

# NOTICE OF INTENT TO PURCHASE

Complete ALL items below. Contact MEDC Finance If You Have Any Questions.

Person Preparing This Form: <b>Maria Mendez</b>	Contract/Grant Manager (if different than preparer):	Business Unit: <b>Marketing &amp; Communications</b>
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1. This is for a (check only one):  New Request     Amendment to Existing Contract/Grant/PO:
2. Contract/Grant Begin Date: **09/01/2010**    Contract/Grant End Date: **04/30/2011**
3. Sole Source? (Check only one):  Yes     No (If "YES" attach a completed MEDC-2001-SS, Sole Source Justification, form)
4. Shall the Contract/Grant Manager review the final document prior to signing? (Check only one):  Yes     No
5. Is there any related Correspondence? (Check only one):  Yes     No If "YES" attach supporting documentation.

Describe the consequences which may result if this request is denied:

**LON-001**

Suggested vendor/grantee name and address, or "RFP" if to be bid.	Longwoods International 49 Front St. East, Second Floor Toronto, Ontario CANADA M5E 1B3	Contact Person Name: <b>John Archibald</b>	Phone No.: <b>(800) 509-8933</b>
		Email Address: <b>jarchbald@longwoods-intl.com</b>	
		FEIN (Finance Will Enter This No.): <b>98-1055988</b>	

Items/Services/Grant Description and Justification (attach additional sheets, if necessary):

Evaluation of Travel Michigan's 2010 National tourism advertising campaign.

- examine the impact of the campaign on national awareness levels
- provide fundamental strategic insights about the image of Michigan and its key competitors with respect to key destination choice factors
- evaluate the impact of the campaign including the return on the advertising investment (RO1)
- provide messaging and media diagnostics to illuminate contributing factors to campaign performance and, in turn, insights to help optimize the impact and yield of future activities

Spending Plan Line Item Which is Funding This Expenditure: Marketing Research 10-5718-06-90	Current Amount Requested \$ <b>\$195,000.00</b>
Will this be funded in multiple Fiscal Years? <input type="checkbox"/> Yes <input type="checkbox"/> No	Revised Total Value \$

Business Unit Approval

Additional Business Unit Approval (if necessary)

*Bridget Beckman 8-19-10*  
 Business Unit Authorized Signature (required)    Date Signed    Business Unit Authorized Signature    Date Signed

Forward the original completed, signed form and supporting documentation to MEDC Finance.

Doc. No. **3044-00**    **MEDC FINANCE USE ONLY**  
**DO NOT WRITE BELOW**

AY	INDEX	PCA	AOBJ	AY	INDEX	PCA	AOBJ	CORP ACCOUNT	CORP ACCOUNT
/	/	/	/	/	/	/	/	10-5718-06-90	- - -
Amount \$				Amount \$				Amount \$ <b>195,000</b>	Amount \$

*Cindy,*  
 This is an annual expense that is used to provide the travel ROI. There are funds available.

*Bob D. Colosimo 8/24/10*  
 MEDC Finance Signature (required)    Date Signed

*Cindy Dyke*  
 MEDC COO Signature (if over \$25,000.00)    Date Signed

*Smith 8/25/10*  
 MEDC CEO Signature (if over \$250,000.00)    Date Signed

Req. No.:	Finance Review Complete:	Legal Processing Complete:	P.O. No.:
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### Sole Source Justification

Enter all information requested below.

Proposed Vendor: <b>Longwoods International</b>	Business Unit: <b>Corporate Research</b>	Amount: <b>\$190,000.00</b>
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Note: A single vendor may qualify as "sole source" if that vendor is uniquely qualified to meet the Michigan Economic Development Corporation's (MEDC) procurement objective.

**Procurement Objective.** In the space below, provide an explanation of the Business Unit's objective to be served by the procurement of the product or service. The explanation should focus on the Business Unit's specific requirements, not merely a description of a product or service that would satisfy the need.

The objective of this contract is to prove that the benefits for conducting a paid advertising program for tourism out weight the costs. By using the services of this vendor and its unique method for identifying the return-on-investment for tourism advertising efforts, Travel Michigan can demonstrate not only the success of the program, but prove that the investment of state funds provides a higher rate of return on tax dollars than the investment costs. As such, the effectiveness of the program can be demonstrated and the continued funding of the program can be justified.

**Vendor Information/Justification.** In the space below, provide an explanation of why this particular vendor is the only one that can serve the objective described above. Also, describe the unique aspects of the vendor's product or service and whether the vendor has performed any work related to this project in the past.

While other market research firms may be able to conduct return-on-investment (ROI) analysis of inquiries that are received by phone, mail, or internet; no company, other than Longwoods, offers a program that can measure ROI where those who view all advertising may be influenced to travel whether or not they contacted the tourism office for information. The R.O.EYE model employed by Longwoods is designed specifically to fill this void. The model offers further credibility because it has been tested and employed in many other travel destinations. While other potential contractors may argue that they could develop such a model, they have not done so to date, further questioning their reliability, credibility, and ability to deliver on a timely basis. In addition, this study has been conducted for Travel Michigan since 2006. In order to maintain comparability the study needs to be conducted by the same vendor from year-to-year.

In addition to the information provided above, check one or more of the boxes below, as appropriate:

- The product is manufactured only by a single vendor.
- The product/service is sold through a single distributor only.
- The service provided by the vendor is unique to that vendor.
- It would not be economically feasible for another vendor to provide the product/service needed.
- A single vendor is uniquely qualified to fulfill the MEDC's need.
- An unusual or compelling emergency exists.

REQUESTED BY:

David Morris  
Printed/Typed Name

*David M. Morris* 8/19/10  
Signature Date Signed

Attach the completed, signed form to the corresponding MEDC-2001, Notice of Intent to Purchase (NOI).

Contracts & Grants Use Only	Doc. No.: _____
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June 7, 2010

David Morris  
Manager, Corporate Research  
Michigan Economic Development Corporation  
300 North Washington Square  
Lansing, Michigan 48913

Dear David;

It is our pleasure to present this proposal to undertake an evaluation of Travel Michigan's 2010 National tourism advertising campaign.

## Research Purpose

The purpose of the research program is to:

- examine the impact of the campaign on national awareness levels;
- provide fundamental strategic insights about the image of Michigan and its key competitors with respect to key destination choice factors;
- evaluate the impact of the campaign including the return on the advertising investment (ROI);
- provide messaging and media diagnostics to illuminate contributing factors to campaign performance and, in turn, insights to help optimize the impact and yield of future activities.

## Background and Objectives

Longwoods International has conducted advertising evaluation research for Travel Michigan for the past several years. As there is a significant change in the support level for the 2010 campaign vs. the 2009 effort, we suggest an approach that will allow an apples to apples comparison to the 2009 ad evaluation.

## Methodology

The research program will consist of a **Longwoods' R.O.EYE™** study conducted both regionally and Nationally;

The study will be conducted by internet panel. Custom panels of individuals will be constructed to be statistically representative of Travel Michigan's regional advertising markets and the balance of the National marketplace.

Respondents will be selected randomly to ensure a representative sample of individuals 18+ years of age and the research results will, therefore, be projectable to the population of the markets surveyed. The recommended sample for the **R.O.EYE™** study is 3,000 (1,500 for the regional markets and 1,500 for balance of US).

Awareness of the advertising will be determined by exposing respondents to actual samples of the creative. This forced-expose technique serves to significantly reduce the "phantom recall" that otherwise plagues advertising tracking research.

Respondents will be exposed to copies of television advertising, sound files of radio advertising and color renditions of print advertising. We assume, for costing purposes, that no more than 10 distinct ads are to be evaluated.

### **Program Outputs**

Deliverables from the **R.O.EYE™** research will match what you have seen in the past.

### **Timelines**

The Image Benchmark & Accountability Study will be fielded approximately one month after the end of the Spring/Summer/Fall 2010 campaign.

Assuming that we receive all stimulus material and approval of our draft questionnaire in a timely fashion and that there are no unforeseen difficulties with data collection, data weighting and analysis, the accountability study would go to field in November and we would target to provide you with a draft top line report by mid-February of 2010.

### **Cost**

The cost of the research program is \$145,000.

### **Options**

There are two options I would like you to consider

#### **A) Increased sample size**

Given the level of scrutiny that last year's research experienced and the likelihood that this year's will be even more under the microscope, along with the need to be able to compare year over year results for both markets and to understand whatever change we find, we think that you should consider increasing the sample size for the 2010 program. An increase in sample will simply provide a higher confidence level in

the resulting estimates. The additional cost would be, approximately \$20,000 for an increase of 1,000 or, if budget is tight,\$10,000 for an increase of 500.

#### B) Conversion Research

Bill reminded me that He and George talked when they were in Washington and that one of the topics involved undertaking conversion research for the 2009 study. As you know, we estimate the number of people who are motivated by the advertising to plan a trip to Michigan in the year following the campaign. We are able to go back to these people and find out how many actually came and, as a result, we can estimate the additional campaign impact in year two. Cost is approximately \$30,000.

I trust that this proposal meets your needs. Please call when you are ready to discuss the program further.

Yours Truly

**Tom Curtis**

Tom Curtis  
Senior Vice President  
Longwoods International