

EQ<sup>®</sup> Up Close: Case Study Series

Travel Alberta and EQ<sup>®</sup>:  
Increasing Focus and Alignment to  
Drive Return on Investment



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# Travel Alberta and EQ®: Increasing Focus and Alignment to Drive Return on Investment

## Case Summary

*In 2009, Travel Alberta (TA) invested in an Explorer Quotient® or EQ® license. In three short years, the organization has adopted EQ and introduced a vibrant new brand – changes that are ambitious and exhilarating. Together these elements have fundamentally changed the direction of the agency and Alberta’s potential for success as an authentic and exciting tourism destination. As result of its investment in EQ, TA has seen three key results: 1) Improved alignment with its stakeholders and the CTC, (2) Improved organizational and marketing efficiency and (3) Validation of its brand and marketing decisions.*

## Introduction

In 2009, Travel Alberta (TA) invested in an Explorer Quotient® or EQ® license, becoming one of Canada’s first provinces to become a licensee of the Canadian Tourism Commission’s (CTC) market segmentation model. This case study explores the reasons why this step was taken, plus the benefits and lessons learned that have flowed through the first few years of the model’s implementation.

A provincial marketing organization located in the heart of Canada’s west, TA promotes a region that is rich with historical significance, incredible scenery and opportunities for heart-throbbing adventure. It is no wonder, then, that TA’s unique selling proposition is “authentic experiences in breathtaking landscapes” and its brand message is “remember to breathe”.

For 2011-2012, TA identified five strategic objectives: bring the brand to life, create customer intimacy, defend and grow business, engage stakeholders and nurture organizational excellence. As the following case study will show, EQ has been instrumental in assisting the corporation in achieving these objectives.

*“We live in a world where travel isn’t consumed in your mind; it’s consumed in your heart. So unless you understand the motivations for someone making a travel decision to destination A or B, you have only a quarter of the picture. So it’s a bit of science and a lot of art. [EQ was] a perfect segmentation model to come around at a perfect time when I was asked to join TA.”*

*Bruce Okabe, Travel Alberta President and CEO*



## Travel Alberta's Reasons for Investing in EQ

Two-thousand nine was a banner year for Travel Alberta. In addition to becoming a crown corporation, it was also the year in which it acquired a new President and Chief Executive Officer, Bruce Okabe. As a former member of the CTC Board, Bruce had been able to ask critical questions about the EQ model at the pre-implementation stage. He concluded that the model – developed with Environics Research Group, one North America's leaders in social values research – was sound. Okabe says of EQ:

*"It was very well thought out. It was research based. It went beyond normal demographics, like married, not married, income, and all that other stuff. It basically melded demographics with psychographics – [helping us to] understand the motivations for travel."*

Prior to 2009, TA was using two separate market segmentation systems: one for its regional markets and the other for the rest of Canada and international markets. The corporation saw the value of rallying its team and the industry around a common segmentation system. EQ, backed by millions of dollars of research into both domestic and international markets seemed to be a cost-efficient and timely solution.

According to Royce Chwin, TA's VP of Global Marketing and Communications, "we felt that [EQ] was created by an organization with a lot of credibility. A lot of thought was put into it and it was ground tested, so it had a high chance of being very successful in terms of determining the customer types and how they behaved".

Another key reason for investing in EQ was the opportunity it provided to leverage the CTC's international marketing power by using the same tool to identify and target key customer segments. As Chwin indicates, it makes sense for a provincial destination marketing organization to find the best point of "critical alignment" with its national counterpart, and that point of alignment is EQ. The value of alignment was echoed by Marney St. John, TA's Director of Brand Experiences. Noting that TA was already partnering with the CTC in several international markets, Marney adds that "[EQ] helps to speak the same language to the same audience".

## The Benefits of Adopting EQ

For Travel Alberta, one of the most significant benefits of using EQ is its contribution to the development of Alberta's consumer-driven brand. Launched in 2011, the vibrant "remember to breathe" brand was developed around three target EQ types: Free Spirits, Social Samplers and Cultural Explorers. This strong brand is foundational to all of the corporation's marketing efforts.

As Royce Chwin points out, a key benefit is the efficient use of marketing resources. "These days, the marketing dollar is under scrutiny. In terms of driving ROI, [EQ's influence] is huge." Using EQ as a filter, TA is able to focus its resources on those programs and projects that provide the best return on their investment – and to avoid costly mistakes. A case in point is the April 2012 taping of the Live! With Kelly show in Banff. Using Environics Analytics' Prizm system<sup>1</sup> in conjunction with

<sup>1</sup> 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 data provided by EQ, an analysis of the show's audience indicated a high volume of female Free Spirits, a segment highly likely to make travel decisions. Based on that alignment, TA became quite involved in promoting the show and highlighting complementary experiences that attract Free Spirits. Bruce Okabe cites yet another example:

*"We used to spend \$250,000 buying ads in Condé Nast magazine until [using EQ research and Prizm] we figured out that Condé Nast magazine isn't what Free Spirits and Cultural Explorers necessarily read. So we were able to change our marketing strategy from spray and pray to pistol shot, here is the target, boom. Now we know what they read, what TV stations they watch, where they live, work and play."*

Because EQ is rooted in research, it serves to validate TA's marketing strategy with stakeholders and vendors, providing it with a strong rationale to prove the value of its marketing decisions. The corporation has used the research to develop hypothetical EQ 'personas', attaching real faces and personalities to Alberta's target EQ types. This application of the data is invaluable to industry stakeholders' appreciation of EQ as it is applied throughout the Alberta tourism value chain.

There have also been cascading benefits to Alberta's stakeholders. Chinook Country Tourism Association (CCTA), located in southwest Alberta, is one of five areas in the province designated by TA as an EQ sub-licensee (along with Banff, Jasper, Edmonton and Calgary). CCTA's initial motivation for becoming a TA EQ sub-licensee was alignment. It reasoned that it would make its own marketing much more effective if it was lined up with the marketing efforts of the provincial marketing agency. However, after participating in some of the CTC- and TA-sponsored workshops and applying some of the EQ tools in its marketing planning, CCTA began to realize that it was on to something even bigger that was going to be really useful.

As a stakeholder-driven tourism region, CCTA could see that EQ provided a great opportunity for its tourism operators. Nikolaus Wyslouzil, the organization's Executive Director, reflects that although the operators had a pretty good idea of their customers' demographics, they needed help in better marketing to their customers, changing their product offering to meet their customers' expectations and in making it more of an experience.

In April of 2011, CCTA launched its *Tourism Clustering Strategy Project*<sup>2</sup> (TCS), aimed at using EQ to foster customer-centric tourism clusters in the region. The project involved stakeholders in making a fundamental shift from understanding *who* their customers were to *what motivates them* to visit. Operators were engaged in workshops in which they determined their business' own EQ target types as well as the overarching targets for the region. In doing so, they were better equipped to

<sup>2</sup> Funded by the Rural Development Initiative, Rural Alberta Development Fund, Lethbridge Community Futures, CCTA, the Lethbridge Lodging Association, the City of Lethbridge and the Waterton Chamber of Commerce

*"Without EQ, we wouldn't have been able to make crisp investment decisions to say for example, what media and PR investments should we pursue? Top Chef, Live with Kelly, the Oprah Winfrey show, or Good Morning America? EQ has given us the ability to look at each one of these opportunities critically. Because at the end of the day you have all kinds of opportunities but not enough money to do them all, so which ones are you going to put your brand behind?"*

*Bruce Okabe, Travel Alberta President and CEO*



look for partners with whom to collaborate in order to create a more robust experience offer for visitors. As a result of this process, Chinook now knows who its primary customer is – the Cultural Explorer – and operators are actively collaborating to create experiential, EQ-centric packages. Better understanding this ‘best’ customer has brought focus to the development of the region as a macro-cluster as well as informing the look and content of CCTA’s new website, marketing campaigns and industry training programs. By aligning with TA and the CTC, CCTA and its stakeholders now have a sense of being part of something bigger – Alberta and Canada.

Duncan Daniels, Head of Regional Marketing for Southern Alberta Historic Sites is a CCTA stakeholder and another point of contact in the EQ value line. For iconic sites such as Head-Smashed-In Buffalo Jump, Frank Slide and Remington Carriage Museum, EQ has brought focus to their packaging development, helping them make good choices about which experiences to concentrate their resources. For example, understanding the social and travel values for Head-Smashed-In Buffalo Jump’s best customer – the Cultural Explorer – helped the organization make a hard decision to discontinue a teepee camping program that was draining energy and resources away from their core interpretation programs and services. Says Daniels,

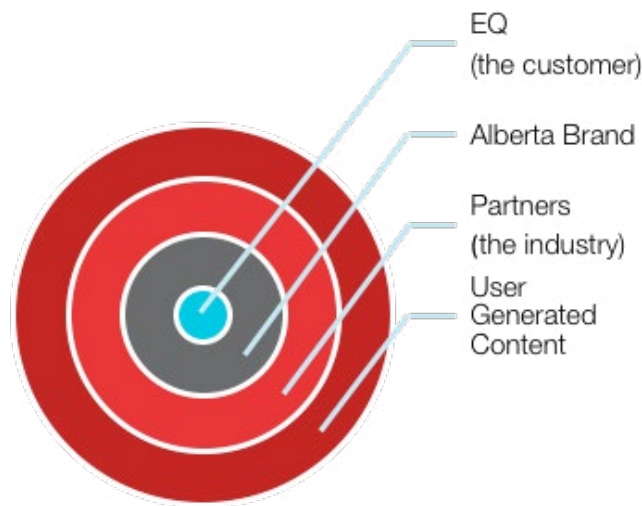
*“EQ has helped us understand that we need to concentrate our resources on First Nations interpreters talking to people. That is the cultural experience that is real and what Cultural Explorers treasure.”*

*“What we found in our meetings and the conferences was that [the operators] recognized how valuable this whole EQ thing was. That opened the door to them saying ‘maybe we should be packaging or working together because we actually do appeal to the same segment.’”*

*Nikolaus Wyslouzil, Executive Director,  
Chinook Country Tourism Association*

## EQ in Action

The diagram below illustrates EQ in action – at the heart of aligning the Travel Alberta brand with the customer. Critical to the development of the Alberta brand is the EQ research into what motivates Free Spirits and Cultural Explorers. Next, TA’s partners – the Alberta tourism industry – echo the brand message through their marketing and deliver on the brand’s promise by providing experiences that meet the needs of target EQ types. Finally, Alberta’s customers play an important role in validating the brand, as Free Spirits and Cultural Explorers are highly likely to talk about their experiences - generating content through social media and other forms of communication as excitement builds around the brand message and the promise of an outstanding Alberta travel experience.



The EQ-backed brand has resulted in more customer-centric focus in every aspect of the corporation’s marketing as it reaches out to its EQ targets. For example, the illustration below shows TA’s Vacation Planner before EQ and after EQ – the result is a more dynamic publication that speaks directly to the values of the target customer.

Before EQ

# WINTER ESCAPES

Alberta may look like the land of a million Christmas trees but it's more than just a pretty picture. Ski, ride, dogged, ice fish, skate, snowshoe, snowmobile or lounge under a twinkling log of northern lights. From our legendary Banff Mountain ski resorts to the bewy beauty of a frozen lake in a northern forest, Alberta lets you step into the photo frame with plenty of winter adventures.

Had you always wanted to see the world's largest snow machine? Well, you can see it in the heart of Calgary during the Calgary 50 Winter Olympics. Then, step into North America's best ski resort at Canmore Olympic Park or

Calgary and rock off the 10-meter (325 ft) ski jump, just like bobs. While here, discover the best grooming trail of a backcountry area. You may not be an Olympic but in Alberta you can certainly get into - this is where going for gold is a winter pastime!

© Destination Canada 2010

After EQ

# WINTER EXPERIENCES

## SNOWSHOEING

Snowshoeing in Kananaskis... it feels like you are walking in the clouds.

N. Smith, Alberta

Marvel at the surprising sensation of treading lightly across the deep snow. The cool stillness of the forest is broken only by the crunch of snowshoes. A light snow begins to fall, tracing the curves and toques of your companions. The peaceful winter scene is unchanged since the early explorers traversed the very land.

Straddle the Great Divide and get your picture taken with one snowshoe in Alberta and the other in British Columbia. Learn what made those fresh animal tracks. Hop on a helicopter and fly to the backcountry, then snowshoe for an island on a frozen lake for a gourmet lunch.

Sign up for an organized outing or make your own tracks on a family excursion. Just pick up your shoes and go where there's snow. Feel like you're walking on air? You are - almost!

Castle Mountain

Comparing the winter product pages 'before' and 'after' in TA's Vacation Planner: pages produced after EQ reveal a more dynamic, experience-based approach. The title has been changed from "escapes" to "experiences". The messaging and photography is clearly aimed at Free Spirits, who, as EQ research indicates, are known not only for their love of skiing, but also for travelling with friends, action-packed adventures... and doing a little showing off.

## In Marketing

In TA's branding process, an important first consideration is "who do we sell to?" As Bruce Okabe states, "[EQ] is the foundational DNA that we have built our brand around. It is absolutely critical to us." EQ allowed team members to identify their target customers, build the brand, understand which experiences they should be promoting and develop the brand assets. Focus group testing, using groups composed of target EQ types, validated their unique selling proposition as "authentic experiences in breathtaking landscapes". Focus group results also showed that the brand promise of selling "goose bump moments" resonated well with Free Spirits, Cultural Explorers and Social Samplers. For these types of travellers the brand message "remember to breathe" could offer several dimensions of meaning, from the promise of breathless excitement to just getting a bit of breathing space.

Jasmine Thompson, TA's Director of Consumer Marketing USA, uses EQ in the context of a number of related decisions in choosing a specific market within the US:

*"We start with air access. If they can't get here without direct air access – even though there may be a lot of Free Spirits in that area – they're not coming. Next, they have to be high-yield. Then we look at the history of visitation. After that we layer in EQ. For me, all of those four have to fit – I call it the sweet spot. These aspects all need to be there for us to actively go into that market and confidently say that we are going to get the return on investment that we are looking for."*

The extensive set of data available to TA on each of the EQ types has been essential in niche marketing. For example, Alberta has a wealth of camping product and EQ research indicates that Canadian Free Spirits are enthusiastic campers. EQ research has allowed them to place priority on developing assets for their image library - highlighting the kinds of camping experiences that Free Spirits value. By layering in the Environics' Prizm segmentation system, they have been able to employ filters to more strategically pinpoint precise geographical locations for niche marketing campaigns farther afield – for example, in their US market campaigns they have been able to target specific California counties and cities rather than the entire state. This level of precision saved precious marketing dollars and allowed the team to concentrate on reaching those consumers with the highest potential to be enticed to visit Alberta.

## In Product Development and Industry Alignment

Like the CTC, TA understands that Alberta's tourism product mix is essential in providing the 'right experience for the right customer' and creating that all-important word-of-mouth advocacy so influential to travellers' choices. As a result, TA's Industry Relations Team has been active in providing training programs and other resources based on EQ and the TA brand to the experience providers – the industry.





Seen above are two examples of industry workbooks developed by TA, part of the overall effort to increase industry alignment. Messaging and imagery is focused to appeal to the social and travel values of Free Spirits and Cultural Explorers and reflects authentic experiences in breathtaking landscapes. EQ and the brand have established a foundation for all publications to eventually have a consistent look and tone.

In its October 2012 conference, TA reported that 95% of its industry partners agreed with its EQ-centric brand positioning and promise. The corporation is encouraged to see the enthusiastic adoption of EQ by its sub-licensees, Tourism Edmonton, Tourism Jasper, Tourism Calgary, Banff/Lake Louise Tourism and CCTA. This is attributed, in part, to the fact that EQ provides a common language that all industry partners can easily understand – as Marney St. John states, “It’s a great place to start the conversation.” It is also a result of common agreement among sub-licensees on the benefits of alignment: in addition to incorporating EQ into their marketing plans, all have hosted industry training programs that will go far in aligning the Alberta tourism experience offer with regional, provincial and national marketing strategies.

Nikolas Wyslouzil of CCTA expected that EQ would be of interest to his industry stakeholders, but was pleasantly surprised at just how strongly they embraced EQ. For example, Head-Smashed-In Buffalo Jump’s 25th anniversary event program in the summer of 2012 provided evidence of the attraction’s efforts to better meet the interests of Cultural Explorers, placing more emphasis on the Blackfoot culture, integrating stories of the buffalo jump into their guide program and adding in more hands-on experiences. Remington Carriage Museum in Cardston is now placing more emphasis on facilitating engaging experiences for their guests, like offering carriage rides with an interpreter that bring the town’s Mormon heritage to life, and include an opportunity to sample some pioneer cuisine.



## ***In TA's Organizational Culture***

Internally, EQ has bolstered the organization's rallying cry for 'one brand, one team, one strategy'. With all team members focused squarely on the brand and Alberta's target EQ types, each person's expertise in various aspects of the corporation's operations can be brought to bear on developing cohesive, impactful campaigns that consistently reflect the brand and speak confidently to Free Spirits, Social Samplers and Cultural Explorers.

New team members quickly learn about EQ and the importance it has to the organizational culture. As part of their orientation process, they take the EQ Quiz, determine their EQ type and learn as much as possible about EQ. After that, each team member receives an EQ pin along with his or her name tag, identifying that team member's EQ type. Team members can speak to a common point of reference – EQ in general – as well as offering insights from the perspective of their personal EQ type when it comes to developing go-forward strategies.

Going forward, a key to the ongoing success of EQ will be keeping up with the research as refreshed data is produced by the CTC. Lozelle Reed, TA's Specialist in Consumer Market Research, is the lead in ensuring that all team members are familiar with the latest EQ research.

## ***In Partnerships***

Vital to TA's success with EQ is in its partnerships within Alberta. Its key partner groups are the Government of Alberta, its EQ sub-licensees and the Alberta tourism industry. In addition to working on policy issues like visitor visas, air access, signage, human resources and land use, Alberta Tourism, Parks and Recreation (TPR) is instrumental in providing statistics on Alberta's visitors' origins, demographics and travel patterns that allow TA to connect the dots between the province's current market position and EQ research.

While TA is promoting the province, Alberta's DMO sub-licensees are using EQ to promote their communities or regions and tourism businesses are delivering the experience. Prior to TA's adoption of EQ, several of Alberta's cities were already employing EQ and were enthusiastic about becoming sub-licensees to gain access to EQ research. TA's Industry Relations Team works closely with these DMOs and their tourism businesses, keeping them up-to-date and providing training programs relative to EQ and the brand.

Outside of the province, TA works with the CTC in EQ-focused international campaigns – promoting Alberta in the context of Canada. CTC is also the source of on-going research in EQ and its EQ Family Reunion meetings have brought Alberta together with other EQ-licensed provinces to share research, ideas and stories.

*"Sometimes we will take a piece of [marketing] creative and run it past some EQ types in our office and say what do you think? [EQ] is in everything that we do."*

*Jasmine Thompson,  
Travel Alberta's Director of Consumer Marketing USA*



## Challenges

Perhaps the biggest challenge that TA and its stakeholders face in implementing EQ is simply in implementing something new. TA continues to work with its stakeholders through consultation meetings, its annual conference, a host of industry workshops and by making team members available for DMO stakeholder meetings as EQ and marketing experts. By combining EQ with marketing advice on packaging, pricing, distribution and other marketing subject areas, the team has been able to illustrate the practical use of EQ in marketing plans.

Another implementation challenge was in engaging a multitude of vendors throughout the supply chain. Some vendors, such as agencies of record, were provided with EQ research and required to study and grow with the organization as it became more accomplished at using the model. For mom and pop businesses, busy during peak seasons getting food on the table and making beds, there is a lack of time needed for training and creating EQ-focused strategies. Educational programs, offered by TA, CTC and sub-licensees during the fall and winter have been instrumental in helping operators plan to utilize EQ in their businesses.

## Results

Operationally, TA sees EQ having significant impact to three main areas, described as follows:

### 1. Improved alignment with its stakeholders and the CTC.

EQ provides a common base of understanding about shared EQ target types - the Free Spirit and Cultural Explorer – fostering a more seamless working relationship with the CTC in overseas markets. It has also enabled a platform for engaging the Alberta tourism industry in developing and enhancing consumer-centric product and marketing programs that fit well into the marketing chain and align with the Travel Alberta brand. Due to its intuitive nature, EQ has been quickly embraced by the industry, particularly by Travel Alberta's 5 sub-licensees.

### 2. Improved organizational and marketing efficiency

EQ has assisted Travel Alberta and its stakeholders in making critical decisions that make the best use of resources, whether that is in more precisely pinpointing a given market, choosing specific distribution channels or determining priorities in program development to drive return on investment.

### 3. Validation of the brand and marketing decisions

Travel Alberta used EQ in creating focus groups to validate the brand promise and to determine Alberta's unique selling proposition. This validation process continues as the brand and associated campaigns are rolled out, ensuring that marketing focus is reaching the right consumers.

The EQ-backed TA brand has been instrumental in driving a return on TA's investments. According to the Conference Board of Canada, estimates for 2011 indicate that overnight visits to Alberta increased by 6.8%, exceeding the national average. This resulted in \$5.54 billion in direct visitor expenditures.<sup>3</sup>

By October 2012, it was clear that the corporation had exceeded its targets in terms of unaided consumer awareness of the brand, unpaid media value and visits to travelalberta.com. Its award-winning three minute brand video has already realized 1.5 million views on You-tube.

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<sup>3</sup> Metrics are from Travel Alberta, "Our Year in Review 2011-2012"

## Advice for Others Using, or thinking of Using EQ

As Bruce Okabe says,

*"It's important to look at EQ realistically. It's a tool, along with brand and execution, channels and relationships. It is not a secret formula for success. It's got to be built into your marketing DNA. Don't buy it [unless you're going to] use it in that way."*

Royce Chwin advises that DMOs thinking about adopting EQ should start with a thorough analysis of why this is good for the organization, the destination and the industry and ensure that it is understood by its stakeholders. Once the 'why' of the decision is determined, the organization can more confidently proceed, supported by a solid rationale to support the implementation process.

Nikolaus Wyslouzil advises that the secret to success is in engaging industry stakeholders and providing operators with some practical assistance to get them started. CCTA built engagement through increments – first through brief 'teaser' presentations, then through more formal workshops and conferences. It also trained a writer and a photographer to work with operators to re-write web copy and develop other EQ-focused collateral. This approach put more resources directly into the hands of the industry and got them started on their EQ journey – highly recommended for other DMOs who are concerned with stakeholder engagement.

## Future plans

Going forward, TA will be focusing its efforts on increasing the use of EQ at the industry level. Part of the solution will be to increase industry engagement, as operators see EQ as an essential part of business development. The other part will be in placing increased focus on educating the industry in EQ and customer-focused experiential tourism to achieve a larger inventory of experiences to match the brand and align the industry's marketing efforts to those of their provincial DMO. To quote Bruce Okabe,

*"We would like to see all of Alberta's tourism industry take advantage of EQ, if they are able to do that, we will be completely aligned from NTO, PMO, DMO and industry operator all speaking the same language."*

The successful integration of EQ into the Alberta brand has allowed the corporation to set an ambitious goal for the future: to grow tourism revenues by a billion dollars by 2017<sup>4</sup>. TA will be tracking industry performance over the next decade to assess the impact of EQ and the brand as it moves towards that goal. Although the corporation has already seen some qualitative results in terms of market focus, organizational teamwork, decision making and industry engagement, by 2017 it will be able to point to more quantitative results in resource efficiency, hotel occupancy and yield as well as other indicators that contribute to TA's success with EQ.



<sup>4</sup> Travel Alberta, "Our Year in Review 2011-2012", page 8

Acknowledging the fact that there are many segmentation models, team members agree that the one of the foremost benefits of using this particular tool is the alignment that it brings to the Canadian tourism industry. Travel Alberta welcomes more tourism destination marketing organizations across the country as they make the decision to invest in EQ, as a vision begins to emerge of a country united in the same customer-centric approach to tourism marketing – from the CTC to the smallest tourism operator and everyone in-between. This means all are talking the same language, to the same customers, with a powerful message that inspires more visitors to consider Canada for their next great tourism experience.

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