

CONCLUSION: The Mississippi Development Authority (MDA) collects data in reviewing advertising and marketing performance. However, PEER recommends changes and additions to data collection methods that would allow MDA to produce a more data-driven response in planning future advertising and marketing activities. PEER's recommendations include, but are not limited to, more frequent tracking of visitor volume and spending, implementing ad tracking surveys, and creating a system to track key performance metrics like visitation number and marketing expenditures by geographic area.



BACKGROUND

House Bill 1093, Regular Session 2022, directed the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) Committee to conduct a review of the advertising and marketing efforts paid for through the MDA Tourism Advertising Fund. The first review is due by December 1, 2024, and every four years thereafter. This review is in addition to the expenditure review required by MISS. CODE ANN § 27-65-74 (24) (b) (1972).

MISS. CODE ANN. § 57-1-64.2 (1972) provides that the PEER may contract with a private contractor or contractors to conduct the review of the MDA Tourism Advertising Fund mandated by the statute. The statute requires that MDA shall be legally and unconditionally required to pay the costs of any work provided by such contractor or contractors in an amount not to exceed One Hundred Thousand Dollars (\$100,000) in aggregate.

PEER retained EBP US Inc., (EBP) to perform analysis and review to support PEER in fulfilling its statutory obligations. PEER staff contributed to the overall message of this report and recommendations based on the data and information provided by EBP US, Inc. PEER staff also provided quality assurance and editing for this report to comply with PEER writing standards; however, PEER did not validate the source data collected by EBP US, Inc.

MISS. CODE ANN. § 57-1-64 (1972) created the MDA Tourism Advertising Fund and authorized MDA to sell advertising and promotional information to generate revenues and deposit into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) (1972) requires that 3% of tax collections from restaurants and hotels are deposited into the Tourism Advertising Fund.



KEY FINDINGS

- **MDA lacks the necessary methods needed for developing metrics to measure the effectiveness of its marketing efforts and programs.**
Without proper data collection, MDA is unable to evaluate how well its marketing initiatives are performing, limiting its ability to make informed decisions.
- **MDA lacks a method for tracking and collection of visitor volume and spending data at an appropriate frequency.**
As of September 2024, no data is available on visitor volume or spending trends for the current calendar year.
- **MDA lacks a consistent and effective methodology for estimating revenue and expenditure information.**
Without a clear benchmark or consistent methodology, MDA risks future inconsistencies in tracking and evaluating visitor data.
- **After moving to reporting in calendar year format from fiscal year format, report inconsistencies emerged.**
The change to calendar year reporting creates challenges for evaluating the visitor economy, particularly when comparing data over time periods in which the data was previously recorded in fiscal year format.
- **MDA currently does not track data related to the short-term rental and home-sharing markets, despite these segments contributing significantly to the state's tourism economy.**
MDA lacks a comprehensive view of the state's lodging marketing, which limits its ability to analyze trends, forecast demand, and measure the full impact of tourism.
- **MDA lacks a systematic approach to measuring the effectiveness and performance of its advertising campaigns over time.**
Without ad tracking surveys, there is no reliable way to collect data on brand awareness, ad recall, or changes in consumer behaviors that result from the advertising efforts.
- **MDA does not effectively evaluate the impact of its marketing initiatives aimed at attracting out-of-state visitors.**
Without tracking performance metrics by specific regions, it is challenging to identify which markets respond positively to campaigns.

Mississippi's Tourism Economy

- Visitors in Mississippi spent \$11.5 billion across a range of sections in 2023 including food and beverage, lodging, recreation/entertainment, retail, and transportation.
- Mississippi draws a larger share of day visitors at 59% than overnight visitors at 41%.
- Mississippi is a predominantly leisure destination with 92% of all visitors indicating pleasure as their purpose of visit.
- MDA's target market audience is defined as an adult out-of-state overnight visitor arriving by car for leisure purposes.
- Room demand in Mississippi in 2024 has trailed the U.S. In September 2024, room demand in Mississippi was 6% lower than in 2023 compared to the U.S., which stood only 2% below the prior year.
- Mississippi's average daily room rate (ADR) has increased steadily since 2020 reaching \$106 in 2024, up from \$85 in 2019. Mississippi's ADR resilience highlights regional demand dynamics and the impact of local inflation, with rates climbing faster than the national average in recent years.

MDA Tourism Advertising Fund Revenues and Expenditures Since Inception in August 2019

\$53.69 million has been deposited in the Tourism Advertising Fund through July 2024.

MDA's total marketing expenditures have amounted to \$51.60 million through June 2024, representing 96% of the fund's revenue allocated to marketing.

Social Media Marketing Performance

Social media performance is showing mixed results in 2024, with Facebook showing an increase in activity and Instagram a decrease in activity through May 2024.



RECOMMENDATIONS

1. MDA should collect and maintain data on performance metrics including tracking of advertising campaigns and associated surveys to assist with evaluating travel intentions and the effectiveness of the associated campaigns.
2. MDA should develop and implement a system for more frequent tracking and collection of visitor volume and spending data. Establishing a process for quarterly or monthly data collection will provide MDA with more timely insights into tourism performance.
3. MDA should establish a clear benchmark for visitor volume and spending to ensure consistency in future economic impact assessments. This benchmark should be based on a robust, transparent methodology that is regularly reviewed and updated as needed. MDA should implement a process to document and explain any data revisions, thus providing clarity on how changes are made ensuring that stakeholders understand any discrepancies or shifts in reported outcomes.
4. MDA should request visitor volume and spending data in both calendar year and fiscal year terms. This dual approach will provide greater clarity and continuity, allowing for more accurate assessments of tourism trends and economic impact while meeting the needs of both internal and external stakeholders.
5. MDA should begin tracking data for the short-term and home-sharing markets to gain a complete understanding of these segments' contributions to the state's tourism economy. This data will allow MDA to more accurately assess overall lodging trends, inform marketing strategies, and adapt policies to better support the growing short-term rental and home-sharing sectors, ensuring a more holistic approach to tourism management.
6. MDA should implement ad tracking surveys designed to assess the effectiveness of advertising campaigns over time. The insights gained from these surveys will enable MDA to evaluate the impact of its advertising efforts, making data-driven adjustments to help enhance future marketing strategies to ensure great effectiveness with its target audience.
7. MDA should implement a system to track key performance metrics – such as visitation numbers and marketing expenditures – by geographic area. By focusing on geographic data, MDA can gain valuable insights into which regions are most receptive to its marketing efforts.