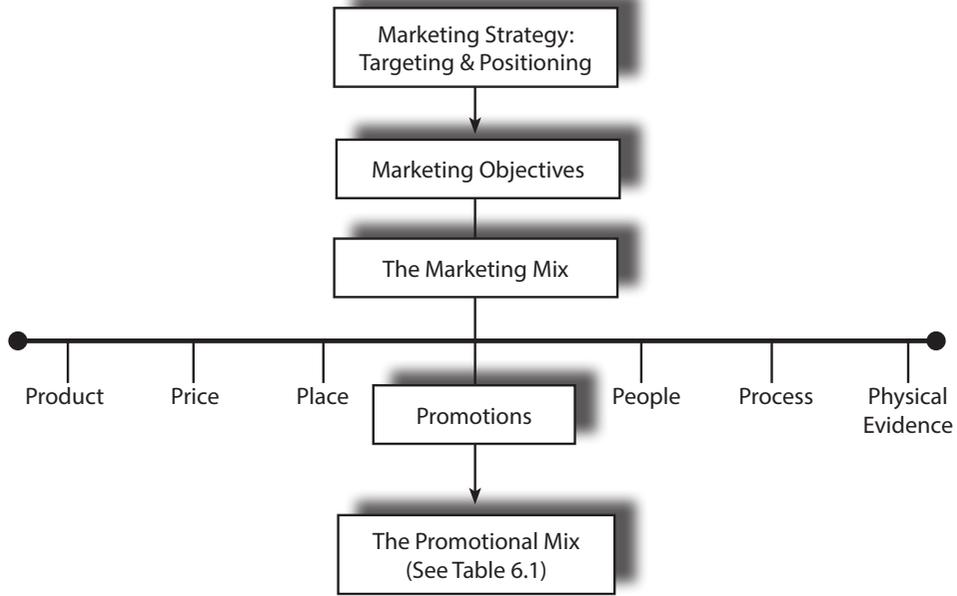


Figure 6.1: The role of promotions in the marketing strategy

The blend of promotional elements outlined in Table 6.1 is known as the promotional mix, and promotional management involves coordinating all the elements, setting objectives and budgets, designing programs, evaluating performance, and taking corrective action. Advertising and sales promotion are covered in this chapter, whereas the remaining elements are discussed in other chapters of the book.

Promotional tool	Winter sport tourism application
Advertising	Television, newspapers, magazines, billboards, Internet, brochures, guidebooks
Sales promotion	Short-term incentives to induce purchase. Aimed at salespeople, distributors such as travel agents, and consumers. Can be joint promotions. Includes merchandising and familiarization trips.
Public relations	All non-paid media exposure appearing as editorial coverage. Includes sponsorship of events and causes.
Personal selling	Meetings and workshops for intermediaries; telephone contact and travel agents for consumers
Word of mouth	Promotion by previous consumers to their social and professional contacts.
Direct marketing	Direct mail, telemarketing, and travel exhibitions
Internet marketing	Direct e-mail marketing, Internet advertising, social media, customer service, selling, and market research

Table 6.1: The promotional mix used in winter sport tourism

Promotion can be a short-term activity, but considered at a strategic level it is a mid- and long-term investment aimed at building up a consistent and credible corporate or destination identity. Promotion, when used effectively, builds