



Governor's Tourism Advisory Council Meeting (TAC)

Friday, February 8, 2008 9:00 A.M. – 2:00 P.M.

Arizona Office of Tourism, 1110 W. Washington, Ste 155, Phoenix 85007

Meeting Minutes

I. Call to Order and Approval of October 31, 2007 Governor's Tourism Advisory Council Meeting (TAC) Minutes.

After a call to approve minutes for the October 31 meeting, they were unanimously approved.

II. AOT Update

Margie began by talking about the continuing budget cuts and how we are handling them and advised everyone that the FY09 budget is still not firm. She also talked briefly about some of the states we are competing with and how most of their budgets are double what we have.

Rachel Sacco voiced that the CVB's count on AOT support and asked if we could provide our program of work when available so they could make adjustment in their programs so everyone capitalizes on each other's efforts.

On the administrative side of AOT, Margie introduced Tina Miller-Steinke, the new Director of Media Relations and Communications, let everyone know that Mike Leyva is retiring at the end of the month, and that the Visitor Center portion of AOT has moved to the Convention Center (sharing an office with the Phoenix CVB).

III. FY 08 Advertising & Marketing Update

Casey Ambrose presented a marketing/research matrix and explained how we arrived at the five target cities and the integrated plan for advertising within those cities. Due to the research conducted through Longwoods International, AOT has transitioned away from a weather based message in Target Cities. It is because of this shift, the marketing/research matrix allowed AOT to focus strategically on key market segments both short haul and long haul and provide

new messaging to key markets that are not weather based. She presented slides on print ad and how they were customized to be relevant to the target markets for FY08: Chicago, Detroit, Denver, Los Angeles, and San Francisco.

Jody Miller inquired about doing more on-line. Casey indicated that currently 20% of our overall marketing budget is allocated to online activities and AOT is doing more on-line and trying different approaches to not only keep pace with key interactive trends, but be industry leaders in our approach, be it social networks, behavioral targeting, etc. But there is still a great value in the print ad—such as Condé Naste Traveler—where people who are reading the magazine are interested in engaging with the advertising and are thinking about travel.

Margie commented that she believed we are surpassing many states in driving people to our web site. Casey confirmed that AOT has a number of new rich media enhancements that are coming online on arizonaguide.com such as video streaming, content integration, partnerships with TripAdvisor, and more all leading to a rich user experience. Casey also discussed the idea of ‘engagement’ rates and that although there is no one measurement that is industry standard, AOT is at the forefront of establishing criteria that looks at a number of online factors (unique visitation, time spent, videos reviewed, OSVG ordered etc.) that will be weighted and compiled to look at how the users engage with the site and get information.

Next Casey discussed co-op partnerships with other state departments where cohesive marketing efforts have resulted such as the Department of Commerce with our joint message centering on quality of life, the Film Office to promote film and filming in Arizona, and most recently, an integrated campaign with State Parks and the Arizona Trail that will be called Arizona Passages.

Kay Daggett asked if we spend money toward bringing business into the Valley. Margie responded that we invest \$200,000 to Commerce toward a quality of life message. We also invest \$250,000 to State Parks and \$100,000 to Arizona Trail. There is also \$150,000 for the Smart Growth Initiative.

IV. Research Update

AnnDee Johnson presented charts on hotel statistics. She discussed room availability, occupancy and average daily rates then explained how RevPar (revenue per available room) is currently being driven by the rate in Arizona, Phoenix and Tucson—not occupancy.

Next she explained the formula for tourism taxes and reviewed statistics for 2005-2007. She pointed out that in 2006 there was a 17% increase from Canadian travelers to Arizona, but all indicators so far show that the rate of growth is slowing and could be relatively flat for 2007. The new passport

requirement could work against us because, once people have passports, they can easily travel anywhere, not just the U.S.

AnnDee provided a brief update on the types of information we could (and could not) expect to get in working with Visa research data.

Showing maps, AnnDee explained how we are considering modifying the boundaries of the Arizona “regions.” These changes would align regional boundaries to county lines and the changes would be slight. Jody Harwood asked about historical data and AnnDee indicated that economic impact reports are already by county so it should help align the data.

V. China MOU

Mary Rittmann spoke about how the Chinese are opening up their travel policies. With the signing of a Memorandum of Understanding between the USA and China, it will become easier for Chinese citizens to travel to the USA. As of April or May 2009 the MOU will go into effect allowing USA destinations to market themselves in China and facilitating group leisure travel from China to the USA.

Travel agents are licensed in China and they are generally held responsible for their travelers’ return to China. In some cases they may require large deposits by travelers and/or their passports are held for the duration of the travel. There is also a fee of \$100 to apply for a US VISA. Nonetheless, things are opening up and it is predicted that China will have more than 100,000,000 outbound travelers by 2020. The Chinese spend on average \$6,000 per trip—more than travelers from any other nation.

VI. Arizona Centennial 2012

Karen Churchard gave brief overview of the status of the centennial planning as well as future plans. She advised that the Governor will be signing an Executive Order in the coming week establishing the Arizona Centennial Commission. She talked about the need for a comprehensive plan for possible legacy programs, marketing and merchandising, and to capitalize on other events in the state. Karen distributed copies of logo possibilities and indicated she would keep everyone informed as things progressed.

VII. Arizona Welcome Center

Kelly Paisley presented a virtual tour of the new Visitor Center at the Convention Center. She told everyone if they wanted a personal tour, just call Sarah and she would arrange it.

VII. Recapture District Legislation

AnnDee discussed an initiative to propose and support recapture district legislation, as this could be a mechanism to fund the Renovation of the Capitol in time for the Arizona Centennial, and explained what funds could be used and what funds could not. Margie indicated that AZHLA and ATA are supporting this funding process.

VIII. Summary and Conclusions

Margie advised everyone the next meeting is January 17th. She also brought their attention to the complete list of 2008 meeting dates in their packets and the name/address list for review and update.

IX. Call for Adjournment

Motion to adjourn by Kay Daggett
Second by Michael Luria

Meeting adjourned at 1:40 pm.