



# The Role of CVBs in Visitor Product Development

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Darren Rudloff, CEO  
Cheyenne Area CVB



# No History of Product Development

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- CVBs began as sales organizations
- Historically, little, if any, CVB efforts to develop product
- Texts, CVB guidebooks, and research usually ignore CVB role in development



# Recent Interest in Product Development

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- Destination Marketing Assoc. International
  - Handbooks
  - Professional development courses
  - CVB accreditation program
  - CVB branding initiative
- Others



# Current PD Roles in CVBs?

## Study Methodology

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- Survey of United States membership of the Destination Marketing Association International in 2005 and 2008
- Survey modified slightly in 2008, incorporating better product development definitions learned from 2005 survey results
- Similar results both years, but not directly comparable



# Definition of Visitor Product Development

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- *The creation of attractions, visitor packages, services, events, facilities, and visitor-related infrastructure used by visitors to a destination*



# Product Development Role Definitions – 2008 Survey

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- No Role
- The CVB markets the visitor products that are available and leaves visitor product development to other private and public entities



# Minor Role

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- The CVB does “soft” development such as packaging and acts as a supporter of “hard” or physical development that is produced by other entities.
- Ex: Packaging; Creation of walking tours; Marketing grants to events; Serving on community boards of directors; Providing support (board resolutions, market research) to developers of public / private physical projects.



# Active Role

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- The CVB acts as a catalyst to create "hard" or physical visitor products.
- Ex: Producing feasibility studies for convention centers, attractions, etc; Recruiting attractions, lodging, and other visitor products; Developing organizations (arts groups, sports commissions, etc.).



# Major Role

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- The CVB finances and/or operates "hard" or physical visitor products.
- Ex: Convention centers, trolley /transportation systems, parking structures, other attractions.

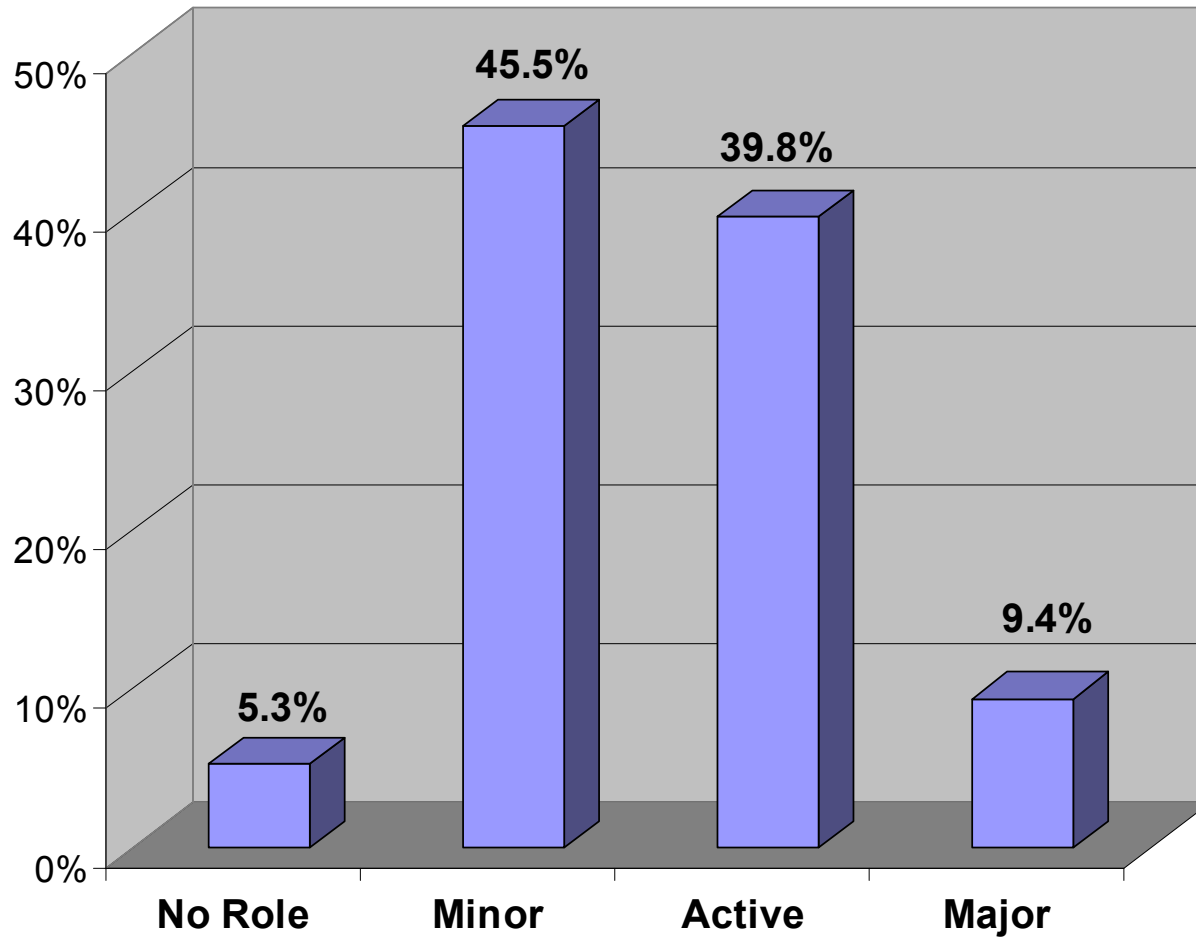


# 2008 Survey Results

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- 2 electronic mailings to U.S. CVB executives
- 43% response rate (n=244)

# CVB Role in PD – Total





## No Role – 5.3% of CVBs

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- No official mandate / mission for PD
- Marketing / sales focus
- Insufficient staff / budget



## No Role, cont.

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- Conflicts of interest / Membership Bureau concern
- “It can be a delicate situation when tasked with promoting existing business and at the same time involved with bringing new business that could compete directly. This is particularly sensitive with membership based organizations.”



## Minor Role - 45.5 % of CVBs

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- Soft Development – packaging, tours, event grants
- Facilitator and supporter of hard development



## Minor Role, cont.

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- “We do not solicit or endorse development projects. We consider ourselves the resource, not the advocate. This keeps us at the table for the government, environmental groups, and developers.”



## Active Role - 39.8% of CVBs

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- Active lead in “hard development”
- Producing feasibility studies for convention centers, attractions, etc.
- Recruiting attractions, lodging, and other visitor products



## Active Role, cont.

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- Best able to represent visitor needs
- Tourism advocate for community
- Deliver on community's brand promise
  
- "We act as the voice of the visitors, educating the industry as to what visitors expect and want in a visitor experience."



## Major Role - 9.4 % of CVBs

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- Financing / Operation of Visitor Products – convention centers, transportation networks, etc.
- Grant programs – Asheville, NC example

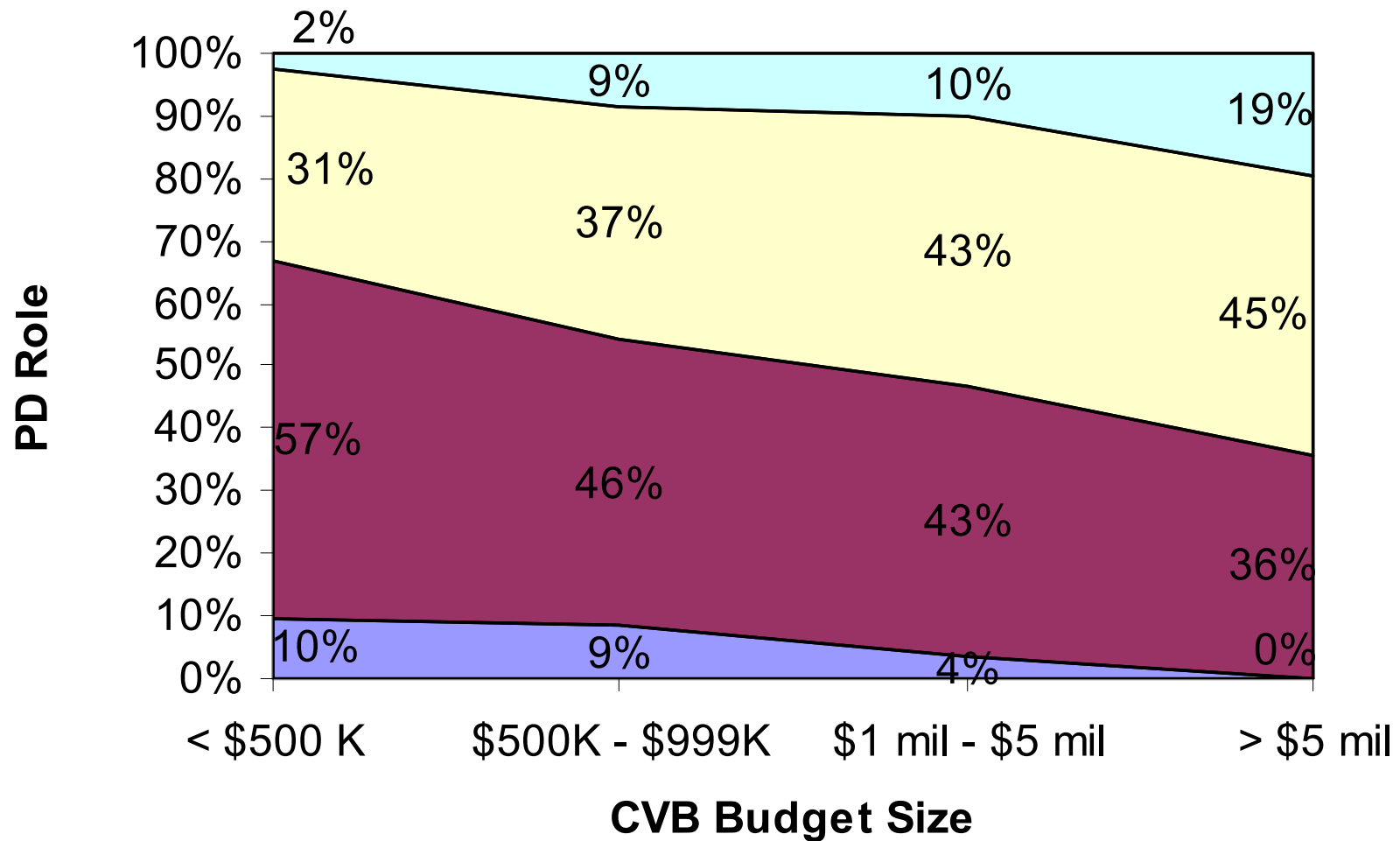


# CVB Budget Size Matters

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- Larger budget, more active PD role
  - 40% of smaller CVBs playing Active or Major roles;
  - Among larger CVBs, figure climbs to 59%

# CVB Role by Budget Size



■ No Role
 ■ Minor
 ■ Active
 ■ Major



## CVB Budget Size, cont.

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- Smaller CVBs constrained by lack of resources
- “We are a small, one person operation and don’t have the resources at this time to become more involved with tourism development.”

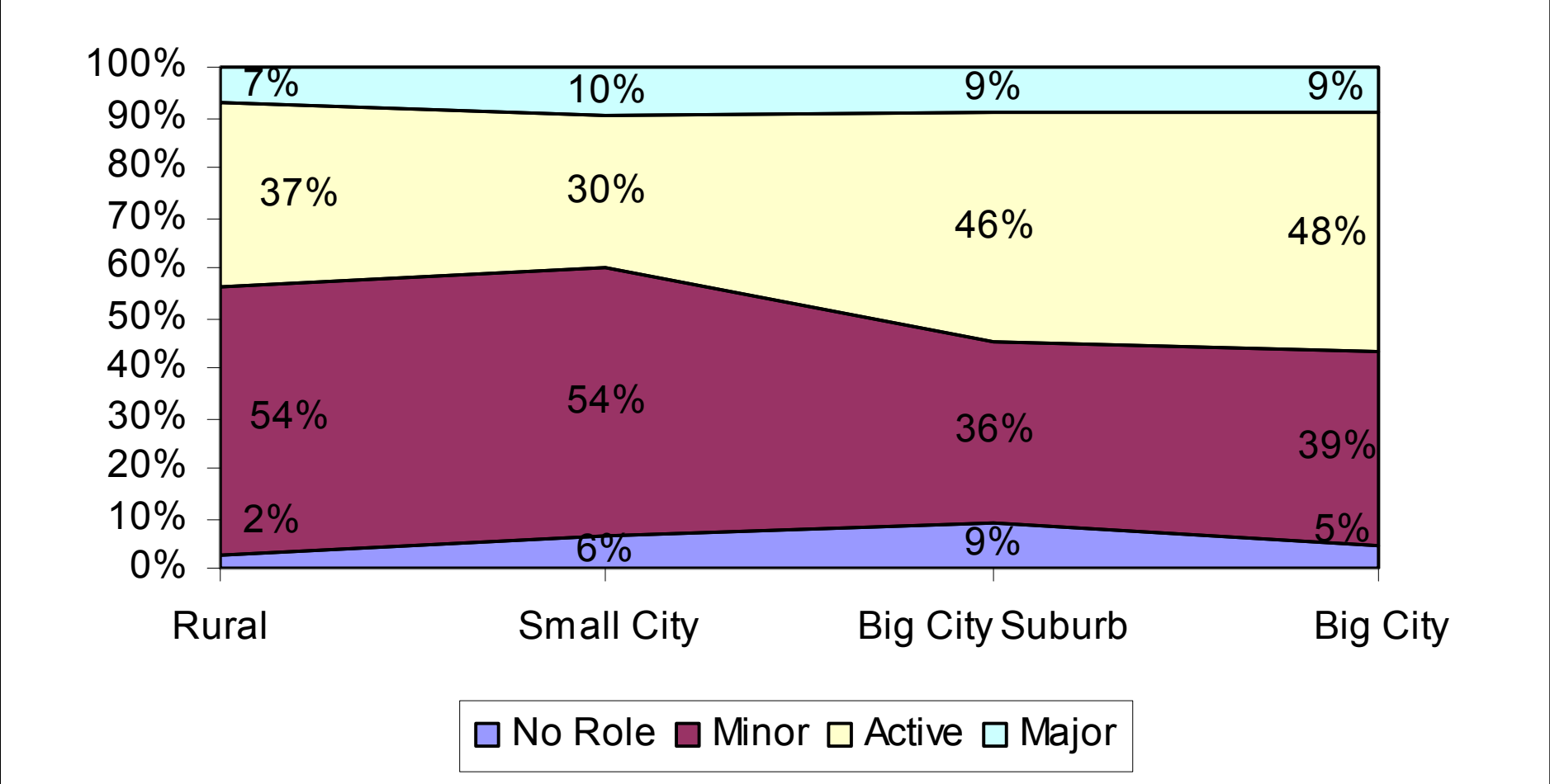


# Role by Market Types – Rural, Small City, Big City, Suburbs

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- Product development roles did not vary significantly by market type
- Note active role CVBs across all market types
- Big cities are correlated with larger CVB budgets

# PD Role by Market Type



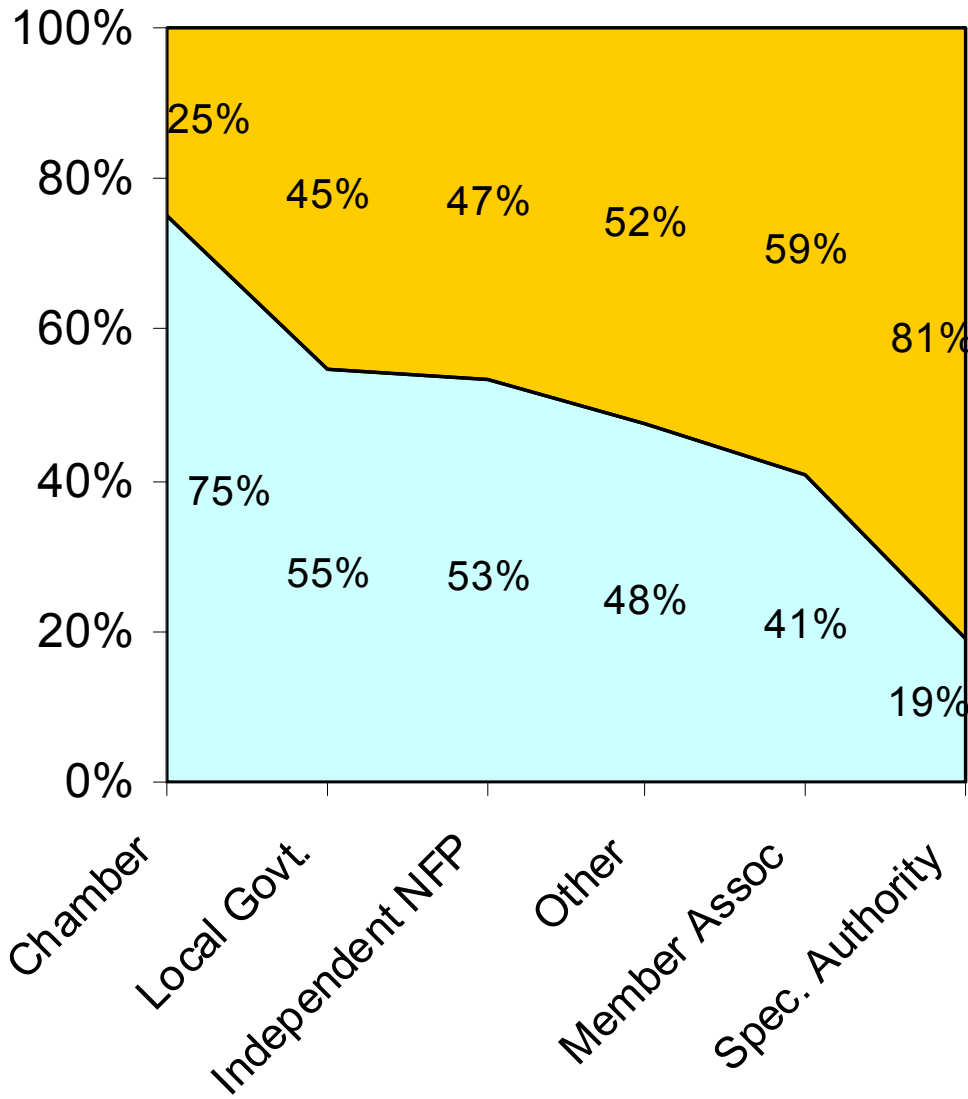


# Organization Type Matters

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- CVBs in chambers of commerce least likely to play PD role (25% active or major roles)
  - Usually in smaller communities – small budgets
  - Subservient to larger business organization
- Local govt slightly below average in PD role
  - Local govts – less flexible

# Role by Organization Type



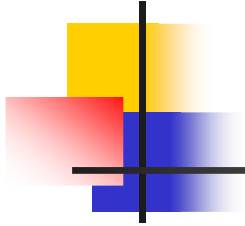
□ No Role & Minor Role    ■ Active & Major Roles



## Organizational Type, cont.

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- Indep. not for profit organizations
  - Most common CVB type
  - PD role slightly below sample average
- Misc. organizational types – highest PD roles
  - Special authorities most aggressive in PD – 81% active or major roles



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# CONCLUSIONS



# Increasing Interest in Visitor Product Development

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- Recognition of PD importance (even among those with limited current roles)
- “Without further development, we will not grow, so we have to take an active role in development. It’s almost an act of self preservation for the CVB.”
- Recent occurrence



## Importance, cont.

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- Likely to grow
- Sometimes pushed by pressure from members or lodging community
- “We are getting some pressure from members to create events that will put heads in beds.”



# Sophisticated PD efforts

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- Goals, strategies, and programs
- Part of destination management duties
- PD committees, staff members, grant programs
- CVBs start small and grow their programs



# More Research and Guidance

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- Need for more research on subject
- Need for more training / “how to” assistance to CVBs on development issues
  - Practical info
  - Beyond recognition of the issue