



## **Governor's Tourism Advisory Council Meeting (TAC)**

Thursday, April 16, 2009 10:00 A.M. – 1:00 P.M.  
Arizona Office of Tourism, 1110 W. Washington, Ste 111, Phoenix, AZ

### **Meeting Minutes**

#### **I. Call to Order and Opening Comments**

Colleen Cutshaw welcomed everyone and called the meeting to order at 10:10 a.m.

#### **II. AOT Updates**

Sherry Henry introduced Mark Stanton, the new Deputy Director of AOT. After a few brief comments from Mark, Sherry moved the meeting on to the Research presentation. One TAC member had stepped out of the room and it was decided skip the budget information until she returned.

#### **III. Research Update**

AnnDee Johnson presented a slide titled Snapshot of Arizona Indicators comparing 2007-2008 figures as well as 2008 and 2009 year-to-date figures. She proceeded to a chart on Tourism Related Revenue based on airport passenger traffic. It included State and National Park visitation and statewide lodging.

AnnDee continued by referring everyone to the handout Arizona Barometer covering economic indicators. She pointed out that Arizona consumer confidence is better than the national consumer confidence. She was also careful to explain how the data on the Lodging Indicators Competitive Analysis (Feb 09 YTD) need to be understood in context. What is "going on" at that time in a particular city needs to be taken into account (such as seasonality, and economic issues) and that it was quite important for all of us to help portray this information "in context" so it will not be interpreted or publicized with an incorrect or negative interpretation.

New sources of information such as car rental surcharge contracts and traffic counts were discussed. AnnDee talked about what we can glean from this information and how we might be able to develop it in the future for more extensive indicators.

AOT will soon have an on-line database and AnnDee gave a demonstration of how extensive and flexible it is for bringing up a variety of valuable information.

When discussing air traffic analysis based on “origination” & “destination,” Stacey Button asked if Flagstaff could be included in that data. AnnDee said she would check on the possibility.

Next AnnDee announced that the Mexico Visitor Study was finished and would be released very soon. Highlighting some of the information in the study, AnnDee informed everyone that 58% of the Mexican Visitors to Arizona come here to shop, 6% come to visit friends and relatives, and 36% come for business purposes. She reported the total economic impact of Mexican visitation to be \$2.69 billion in direct spending. This multiplies to: total sales impact of \$3.61 billion; \$30,355 in total jobs; \$837.2 million in total income. Each day, 65,000 Mexican visitors travel to Arizona—spending \$7 million each day.

#### **IV. Approval of Minutes**

Colleen now called for approval of the minutes for the October 16, 2009 minutes. Stacy Button made a motion and Michael Luria made a second for the approval. Vote was unanimous and the minutes were approved.

#### **V. Budget**

Sherry Henry advised everyone that \$6 had been removed from our budget, but that a strong campaign from our industry was successful in preventing us from losing another \$2 million. That reduction was limited to \$200 thousand.

The AOT 2010 budget is still tentative but it looks as if we will be able to work with the proposed numbers if they are not further reduced.

#### **VI. FY10 Advertising & Marketing Update**

Casey Ambrose began by saying that our programs for next year represent a different approach from years past. For example, our Seize the Day Campaign was about 70% print and 30% on-line. Although this campaign served specific goals for the years' it has run, research shows it is nearing its peak of effectiveness and new campaign creative and media strategies given the state of the economy and new communication tools will be rolled out in FY10 to remain competitive even with limited funds. She explained that some print media has gone away as many newspapers and magazines have gone out of business, however this has created new opportunities in media integration, broadcast television and social media that AOT will be implementing in an overall campaign strategy allowing for a fluid approach in reacting to the changing economy. Casey proceeded with major strategy. points:

Strategy 1: Create an integrated marketing plan in which all of the media platforms and tactics work together as a cohesive machine.

Strategy 2: Create a media mix that provides mass reach to increase awareness, as well as high frequency among key targets.

Strategy 3: Develop co-op programs with other Arizona travel, tourism and hospitality partners.

Strategy 4: Plan marketing efforts to facilitate budget flexibility

Casey continued with Interactive Marketing strategy which will include two websites that allow AOT to effectively communicate with each audience as well as utilize email to promote Arizona and provide travel information to subscribers and key social media tools such as Flickr, Facebook and Twitter to effectively communicate with consumers in the way they want to engage. Search engines are key elements to the effectiveness of AOT's overall marketing initiatives. In FY10 AOT is looking to have greater leverage in search (as Google and Yahoo! drive more than 70% of all traffic to arizonaguide.com). Enhanced emphasis on Search Engine Marketing and Search Engine Optimization will be a critical factor in driving traffic to the website and getting the Arizona brand in front of consumers. The increased emphasis in social networks as mentioned above, allows AOT to create an integrated strategy to utilize actionable components through social media on a quarterly basis that engage the consumer and have measurable results while complementing the branded national advertising campaign.

Interactive Media: AOT operates two primary websites; our consumer site which is [www.arizonaguide.com](http://www.arizonaguide.com) and our B2B site, [www.azot.gov](http://www.azot.gov). These two sites will receive marketing and functionality enhancements in FY10 to complement the new campaign and remain relevant and competitive to their respective audiences be it consumer or constituent. AOT also operates a website for Arizona Passages and Arizona Scenic roads, all of which

Casey explained that AOT is actively using email to promote Arizona and provide travel information to subscribers. We also leverage Google (a search engine that drives more than 70% of all traffic to arizonaguide.com). AOT has also developed online advertising initiatives to further promote and market the Arizona travel message. In FY10 an entire lifecycle marketing plan will be rolled out to target the opt-in subscribers in AOT's database (totaling over 500,000).

AOT utilizes social media marketing to active potential Arizona travelers outside of arizonaguide.com. Using these social networks, AOT is able to market and speak to the traveler in an unexpected, but relevant and useful online location. In addition, AOT will be looking to build these online communities for additional marketing promotion, word of mouth marketing, and to increase top of mind awareness of Arizona as a travel destination.

## **VII. International Markets Update**

Mary Rittmann began by briefly discussing how the significant shift in exchange rates has affected international travel. She presented graphs which clearly drew correlations of the fluctuating exchange rates to the visitation from Japan, France, United Kingdom, Germany, Canada and Mexico

She then presented an overview how her department has realigned duties and shifted focus since becoming responsible for AOT's media group. These changes were focused on increasing our domestic PR and Mary reported that we are already seeing results.

General Information Provided:

- AOT generated more than \$17 million in medial coverage with a circulation of 65 million.
- Represented in 473 tour operator brochures – an increase of 14% over the previous year.
- Hosted 237 trade and media representatives on FAM tours to 48 Arizona communities.

## **VIII. Karen Churchard**

Speaking on the Governor's Conference on Tourism, Karen let everyone know that there is a great effort in progress to have a wonderful conference while keeping expenses down. She outlined how DMO's, the lodging industry, other industry associations and vendors are sponsoring the event.

Karen noted that this year's conference will be held in Scottsdale at the Westin Kierland Resort and Spa, and asked that everyone save the dates of July 8-10. She indicated that the request for award submissions should also be out in a week or so.

## **IX. Summary and Conclusions**

Kay Daggett inquired about Communications and Community Development (CCD). Karen gave a brief summary and said she would cover it at the next TAC meeting.

Steve Chucri reminded everyone of Arizona Restaurant Week and indicated they were very pleased that after wanted 40 restaurants to participate, the now have 100. Arizona Restaurant Week is September 19-26.

## **X. Call to Adjourn**

Following a call to adjourn by Colleen, Steve Chucri made the motion to adjourn which was seconded by Kay Daggett. Meeting adjourned at 1:00.