Fiscal Year 2023 Proposition 302 Maricopa County Marketing Grant Program Guidelines

Due Date: Applications must be received by AOT no later than 4:00 p.m. Friday, May 27, 2022

These documents supersede all guidelines issued for any previous fiscal year Proposition 302 marketing program.

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PROP 302 MARICOPA COUNTY MARKETING GRANT PROGRAM

HISTORY OF PROGRAM

In 1999 voters approved the Proposition 302 initiative, which includes funding to promote tourism in Maricopa County. Funding is derived over a 30 year period from a car rental surcharge and a 1% tax on hotels in Maricopa County.

In accordance with A.R.S. § 41-2306, A2 and A3, revenues are deposited pursuant to Title 5, Chapter 8, Article 2, section 5-835, subsection B or C and Title 42, Chapter 6, Article 3, section 42-6108.01. All monies in this account are continuously appropriated to the office of tourism, which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent to promote tourism within that county.

STATUTE AUTHORIZATION

Arizona Revised Statutes, Chapter 19, Article 1
41-2306. Tourism fund
(Caution: 1998 Prop 105 applies)
A. The tourism fund is established consisting of separate accounts derived from:
1. State general fund monies appropriated to the fund by the legislature. All monies in this account are continuously appropriated to the office of tourism for the purposes of operations and statewide tourism promotion.
2. Revenues deposited pursuant to section 5-835, subsection B or C. All monies in this account are continuously appropriated to the office of tourism, which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent to promote tourism within that county. For fiscal years 2010-2011 and 2011-2012, fifty per cent of the revenues deposited in the tourism fund pursuant to this paragraph may be expended by the office of tourism for operational and administrative purposes.
3. Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism, which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.
4. Revenues deposited pursuant to section 5-601.02(H)(3)(b)(iv). The office of tourism shall administer the account. The account is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary. Monies received pursuant to section 5-601.02 shall be deposited directly with this account. On notice from the office of tourism, the state treasurer may invest and divest monies in the account as provided by section 35-313, and monies earned from investment shall be credited to the account. No monies in the account shall revert to or be deposited in any other fund, including the state general fund. Monies in this account shall supplement, not supplant, current funds in other accounts of the tourism fund. Monies in this account shall be spent only to promote tourism within the state and shall not be used for administrative or overhead expenses.
B. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
PROP 302 MARICOPA COUNTY MARKETING GRANT PROGRAM

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PROP 302 MARICOPA COUNTY MARKETING GRANT PROGRAM

EXPECTATIONS OF APPLICATIONS & NOTES FROM GRANTEE (AOT)

- Applicants should read and be familiar with the entire Arizona Office of Tourism Prop 302 Maricopa County Marketing Grant Program (Prop 302) Guidelines before submitting an application to AOT.

- Deadline extensions will not be granted.

- Failure to provide application and expense reports by dates indicated in the guidelines will jeopardize current year funding allocations and any future funding.

- Funding for Prop 302 is contingent upon the approved FY2023 budget for the Arizona Office of Tourism. A reduction in the budget may result in a reduction to Prop 302 marketing funds.

1. ELIGIBILITY

   A. Independent Destination Marketing Organization (DMO)/Community Destination Marketing Organization (DMO)

   All applicants must meet ALL requirements listed directly below to be eligible for Proposition 302 funding:

   - Applicants must have the established designation as the Destination Marketing Organization (DMO) for a city or town within Maricopa County. A DMO is defined as the primary governmentally-designated unit responsible for the tourism promotion/marketing of a destination on a year-round basis. A DMO Affidavit and supporting official action is required to be awarded.

   - The DMO must have been in existence for at least one (1) year prior to the current funding year.

   - The applying DMO must have a tourism marketing budget of at least $123,000 for FY2023, excluding administrative costs and funds anticipated from this marketing grant program. Applying DMO must show proof of tourism marketing budget, information provided will remain confidential.

   B. Regional Co-operatives

   Maricopa County communities that do not meet the above requirements may partner with an eligible DMO to submit a Prop 302 Maricopa County Marketing Program regional co-operative application.

   A community is defined as a city or town that has a tourism product (for example a hotel) but is not the DMO.

   Organizations submitting a regional co-operative (co-op) application must meet all of the additional requirements listed directly below:

   - The applying co-op DMOs must have a tourism marketing budget of at least $123,000 for FY2023. This does not include represented community budgets and excludes administrative costs, and funds anticipated from this marketing program. Applying DMOs must show proof of tourism marketing budgets, information provided will remain confidential.

   - Promotional efforts must represent projects benefiting each participating community. Co-op applications must identify community representation for each activity and project in the Prop 302 application.

   - Co-op applicants must form an advisory consortium with representation from each participating organization. Members of this advisory consortium shall work together to determine how co-op dollars are used.
• Regional co-op applicants shall submit a letter from the mayor or city/town manager on official letterhead from each co-op participant expressing the desire of the community to participate in the co-op.

2. GENERAL PROJECT REQUIREMENTS

To qualify for funding, projects must meet both of the following requirements:

• The primary function of the project must be tourism promotion. Tourism promotion is defined as the intent to drive overnight visitation to a respective community.
• Qualifying projects are limited to marketing programs over and above programs that existed in FY2001.

3. APPLICATION PROCEDURE

All FY23 Prop 302 Marketing Grant Applications and Attachments will be submitted digitally through eCivis.

FY23 Prop 302 Marketing Grant Application (Link will be provided once live in eCivis)
• Profile (Entity & Administrator Information)
• Application (Project Title, Budget Worksheet, Attachments)

No email submissions will be accepted.

3.1 Attachment A - Marketing Plan

In this application attachment, list all the projects for which the applicant will be requesting Prop 302 Maricopa County Marketing Program funding. For each type of project, provide the details specified below. Indicate if the project is new (new as of FY2023), expanded (expanded from programs that existed in or previous to FY2001) or ongoing (continuous Prop 302 projects). Please use this template to complete Attachment A.

The following categories are available for funding:
• Print Placement (magazines and newspapers)
• Broadcast Placement (radio and television)
• Outdoor Placement (billboard, busboards, wallscapes)
• Digital Media
• Website Development/Enhancement (for tourism related sites only)
• Printed Material (brochures, maps, travel guides)
• Audio-Visual (film, video, photography and DVD/CD)
• Travel Show (booth space, registration fees)
• Media Communications and Public Relations (contracts, familiarization tours)
• Event Sponsorships
• Research and Strategic Planning
• Co-op Programs
• Production and Design
• Other Marketing Activities and Projects

3.2 Additional Attachments Needed - Supporting Documentation

The following elements must be included:
• For Regional Co-op submissions: Proof of all meetings with participating communities by submission of dated agenda and any other supporting documentation.
• Back-Up Documents for Work with Outside Vendors (i.e. media outlets, PR firms, website developers, research firms, etc.) – Examples of documentation can be scope of work, proposals, insertion orders, media plans, MOU’s, contracts, other official agreements or bids.
3.3 Non-fundable Expenses

- Employee or third-party contractor salaries
- Entertainment and honorariums
- Food and beverages
- Equipment purchase and rental
- Promotional items, including but not limited to: prizes, trophies, plaques, decorations, trinkets, giveaways, hats, shirts, banners, flags, floats
- Items for re-sale
- Business directories of any kind (ads, brochures, etc.)
- Program booklets, stationery, table tents, membership solicitation literature
- Travel expenses (only exception is for travel media and trade FAM tours)
- Postage and office supplies
- Donations
- Construction of permanent structures
- Building maintenance
- Anything contrary to state or federal law

3.4 Due Date

All FY23 Prop 302 Marketing Grant Applications are due no later than Friday, May 27, 2022 by 4:00 PM via eCivis. **No digital, written or faxed applications will be accepted.**

4. APPROVAL PROCESS

- Applications from eligible DMOs will be reviewed and evaluated by the Prop 302 Committee and AOT Grants Staff.
- All applicants will receive a pre-award letter with a determination. If awarded, grantees will need to sign a grant agreement before funds are distributed.
- The following will be considered when reviewing applications:
  - The assurance of compliance with the intended purpose of the marketing funding
  - Arizona Department of Revenue report for Maricopa County total hotel taxable sales
  - Quality of each application
  - Review and discretion of the Prop 302 Committee

5. FUNDING PROCESS AND REALLOCATION PROCEDURE

**Funding Process**

- Following the official notification of award, based on funding estimates projected by the Arizona Tourism & Sports Authority (AZSTA), funding will be distributed to eligible Maricopa County recipients on a monthly basis for twelve consecutive months of the annual program from actual dollars transferred to AOT by AZSTA each month. AOT will send written electronic notice regarding any distributions that reflect an increase/decrease from those monthly projected dollars provided at time of award at the start of each fiscal year program. Each recipient is responsible to adjust allocations for total funds distributed in their application using budget request changes in eCivis.
- For regional co-ops, funding shall be allocated based on the percentage provided by DOR. If a participant in a regional co-op wants to spend more than their DOR percentage, they need to receive written approval from all regional co-op participants.
Reallocation Procedure

- All funding allocated for FY2023 must be spent on approved marketing activities in FY2023.
- **Budget Change Request:** Any budget change requests to the Marketing Plan must be submitted via eCivis for approval. An overview of the budget change request process can be found [HERE](#).

6. PROJECT DEVELOPMENT

- Entities that are not able to follow the guidelines listed below for any given project must submit a written request for a waiver from AOT.

7. BASIC GUIDELINE REQUIREMENTS

- The primary focus of all Prop 302 Maricopa County Marketing Program projects must be to promote tourism and attract visitors from appropriate markets.
- Qualifying projects are limited to the creation and implementation or continuation of new or expanded marketing programs over and above programs that existed in FY2001.
- Program participants cannot transfer funds from one specific project to a different project **without prior written approval from AOT.** Please see the reallocation procedure above.
- When placing paid media (advertising), publications/publishers should be chosen based upon the appropriate target audience.
- AOT's "The Grand Canyon State" logo (below) is encouraged to be featured on all placements. The logo and the words "The Grand Canyon State" must be legible. If the project is produced in four colors, AOT's logo should also be in four-color. Logos are available from AOT via e-mail or by download.

![Arizona: The Grand Canyon State](image)

- Use of AOT call to action (below) is not required but is encouraged to be featured on all advertising wherever practical. The VisitArizona.com URL must be legible.

> "For statewide travel information, go to VisitArizona.com"

- The purpose of providing funding to Maricopa County DMOs/communities is to promote the individual city or town as a destination with a variety of tourism-related products and activities. Funding, therefore, should not be used to promote a single for-profit business.

8. SPECIFIC PLACEMENT REQUIREMENTS

8.1 Print Placement: Newspaper, Magazine

- "Arizona" must be spelled out in its entirety and prominently featured on all print media.
- The AOT "The Grand Canyon State" logo and the VisitArizona.com URL are not required but encouraged to appear on all print ads.
- Production costs may be included as part of the budgeted cost of the placement, but should be listed under the 'production and design' section.

8.2 Outdoor Placement: billboards, busboards, etc.

- Billboard placements are allowed on interstates or major highways outside of Maricopa County.
• The AOT “The Grand Canyon State” logo and the VisitArizona.com URL are not required but encouraged to appear on all outdoor placements and the logo should be legible from the adjacent roadway.
• Production costs may be included as part of the budgeted cost of the placement but should be listed under the ‘production and design’ section.

8.3 Broadcast Placement: Radio, Television
• Radio and TV ads are required to include the word "Arizona" (for TV ads: written as well as spoken) and must reach outside of Maricopa County, preferably out-of-state.
• The AOT “The Grand Canyon State” logo and the VisitArizona.com URL are not required but encouraged to appear on all television ads.
• Production costs may be included as part of the budgeted cost of the placement, but should be listed under the ‘production and design’ section.

8.4 Digital Media: Banner Ads, Mobile Applications, Web Sponsorships, Paid Social Media
• Digital advertising is not required but is encouraged to promote a website that features the AOT call to action on the home page of the site.
• The home page of the website being promoted is not required but is encouraged to link to AOT’s website: http://www.visitarizona.com

8.5 Website Development/Enhancement
• Funding is available for the development of a new tourism site or the enhancement of a current site. All sites are not required but are encouraged to have the AOT call to action on the home page and should provide a link on the home page to AOT’s website: http://www.visitarizona.com
• Information on these sites is restricted to tourism promotion. A chamber of commerce’s website shall not include information on chamber meetings, membership benefits and other non-tourism related information.

8.6 Printed Material: Brochures, Maps, Travel Trade Guides, etc.
• The word "Arizona" must be prominently featured on the front and the AOT “The Grand Canyon State” logo and the visitarizona.com URL are not required but encouraged to be prominently featured on the front or back page.
• Printed literature must include the DMO’s complete address, phone number with area code. It is also a requirement to include the quantity and date printed. For example: (10,000-09/2022).
• A majority of the distribution must be outside of the applicant’s geographical area. An explanation detailing where, through what channels and in what quantity the brochures will be distributed must be included in the application.
• Highway maps should reflect a geographical outline and provide direction and distances to the traveler.
• If a contract distribution service is requested, also include terms and extent of contract.
• All publications distributed in foreign countries should also include the words "Printed in USA," a West coast map of the United States highlighting Arizona, a temperature chart (if included) in Celsius degrees, mileage converted to kilometers and address listing with city, state, zip code and "USA." (Do not use toll-free numbers, such as 800, 888, etc. that are not accessible in international markets)

8.7 Audio-Visual: Film, Video, Photography, DVD/CD etc.
• These must be intended as promotional pieces designed primarily to attract non-resident visitors and appeal to more than just local residents.
• Film and video productions are not required but are encouraged to include the AOT “The Grand Canyon State” logo and the visitarizona.com URL.

8.8 Travel Shows: Booth Space, Registration Fees, and Literature Shipping
• Booth space includes the cost of allotted space as outlined by the travel show contract, as well as rental or construction costs of the booth itself.
• Literature shipping cost is restricted to the commercial freight expense incurred to transport printed materials to designated travel shows.
• Funding is not available for accommodations, entertainment, food and beverages, rental car expenses or any other travel costs.

8.9 Media Communications and Public Relations
• Funding is available for contracted PR services/project. Funding may not be used towards administration of agency. A detailed explanation of the planned activities must be provided with the application. Once a contractor has been selected, a copy of the contract must be sent to AOT.

8.10 Event Sponsorships
• Funding is available for event sponsorships which promote travel to Maricopa County. Entities applying for funding for event sponsorships should provide a brief description of the event to be sponsored and the media coverage and/or value to accompany the sponsorship. A sponsorship agreement should be included with the application. The agreement should detail deliverables and pricing. Events cannot be sponsored by the same entity that produces the event. Prop 302 funding can be used for the sponsorship of event rental cost assistance for the use of facilities, including sports fields, convention centers, hotel space, etc. No more than 25% of the Prop 302 participant’s total annual allocation can be used for event rental assistance.

8.11 Research and Strategic Planning
• Applicants may use up to 10 percent of their Prop 302 fiscal year allocation for approved and contracted research and strategic planning. Applicable projects may include visitor profile research, SWOT analyses, feasibility studies, conversion studies, etc. A detailed description of the project, proposed methodology and scope of work must be included in the application.

8.12 Co-operative Programs
• Submitting DMOs are encouraged to participate in co-op projects using Prop 302 funding in FY2022. A detailed description of the project and a list of participating DMOs/communities must be included in the application.

8.13 Production and Design
• These must be intended as promotional pieces designed primarily to attract non-resident visitors and appeal to more than just local residents.
• Production assets are not required but are encouraged to include the AOT “The Grand Canyon State” logo and the visitarizona.com URL.

9. PROJECT MODIFICATION AND WITHDRAWAL
• Any changes to the categories of projects detailed on the application will not be considered as eligible expenses unless prior approval is requested via eCivis and granted by AOT Grants Staff.
• AOT must be notified in writing immediately, but no later than May 5, 2023 if the applicant does not plan to spend any portion of the FY2023 Prop 302 Maricopa County Marketing Program funding on its approved project(s) within FY2023. There will be no pandemic-related carryover allowed from FY23 and beyond. After AOT is notified, AOT Finance Director will contact the DMO directly to collect the unspent Prop 302 funds for reallocation to the marketing program for the next fiscal year. Failure to do so will strongly impact future funding.

10. EXPENSE REPORTING

To facilitate the continuation of Prop 302 Maricopa County Marketing Program funding for subsequent fiscal years, AOT requires all marketing participants to submit Mid-Year and Year-End Expense Reports through eCivis.
For each item listed in Section A, the following documentation must be included with your eCivis expense report:

1. Proof of Charge from Vendor: Submit legible invoice copies reflecting date, description and dollar amount.
2. Proof of Payment: Include a copy of canceled check and payment receipt from the vendor.

Important: As mandated in FY2020, proof of implementation is NOT required for the end of year report, but may be requested by AOT staff, the Prop 302 Committee or auditors and must be provided within five (5) business days of request. These items include but are not limited to:
   - Ad placement tear sheets (verifying date and name of publication)
   - Insertion orders
   - Contract or comparable document from the third-party vendor
   - Copies of audio or video created
   - Invoice indicating actual broadcast times and dates
   - Actual printed materials
   - Trip reports from trade shows
   - Billboard photographs showing content
   - Copies of press releases
   - Research reports

10.1 Deadlines for Expense Reports

Mid-Year expense reports for FY2023 must be received by AOT no later than January 27, 2023 and shall cover activities performed during the months of July 2022 through December 2022. Year-End expense reports for FY2023 must be received by AOT no later than July 28, 2023. If the expense report is for a regional co-op, all members of the co-op must be copied.

11. FAILURE TO COMPLY

Failure to comply with any of the above guidelines may impact the amount of Prop 302 Maricopa County Marketing Program funding for the current year and/or future years for the participant found in non-compliance. The penalties imposed are at the determination of the Prop 302 Maricopa County Marketing Program Committee.

No extensions will be granted. Failure to provide application, reports or any requested backup materials by a given deadline will jeopardize your community’s future funding. If a deadline is missed and your community is part of a co-op, all members of the co-op will be notified.

12. INQUIRIES

In the event that AOT receives a public records inquiry on a participant’s Prop 302 funding, AOT will work directly with the DMO or designating entity to resolve any questions. Upon receipt of an inquiry, the Director of the Arizona Office of Tourism will send an email alerting the Prop 302 Committee of the inquiry.

13. FURTHER ASSISTANCE

If further information or assistance is needed, please contact the Prop 302 Maricopa County Marketing Program Agency Contacts:

Becky Blaine
Deputy Director
Telephone Number: 602.364.3696
E-mail: bblaine@tourism.az.gov

Alix Skelpsa Ridgway
Director of Government and Community Relations
Telephone Number: 480.272.4274
E-Mail: aridgway@tourism.az.gov
AMENDMENT A TO GUIDELINES

ARIZONA
OFFICE OF TOURISM

FY2023 Amendment to Prop 302 Maricopa County Marketing Program
Carryover Allowance

Given the challenges caused by COVID-19 pandemic, the Prop 302 Committee has authorized another opportunity to carryover unused funds from FY2022 to FY2023.

DMOs that intend to carryover unused funds need to notify AOT by Friday, May 6th, 2022 via Google Form. FY2022 carryover amounts will be finalized after FY22 Year-End Reports are received. FY2023 awards will be amended to include FY2022 carryover.
FY2023 Amendment to Prop 302 Maricopa County Marketing Program  
Marketing to Maricopa County Inhabitants 

The Prop 302 Committee has authorized marketing within Maricopa County for FY23.
The Rural Cooperative Marketing Program
Fiscal Year 2023

Guidelines and Instructions

Due Date: Applications must be received no later than 5:00 p.m. on July 29, 2022.

OFFICE LOCATION:
Arizona Office of Tourism
1130 W. Washington St., Suite 115
Phoenix, AZ 85007

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1. Program Purpose

The Rural Cooperative Marketing Program is administered by the Arizona Office of Tourism (AOT) for the purpose of expanding travel and tourism related activities in communities throughout Arizona. It provides a means for eligible participants, (rural destination marketing organizations (DMOs), tribal entities, statewide tourism associations and regional tourism partnerships), to participate in marketing opportunities.

AOT works with media and partnership representatives to negotiate a variety of marketing opportunities at reduced rates that may require minimum participation for the program to move forward. Eligible participant buys are matched at fifty (50) percent of the negotiated rate.

2. Program Description

The Rural Cooperative Marketing Program offers a variety of strategic media and AOT partnership opportunities, and participants can participate at different levels. The media plan combines print, outdoor and digital placements, along with packaged co-op media placements and additional non-media opportunities.

Below is a brief description of each of the offerings included in the Rural Cooperative Marketing Program for FY23:

- Packaged Digital Media
- Shared Opportunities
- Integrated Media Advertising Programs & Passports
- Individual Ad Buys
- Content Creation, Distribution & SEO
- Mobile Location Data
- Economic Impact Reporting
- Arizona Visitor Information Center Program (AVIC)
- Local First Development Packages
- Crowdriff UGC (User Generated Content)
- Translation Services
- Trade & Media Missions
3. Matched Rates

AOT will match rates at fifty (50) percent of the negotiated rate for qualified co-op participants.

3.1 Individual ad buys shall not exceed $15,000 half net rate.

3.1.1 Total co-op plan offerings cannot exceed $75,000*.

3.1.2 Opportunities may have minimum or maximum participation requirements.

Matched rates for the Rural Cooperative Marketing Program are contingent upon AOT’s FY 2023 budget.

*Beginning in FY24, the co-op plan offering cannot exceed $50,000.

4. Program Eligibility

Rural Destination Marketing Organizations (DMOs), tribal entities, statewide tourism marketing associations (e.g., the Arizona Dude Ranch Association) and regional tourism partnerships meeting the criteria in this section are eligible. Please read the eligibility criteria thoroughly.

4.1 Applicants must meet the criteria of at least one of the following four categories in order to be eligible for matched rates:

4.1.1 An Arizona-based Rural Destination Marketing Organization (DMO). A DMO is defined as an incorporated not-for-profit organization or governmental unit that is responsible for the tourism promotion and marketing of a destination on a year-round basis. Only one DMO can participate per city, town or region. Rural DMOs are defined as any DMO located outside Pima and Maricopa Counties or a DMO located in Ajo, Gila Bend or Why. An entity cannot participate in both Prop 302 and Rural Co-op.

4.1.2 A tribal entity that wishes to market existing tourism attractions and tourism facilities.

4.1.3 An Arizona-based statewide tourism association that represents entities that rely on tourism-related business for a majority and/or more than 50% of their revenue. Contractual partners of AOT are not eligible for this program.

4.1.4 An Arizona-based regional partnership which consists of a minimum of three (3) DMOs that promote a minimum of three (3) communities as a single regional tourist destination; the number of rural or tribal DMO participants must be equal to or greater than the number of urban DMOs. For example, if a regional partnership consists of three (3) DMOs, two (2) must be rural or tribal. Only one regional partnership can participate per region. Each regional participant must be the designated DMO for its respective community. Regional partnerships must have a tourism website or microsite that promotes each regional participant in an equitable manner.
And

4.1.5 Applicants must be exempt from federal income tax under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code. Applicants shall not use the 501(c)(3) or 501(c)(6) status of another organization. Tribes and Governmental Units are exempt from the 501(c)(3) or 501(c)(6) status requirement as they are government.

And

4.1.6 Applicants must have a tourism website or microsite (see Section 8.6) to use as the call to action, a fulfillment piece (see Section 8.7) and a social media presence.*

* Required by December 30, 2022.

DMOs that do not qualify for this program are still eligible to participate with AOT on co-op marketing opportunities at the negotiated rate but will not receive the 50% match.

5. Strategic Plan

- Increase Quality Visitation
- Increase Return Visitation
- Increase Visitor Spending

6. Objectives of the Program

- Deliver overnight visitation to the rural communities and regions of Arizona.
- Deliver a cohesive message with reach and frequency to visitors in target markets to have a larger impact.
- Secure partnerships and opportunities at varying levels that allow for co-branded and stand-alone programs for the participants.

7. Media Plan

The Rural Marketing Cooperative is a rural Arizona-focused cooperative marketing program that utilizes a media plan designed to attract visitors from major metropolitan areas in Arizona, drive markets, Short-haul domestic and targeted international markets. The fiscal year 2023 program will run from September 1, 2022 – August 31, 2023.

AOT has developed a comprehensive media plan informed by the annual rural cooperative marketing survey results, participant insights and AOT research. The media placements are geo-targeted to identified target markets and audiences.

8. Application Instructions

Each entity may submit a maximum of two applications. If an entity submits two applications, one must be for a regional partnership.
The application must include all information outlined in Attachment A, Section A - Applicant Administrative Information and Attachment A, Section A - Affidavit in Support of Application.

8.1 Entity Name: The name of the applicant must be the same as it appears on the incorporation, federal tax exemption or the state charter.

8.2 Physical Address: Provide a street address (no P.O. Boxes) for deliveries.

8.3 Mailing Address: Provide a mailing address that can be used by AOT for routine correspondence.

8.4 County: Identify the county in which the applying organization is located. In the case of regional applications, list all counties included under the application.

8.5 Project Coordinator’s Name and Title: The person responsible for administering the project and the day-to-day contact for AOT. This individual is also responsible for submitting all necessary documentation throughout the year-long effort of this project and must be familiar with the specifics of the Rural Marketing Cooperative, as well as the application submitted. Provide the Project Coordinator’s telephone number and e-mail address.

8.6 Provide the destination website that will be promoted in advertisements. Regional partnerships must have a website that promotes the region and each participant in an equitable manner.

8.7 The fulfillment piece is the tourism brochure or visitor guide that will be sent to people who inquire about the destination. Regional partnerships must have a fulfillment piece that promotes the region and each participant in an equitable manner. The fulfillment piece must be sent to jdaer@tourism.az.gov.

8.8 Refer to Section 4.1.4 for information on Regional Partnerships. List all regional participants in the designated box.

8.9 Signatures: The signatures on the application certify that the information on the form is correct to the best of the signatories’ knowledge, and authorizes the participation in the Rural Marketing Cooperative for FY 2023. Applications must bear the signatures of the Project Coordinator and the Administrative Official (the person authorized to commit the applicant to funding requested co-op opportunities). Both signatures are required to process the application. In some cases the Project Coordinator and the Administrative Official will be the same person.

8.10 Signed FY 2023 Designation of Destination Marketing Organization Affidavit must be included (Attachment A Section A). Applications submitted as a regional partnership must include a separate signed affidavit from each regional participant.

The Application and Affidavit forms are available online at https://tourism.az.gov/rural-marketing-co-op-program/

The application must be completed and signed, and received by AOT via Google doc submission no later than July 29, 2022 by 5:00 p.m.
Application questions: Please contact Jamie Daer, at jdaer@tourism.az.gov

The affidavit must be completed and signed, and received by AOT via Google doc submission no later than September 1, 2022
Affidavit questions: Please contact Alix Skelpsa Ridgway at Arigidgway@tourism.az.gov.
Late applications will not be accepted. Incomplete applications will be ineligible.

9. The Rural Marketing Cooperative Opportunity Selection Sheet

The Rural Cooperative Marketing Program allows participants to leverage their resources in partnership with AOT; and for eligible participants to receive matched rates of fifty (50) percent for all selected marketing opportunities listed on the Rural Cooperative Marketing Opportunity Selection Sheet. A link to the selection form will also be available on July 18, 2022, 12:00 p.m. at https://tourism.az.gov/rural-marketing-co-op-program/

9.1 Be aware that all applicants may not receive every marketing opportunity requested.

9.11 Select opportunities are limited due to space. If space limitations are exceeded, participants will be selected by lottery.

9.12 Costs for Mobile Data reports will be customized based on destination location and needs.

9.13 Trade and media missions – some shows may require that the participant pre-register and invoice AOT back for the negotiated match rate. Generic credits toward domestic and international sales missions may be available with restrictions.

9.14 CrowdRiff UGC Platform – must have at least 6 DMO partners in order for the program to be offered.

Note: Publication costs identified on the Rural Cooperative Marketing Program Opportunity Selection Sheet are listed as net rates for all placements. Participants will be billed directly by the publisher at half the net insertion cost.

10. Ad Placement Requirements

10.1 All ads must be received by AOT for review prior to the material deadline identified in the Rural Marketing Cooperative Opportunity Profiles. Please e-mail the ad to Jamie Daer, at jdaer@tourism.az.gov. AOT approval for all ad creative is mandatory and may take up to five (5) business days from the date of receipt.

10.2 Participant ads must include their logo and AOT brand mark/website (see above) on all print and digital placements unless the size of the digital placement (small banners/mobile banners) will not support two logos. In that case, the AOT brand mark is not required.

ExploreMoreAZ.com
10.3 If an ad is placed without prior AOT review/written approval, AOT will not be responsible to pay any portion of the ad cost. The full advertisement cost will be the responsibility of the Rural Marketing Cooperative participant.

10.4 Inclusion of the AOT brand mark is required on all participant websites. Please see 10.2 for AOT brand mark information.

11. Rural Co-op Marketing Program Timeline

- Applications Due - July 29, 2022
- Affidavit Due - September 1, 2022
- Rural Co-op Marketing Program Begins - September 1, 2022
- Rural Co-op Program Ends - August 31, 2023
Application & Affidavit Links
The FY 2023 Rural Cooperative Marketing Program Application

1. A completed and signed application must be submitted and received by AOT no later than July 29, 2022 by 5:00 p.m.
2. Incomplete and/or faxed applications will not be accepted.

The FY 2023 Rural Cooperative Marketing Program Affidavit in Support of Application

AOT requires a DMO designation and affidavit from each partner that intends to participate in any AOT programs, but the designation will only be viable for the determined time the municipality or county sets.

Below are the needed documents with links and additional details:

1. DMO Cover Page & Affidavit (Submit Through Google Form)
   a. Required for FY23 and any time there's a change in DMO designation
2. Copy of the Official Action (Submit Through Google Form)
   a. Required for FY23 and any time there's a change in DMO designation
3. Designated DMO Form (All documents will be uploaded and submitted through this form)
   a. Required for FY23 and AOT will use this information to verify DMO status next year.

The DMO Cover Sheet & Affidavit, Official Action and Designation DMO Background Information Form are due September 1, 2022 through this Google Form but the official action must be effective July 1, 2022.

More information on this process can be found on tourism.az.gov
AGENCY & INDUSTRY REPORTS

A. AOT’s FY23 Annual Report
B. AOT’s Economic Impact Data Sheet
C. AOT’s 3-Year Strategic Plan FY22-24
D. AOT’s Destination Stewardship Roadmap
E. AOT’s FY22 Advertising Effectiveness
VISION
Create an Arizona experience that captures and nourishes the hearts and minds of people who call it home and travelers the world over in search of extraordinary adventure and natural wonders.

MISSION
We stabilize and strengthen local economies, protect environmental and cultural resources, create a meaningful visitor experience and enhance the quality of life for Arizonans through tourism collaboration, promotion and development.

Three-Year Strategic Planning
The Arizona Office of Tourism (AOT) is in the early stages of developing its three-year strategic planning process. This process is intended to: 1) better position Arizona as a destination for tourist, 2) strengthen tourism marketing to create demand, 3) improve the visitor experience through partnerships with multiple businesses and organizations, 4) develop a stronger tourism product across the state, and 5) support the implementation of tourism policies to achieve the goals of the Arizona Department of Tourism.

The foundation of the current three-year plan includes the following strategic goals:

1. Strategic Goal: Outline and Implement Marketing Plan
   - Focus on key market segments
   - Develop targeted messaging
   - Increase brand awareness

2. Strategic Goal: Expand and Enhance Product Development
   - Create new tourism products
   - Enhance existing tourism products
   - Increase visitor satisfaction

3. Strategic Goal: Strengthen and Expand Partnership
   - Increase partnerships with local businesses
   - Expand partnerships with national and international organizations
   - Improve collaboration with tourism stakeholders

4. Strategic Goal: Improve Visitor Experience
   - Enhance visitor facilities
   - Improve visitor information
   - Increase visitor safety and security

Throughout our FY23 Annual Report, you will see the results of our accomplishments.
2021 Economic Impact Data

$23.6 billion
Amount of direct travel spending generated within Arizona
ativas % over 2020

167,200
Number of industry-related jobs directly generated by travel spending
ativas % over 2020

$64.7 million
Amount of direct travel spending injected into Arizona's economy every single day

$6.9 billion
Amount of earnings generated by Arizonians employed by tourism jobs
ativas % over 2020

$3.42 billion
Amount of local, state and federal tax revenues generated
ativas % over 2020

$738
Amount generated by the tourism industry that lessens the annual tax burden for every Arizona household

Federal
$1.35 billion, atas % over 2020
(39% of all travel-generated tax revenue)

State
$982 million, atas % over 2020
(29% of all travel-generated tax revenue)

Local
$1.1 billion, atas % over 2020
(32% of all travel-generated tax revenue)

40.9 million
Number of domestic and international overnight visitors who experienced Arizona as a travel destination
ativas % over 2020

3.0 million
Number of international visitors to Arizona, including Mexico and Canada
ativas % over 2020 (Overseas visitation up 49%)

37.9 million
Number of domestic overnight visitors to Arizona
ativas % over 2020

Visitors from Top Origin States:

- Arizona 10.7 million
- California 6.5 million
- Texas 2.5 million
- Florida 2.4 million
- New York 2.2 million
- Illinois 1.5 million

Individual Country Overnight Visitation:

- Mexico 2.5 million
- Canada 278,712
- United Kingdom 24,798
- Germany 19,617
- France 14,060
- India 13,658

Sources: Tourism Economics, Longwoods International, Dean Runyan Associates
Leading the way toward statewide destination stewardship

A roadmap for the future
Dear partners,

As we look to the future of tourism across the state of Arizona, we recognize the value of our state's beautiful and wonder-filled destinations and the need to be better stewards.

Arizona's destinations have always been a draw for individuals seeking outdoor adventure and beauty, but many of the state's outdoor recreation areas were met with record visitation and oversuse during the pandemic. Left unchecked, unintentional negative impacts can affect residents and visitors alike. We are taking up and encouraging a new level of responsibility for our state's destination stewardship - expanding our focus beyond record-breaking visitation and the economic impacts of travel and tourism.

Building upon our three-year strategic plan, we've drafted this stewardship roadmap for the Arizona tourism industry. We've focused our efforts on the next five years and beyond. While the Arizona Office of Tourism will act as the convener of the tactics, it is our hope that this will continue to build and grow with collaboration from stakeholders at the local, state and national levels.

Our work as the destination marketing leader for the state reaches beyond our industry. In order to ensure the future of Arizona as a world-renowned travel destination, we look forward to working together on a proactive approach to destination stewardship that supports visitors and residents alike.

Sincerely,

[Signature]

Debbie Johnson
Director
Arizona Office of Tourism
What is Destination Stewardship?

Destination leaders and their organizations across the country and around the world are embracing a new level of responsibility—one driven by a higher calling than occupancy rates, visitor volume and economic development. The impact of destination marketing extends far beyond the confines of hotels and attractions. Our collective work and the decisions we make as an industry impact resident quality of life and our natural and cultural resources. The recognition of this new level of responsibility is defined as destination stewardship.

For our purposes, the Arizona Office of Tourism (AOT) defines destination stewardship as a value system that embodies the ethics of sustainable tourism, responsible marketing, and economic development.

Digging deeper, destination stewardship should:

- Maximize sustainable options to protect environmental resources that constitute a key element in tourism products and development, maintain essential ecological processes and conserve natural heritage and biodiversity.
- Ensure viable, long-term economic operations, proactively seek out industry-related feedback from stakeholders and destination residents, provide socioeconomic benefits including stable employment and income-earning opportunities and social services to host communities, and contribute to poverty alleviation.
- Respect the cultural authenticity of our communities, conserve their established and living cultural heritage and traditional values, and contribute to inter-cultural understanding and acceptance.

A 2017 McKinsey/World Travel & Tourism report describes some of the unintentional negative impacts that driving more visitors to a destination can have, including, but not limited to:

- Alienated residents
- Depressed visitor experience
- Overloaded infrastructure
- Damage to nature and natural resources
- Threats to culture and heritage

Clearly, the stakes are high. The good news is that a destination stewardship approach is being embraced by the travel and tourism industry. As we contemplate our future trajectory in destination stewardship it’s important to keep in mind that global tourism expanding, dynamics like the COVID-19 pandemic can happen, and consumer demand for sustainability is increasing. After what our industry experienced over the last few years, it’s clear that we are more interconnected than ever and need to take proactive steps to lead our industry with that understanding.
What is the Destination Stewardship Roadmap?

This document serves as a Destination Stewardship Roadmap for AOT. It establishes a framework that the agency can build out over time to lead Arizona's travel and tourism industry in advocating for and protecting the issues associated with sustainable tourism: environment, socioeconomics, and cultural authenticity. It will also be utilized to help frame future decisions, conversations, and coalitions to positively impact the future of Arizona as a destination.

Working with the Coraggio Group, AOT asked industry stakeholders about the top areas of emphasis they believe are most important for the long-term success of the industry. The top two areas were:

- Ensuring that Arizona's natural resources are used responsibly and cared for by locals and visitors alike.
- Respecting the history, natural beauty, and unique culture of every community.

Industry stakeholders were asked about the top threats or challenges facing Arizona as a destination. The following were listed in the top threats:

- Climate Change and Natural Disasters
- Workforce Housing
- Insufficient Public Infrastructure
- Limited Transportation Options

The Planning Team then explored possible stewardship principles organized around the concepts and management of environment, socioeconomics, and cultural authenticity.

The principles below capture the distilled thinking of the Planning Team as it provides a Destination Stewardship Roadmap for Arizona.

Destination Stewardship Principles

We believe we have a role to play as stewards of Arizona as a destination. This means actively seeking input and engaging stakeholders, including residents and visitors, and bringing the tourism industry together around a shared vision for the future that will inform and guide our decisions and actions.

Tourism-related strategies we implement should:

- Ensure tourism's critical role in sustaining a thriving Arizona economy by balancing visitation equitably across rural and urban areas while respecting short-term economic needs without undermining the long-term potential of Arizona's communities.

- Care for Arizona's natural beauty by actively protecting its natural resources and building infrastructure.

- Create meaningful experiences that honor the unique history, traditions, and heritage of every Arizona community.
AOT’s Destination Stewardship Initiatives

AOT believes Destination Stewardship is a topic that requires more attention than ever to ensure Arizona tourism remains a viable economic engine for all Arizonans. Further, we believe the long-term success of our state’s tourism industry depends in large part on our collective willingness to accept a greater responsibility to become active stewards of our destination. In doing so we will ensure Arizona remains a vibrant destination for visitors and a desirable place for residents to call home for generations to come.

AOT’s current strategic stewardship initiatives include:

- **Responsible Destination Marketing**: AOT’s marketing programs (Consumer Advertising, Trade Relations, and Media Relations) strive to develop and implement responsible destination marketing tactics, such as a community’s seasonality, to ensure we are meeting the needs of statewide partners.

- **AppreciateAZ**: AOT built AppreciateAZ as its responsible outdoor recreation and sustainable tourism brand to ensure visitors and residents are equipped with the knowledge and skills to protect our state’s iconic natural features for current and future generations.

- **Cultural and Heritage Marketing Integration**: AOT incorporates Arizona’s culture and heritage and promotes through various marketing channels and programs.
### AOT's Destination Stewardship Roadmap Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Action Plan</th>
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<tbody>
<tr>
<td>2022</td>
<td>Establish an Arizona Destination Stewardship Task Force composed of state agency members and industry-related representatives with an interest in destination stewardship. AOT to look internally for ways to increase stewardship opportunities (environmental, socioeconomics, cultural authenticity) in partnerships and grant programs. Develop and/or incorporate an AOT marketing campaign using Arizona Destination Stewardship principles. Add new key performance indicators in AOT’s Strategic Plan that specifically identify stewardship-oriented impacts.</td>
</tr>
<tr>
<td>2023</td>
<td>Begin intentional discussions at high-level industry and state government meetings, with the goal of establishing awareness of the economic impact and importance of destination stewardship. Incorporate specific Destination Stewardship learning tracks at the Governor’s Conference on Tourism and include a keynote speaker who is a Sustainable Tourism/Destination Stewardship expert.</td>
</tr>
<tr>
<td>2024</td>
<td>Expand the Arizona Destination Stewardship Task Force to include federal agencies and local communities with a strong interest in stewardship. Request the Arizona Destination Stewardship Task Force to create a statewide Destination Stewardship Strategic Plan.</td>
</tr>
<tr>
<td>2025</td>
<td>In partnership with the Governor, release the statewide Destination Stewardship Strategic Plan and promote it as a priority for Arizona’s economy. Hold an industry Stewardship Summit that is organized entirely around education and dialogue on the topic of stewardship.</td>
</tr>
<tr>
<td>2026</td>
<td>Implement a PR campaign to showcase Arizona communities that are embracing AOT’s Stewardship Principles as guidance for how they lead and promote their destinations. Implement a policy that all grant-seeking destinations must show evidence of embracing stated destination stewardship principles in their work and related impacts.</td>
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<td>and beyond</td>
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<td>07</td>
<td>Three-Year Strategic Plan</td>
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<td>09</td>
<td>Three-Year Strategic Plan: Strategic Clarity</td>
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<tr>
<td>11</td>
<td>Three-Year Strategic Plan: Strategic Focus and Action</td>
</tr>
<tr>
<td>15</td>
<td>One-Page Summary, AOT Strategic Plan</td>
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OVERVIEW
This Three-Year Strategic Plan is an internal guiding document to support the Arizona Office of Tourism (AOT) in prioritizing the creation of an Arizona travel experience that is beyond compare.

The Planning Team met over several sessions and as a result articulated the following components of a Strategic Plan:

**Strategic Clarity**

- **Vision**
  
  Describes the ideal future state we are striving to create

- **Mission**
  
  Describes the primary focus of our organization, and what we do each day that helps us to realize our vision

- **Values**
  
  Describes the fundamental beliefs that shape how we work together and serve our Mission

- **Reputation**
  
  Describes what we want to be known for as an organization

- **Position**
  
  Describes the unique and sustainable value we deliver to our stakeholders

**Strategic Focus & Action**

- **Imperatives**
  
  Identifies what must be accomplished over the planning horizon and our overarching areas of focus

- **Initiatives**
  
  Describes our finite-duration, discretionary projects or programs, outside our day-to-day operational activities, that will be taken on in service of our Imperatives

- **Objectives**
  
  Describes our measures of success

**Strategic Planning Framework**

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<th>Clarity</th>
<th>Focus</th>
<th>Action</th>
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<tr>
<td>Vision</td>
<td>Imperatives</td>
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<td>Position</td>
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In addition, the Team reviewed and updated the actions that will best continue the stabilization and recovery of Arizona’s tourism industry, which are being monitored and tracked internally.
THREE-YEAR STRATEGIC PLAN
How to Use This Plan

This plan provides a “North Star,” composed of the Strategic Clarity components of a Strategic Plan. It also includes the actions and measurements necessary to achieve the Plan, which includes the Strategic Focus and Action portions.

Four Imperatives are at the center of the Strategic Plan. Each of these Imperatives is supported by a set of Initiatives designed to achieve the Imperative, and a set of Objectives that will measure progress. We may choose to work on several Initiatives at a time, or take on one or two at a time. The Initiatives are not meant to be an inflexible to-do list. Rather, they should be reviewed periodically to ensure that the work specified continues to meet the objectives of each Imperative and supports our Vision and Mission. The Strategic Plan is a longer-range document that is implemented alongside AOT’s day-to-day work.

The following are the fully annotated Strategic Clarity elements of the Plan; two of these components—Vision and Position—are abridged for the one-page Strategic Plan.
THREE-YEAR STRATEGIC PLAN: STRATEGIC CLARITY
VISION

Create an Arizona experience that captures and nurtures the hearts and minds of people who call it home and travelers the world over in search of extraordinary adventure and natural wonders.

MISSION

We stabilize and strengthen local economies, protect environmental and cultural resources, create a meaningful visitor experience, and enhance the quality of life for all Arizonans through tourism collaboration, promotion, and development.

VALUES

We step up. We always rise to do what Arizona needs. We are stewards of the Arizona experience for residents and travelers alike and work to ensure their travel experience is unique and heartfelt. We are willing to take on and execute work outside our typical wheelhouse, knowing people trust our team to deliver successful outcomes. And we are dedicated to the long-term sustainability of Arizona’s assets, promoting responsible tourism practices that ensure Arizona will be explored, enjoyed, and celebrated for generations to come.

We thrive together. Our industry is stronger when we work together toward shared visions and goals. We do all we can to ensure our vision for Arizona tourism includes all our partners and the visions they have for their destinations. We are inclusive and believe in the power of collaboration. We value and seek out partnerships, knowing that more can be achieved together.

We see the big picture. While we are focused on sustainable growth of travel, our highest focus is the benefit the tourism industry provides to Arizona. We want to see all its communities thrive, and ensure the state is welcoming to all for the long-term. We actively listen to what our partner communities are seeking, and work to help bring that vision to fruition. When there is a need in the industry, we seek to address it and strengthen the industry in the process.

We care for the team. We are able to take care of our industry and visitors only as well as we are able to care for one another. We make it a priority to support one another so that we may all reach our full potential while doing our best work each day.

POSITION

Arizona is synonymous with grand and timeless vistas—Grand Canyon, Saguaro, and the Petrified Forest National Parks are known the world over. The reputation of the energy vortex and scenic beauty of Sedona has created their own lore. Arizona’s indigenous history and culture enthrall visitors from around the globe. Visitors marvel at the state’s timeless connections to the cosmos through its many dark sky communities.

And Arizona is so much more. Our luxury resorts attract discerning visitors in search of deeper relaxation. Our venues attract fans to wide ranging sport experiences, from youth, to amateur, to professional events. Our growing wine industry and multi-cultural culinary creations are attracting new visitors in search of the latest and greatest. Our cities offer high quality meeting space, including world-class tier 1 convention facilities. For the traveler who seeks it all, Arizona is the place.

AOT REPUTATION

We will be known as:
- Trusted and responsive statewide industry leaders
- Creative and innovative partners
- Collaborative stewards of the Arizona experience
- Knowledgeable destination experts
Balance statewide visitation across time, place, and traveler type

OBJECTIVES

• Meet 2019 statewide RevPAR levels by 2024.
• Increase length of stay year-over-year.
• Increase overall visitor spend and reduce seasonal fluctuation.
• Support the Meetings Mean Business campaign.

INITIATIVES

Promote little-known and unique destinations to better attract desired visitation, and to balance visitation. Arizona has a surplus of incredible places to see and discover. However, most visitors know about and visit only a few major attractions. This has prompted regional imbalances in visitation patterns. To address this, AOT will expand existing efforts to highlight lesser-known destinations and raise their prominence as a way to distribute visitation across all tourism assets Arizona offers.

Enhance promotion of off-season and shoulder travel. Arizona’s regions experience unique seasonal visitation patterns. For example, the Northern region has higher visitation in summer and lower in the winter, while the Maricopa County area experiences the reverse. AOT will collaborate with local travel partners to promote experiences that extend higher visitation windows by promoting travel in the shoulder and off-seasons to bring greater balance to annual visitation patterns.

Enhance niche-audience marketing campaigns (DEIA, LGBTQ+ audiences). While Arizona has historically strived to be inclusive of all visitors, more can be done to connect with niche audiences and to highlight Arizona as welcoming to all. And with opportunities for promotion—such as Mesa becoming the first ever autism certified city, and a destination mindful of all senses—AOT has fantastic destinations and experiences to share.

Partner with event organizers and conference planners to promote leisure travel collateral to extend event stays. Arizona attracts and hosts numerous mega-events, for example multiple Super Bowls, with the next one scheduled for 2023. Other examples include NCAA Men’s and Women’s Final Four tournaments, PGA and LPGA events, NASCAR, NHRA racing, and major marathons. Combine this with ample meeting and convention space, regional museums, hiking trails and state parks, and it’s clear that there are opportunities to extend average visitor stays throughout the year. AOT and other partners will collaborate with organizers of these events to promote other experiences that could be added onto the primary purpose of travel to extend a stay. For example, regional museums, hikes, state parks, etc. could be promoted at a conference to entice an attendee to stay for a day or two longer than the conference.

Update target marketing to align with updated traveler personas. The COVID-19 pandemic has altered travel and tourism—who visits, why they visit, where they go, what they do, and how they travel. AOT is revisiting and updating its travel personas profiles to ensure they are reflective of current visitor attributes. Once complete, AOT will work to align its marketing activities with these personas. Doing so will allow AOT to better promote unique destinations within the state, targeting specific visitor profiles, and continue to achieve greater balance in visitation patterns.
Strengthen Arizona’s position as an international destination for desired travelers

OBJECTIVES

- Increase flight bookings.
- Increase average international spend.
- Increase frequency of positive international article coverage.

INITIATIVES

Expand marketing campaigns to larger tour operators to increase the diversity of Arizona’s product offerings. Prior to the pandemic, many international tours focused on a few key attractions in Arizona to draw visitors, such as the Grand Canyon and cultural experiences such as those on the Navajo Nation lands. Current studies demonstrate that visitors are seeking more than the offerings of a traditional itinerary. AOT will continue its work with tour operators to develop and market new and multi-state itineraries that integrate niche experiences, with a goal of attracting international travelers eager to explore more of what Arizona has to offer.

Reinvest in Arizona’s international strategy to enhance competitiveness. It is a given that Arizona has extraordinary experiences to attract international visitors. And so do other states in its competitive set, such as California. As the world emerges from the impacts of the pandemic and begins to look toward international travel again, Arizona has the opportunity to reinvest in its international strategy to ensure it remains competitive and on top of visitors’ minds when they begin to plan global travel.

Expand international spend tracking options. AOT’s knowledge of how international travelers spend while in market is limited to a few tools such as VisaVue. To have a more robust picture of how international travelers spend while in Arizona, AOT will research and investigate other tracking options, and expand its tracking accordingly.
Support the diverse needs of our industry partners to cultivate and sustain a thriving and inclusive tourism economy

OBJECTIVES

- Increase the number of AOT staff engagements with stakeholders statewide.
- Demonstrate access to equitable funding opportunity by region/county.
- Begin tracking partner sentiment via annual survey.

INITIATIVES

Enhance DMO partnerships to bolster business travel. Business travel has been one of the more notable casualties of the COVID-19 pandemic, and it will take a team effort to bring it back to Arizona. While AOT is promoting the Meetings Mean Business campaign, partnerships with local DMOs to promote specific venues, hotels and MICE opportunities will help to accelerate the return of business travel. This will mark a significant post-pandemic achievement and bring needed support to the state’s tourism industry.

Seek partnerships to support smart development of tourism-support infrastructure statewide. The success of tourism depends on smart transportation infrastructure, wayfinding, affordable housing for industry workers, reliable broadband, and many other systems. While AOT cannot address these systems directly, it can influence their ongoing development by providing needed information and education to partner organizations that manage them.

Continue partnering with Tribal nations to support their tourism goals. The beauty and unique experiences available on the Tribal Lands of Arizona drive considerable travel and tourism. The historic, outdoor and cultural opportunities on Tribal lands, as well as their casinos and golf courses, entice visitors to explore and stay. These communities have also been confronting different public health dynamics during the pandemic than Arizona. AOT will continue to partner with Tribal Nations to support their tourism goals in light of all they have to offer, and all they are balancing.

Partner to cultivate a strong, stable, and sustained hospitality workforce via industry partnerships. Arizona, like the rest of the nation, has seen a marked decline in the size of its hospitality workforce. Many people were laid off or furloughed at the beginning of the pandemic, and the return to work has been slow—in part due to challenges presented by the pandemic and part by other employment choices made by former hospitality workers. Rebuilding the hospitality workforce will take a concerted effort by all hospitality partners to share the great stories of what it means to work within the industry and what opportunities for growth exist.

Create and execute an application process with specific methodology and criteria for distribution of ARP funds. At the end of June 2021, AOT announced that it was awarded nearly $60M of American Rescue Plan (ARP) Act funds to distribute as grants throughout the state to support the tourism industry. Rebranded as the Visit Arizona Initiative, AOT is working quickly to ensure these funds are in the hands of partners throughout the state, having already created and initiated an application process. To ensure these funds support all of Arizona, AOT will implement a methodology and criteria for seeking equitable distribution of funds.
Sustain the tourism product and experience by expanding AOT’s destination management program, Appreciate AZ

OBJECTIVES

- Establish baseline of awareness and support of Appreciate AZ.
- Establish baseline of adoption of Appreciate AZ material on partner webpages and materials.
- Achieve year-over-year increase in the number of people completing Appreciate AZ course offerings.

INITIATIVES

Continue to promote Appreciate AZ principles to residents and visitors. As the popularity of Arizona’s outdoor spaces continues to grow, so too does the potential degradation of its natural assets. To counter these potentially negative impacts on the state’s great outdoors, AOT will continue its commitment to the Appreciate AZ principles. These espouse smart and informed stewardship of outdoor resources. By continuing to promote these principles to residents and visitors alike, Arizona is better positioned to maintain its natural assets and outdoor experiences well into the future.

Continue curating and evolving education materials around responsible destination development. There is an opportunity to continue to integrate smart stewardship principles into destination development by evolving education materials to include the Appreciate AZ principles. Since AOT offers education and training around the state, its curriculum can be updated to reflect best practices currently in place and ones the state wishes to encourage. Doing so will empower communities and partners around Arizona to approach their own destination development efforts with the benefit of best practices thinking.

Develop a plan to engage residents and communities to foster and sustain positive sentiment for tourism. The long-term success of Arizona’s tourism economy relies on host communities understanding the value of tourism and creating welcoming experiences for visitors. AOT has utilized surveys in the past to better understand resident sentiment toward tourism and be responsive to patterns of concern. As part of its commitment to ensuring that tourism contributes to quality-of-life considerations, AOT will develop a resident engagement plan, based upon the findings of these surveys, and continue to take proactive steps to foster positive feelings among residents statewide.

Promote educational opportunities of Appreciate AZ to industry, residents, and visitors. In its leadership role, AOT can promote the stewardship principles of Appreciate AZ to all its stakeholders—including industry members, residents and visitors. AOT will use various venues and platforms to promote educational opportunities so that these principles become more broadly understood, adopted, and applied to ensure a sustainable tourism experience for generations to come.
### Vision
Create an Arizona experience that captures and nurtures the hearts and minds of people who call it home and travelers the world over in search of extraordinary adventure and natural wonders.

### Mission
We stabilize and strengthen local economies, protect environmental and cultural resources, create a meaningful visitor experience, and enhance the quality of life for all Arizonans through tourism collaboration, promotion, and development.

### Values
At AOT, we work together and serve our mission with the following beliefs:
- We step up.
- We thrive together.
- We see the big picture.
- We care for the team.

### Reputation
We will be known as:
- Trusted and responsive statewide industry leaders
- Creative and innovative partners
- Collaborative stewards of the Arizona experience
- Knowledgeable destination experts

### Position
Arizona is synonymous with grand and timeless experiences. And Arizona is so much more. From luxury resorts to outdoor adventures, sports events to tribal culture, world-class cuisine to top-tier meeting space—Arizona is the destination for the traveler who seeks it all.

### Imperatives

<table>
<thead>
<tr>
<th>Balance statewide visitation across time, place, and traveler type</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Meet 2019 statewide RevPAR levels by 2024</td>
</tr>
<tr>
<td>• Increase length of stay year-over-year</td>
</tr>
<tr>
<td>• Increase overall visitor spend and reduce seasonal fluctuation</td>
</tr>
<tr>
<td>• Support the Meetings Mean Business campaign</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strengthen Arizona’s position as an international destination for desired travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase flight bookings</td>
</tr>
<tr>
<td>• Increase average international spend</td>
</tr>
<tr>
<td>• Increase frequency of positive international article coverage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support the diverse needs of our industry partners to cultivate and sustain a thriving and inclusive tourism economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase the number of AOT staff engagements with stakeholders statewide</td>
</tr>
<tr>
<td>• Demonstrate access to equitable funding opportunity by region/county</td>
</tr>
<tr>
<td>• Begin tracking partner sentiment via annual survey</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustain the tourism product and experience by expanding AOT’s destination management program, Appreciate AZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish baseline of awareness and support of Appreciate AZ</td>
</tr>
<tr>
<td>• Establish baseline of adoption of Appreciate AZ material on partner webpages and materials</td>
</tr>
<tr>
<td>• Achieve year-over-year increase in the number of people completing Appreciate AZ course offerings</td>
</tr>
</tbody>
</table>

### Objectives

<table>
<thead>
<tr>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Promote little-known and unique destinations to better attract desired visitation, and to balance visitation</td>
</tr>
<tr>
<td>• Enhance promotion of off-season and shoulder travel</td>
</tr>
<tr>
<td>• Update target marketing to align with updated traveler personas</td>
</tr>
<tr>
<td>• Enhance niche-audience marketing campaigns (DEIA, LGBTQ+ audiences)</td>
</tr>
<tr>
<td>• Partner with event organizers and conference planners to promote leisure travel collateral to extend event stays</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative for marketing campaigns to larger tour operators to increase the diversity of Arizona’s product offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reinvest in Arizona’s international strategy to enhance competitiveness</td>
</tr>
<tr>
<td>• Expand international spend tracking options</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative for DMO partnerships to bolster business and leisure travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Seek partnerships to support smart development of tourism-support infrastructure statewide</td>
</tr>
<tr>
<td>• Continue partnering with Tribal nations to support their tourism goals</td>
</tr>
<tr>
<td>• Partner to cultivate a strong, stable, and sustained hospitality workforce via industry partnerships</td>
</tr>
<tr>
<td>• Create and execute an application process with specific methodology and criteria for distribution of ARP funds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative for continuing to promote Appreciate AZ principles to residents and visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Continue curating and evolving education materials around responsible destination development</td>
</tr>
<tr>
<td>• Develop a plan to engage residents and communities to foster and sustain positive sentiment for tourism</td>
</tr>
<tr>
<td>• Promote educational opportunities of Appreciate AZ to industry, residents, and visitors</td>
</tr>
<tr>
<td>Slide</td>
</tr>
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</tbody>
</table>
Background & Objectives

In FY22, the Arizona Office of Tourism (AOT) ran updated “Rediscover AZ” advertising in spot markets and nationally.

AOT has partnered with Strategic Marketing & Research Insights (SMARInsights) to measure awareness and impact of the advertising.

The specific objectives of this research are to:

- Assess aided awareness of the advertising;
- Evaluate the efficiency of the media buy;
- Determine the strength of the creative in terms of communicating desired messages and generating interest in visiting Arizona;
- Gauge the ability of the advertising to improve the image of the state and increase visitation;
- Quantify ad-influenced trips, visitor spending, and return on investment; and
- Forward insights into future refinement of the marketing.
Methodology

- Advertising impact is evaluated by comparing the attitudes and behaviors of those who have seen the advertising to the same measures among those unaware of the ads. For this to work, it is necessary to obtain a representative measure of aided advertising awareness. Thus, SMARInsights employs an online survey that allows respondents to view the actual ads. This approach also allows respondents to provide their reaction to the creative immediately after viewing.
- National sample vendors with demographically representative panels were used so that the results can be projected to the population.
- Respondents were screened to be responsible for travel decision-making in their household and to normally take an overnight leisure trip or day leisure trip at least 50 miles from their home at least once a year.
- In total, 3,311 surveys were completed from May 12th to May 23rd, 2022.
- AOT recently conducted a leisure traveler segmentation study that resulted in the identification of five high value personas. Respondents were classified into these personas shown in the bottom table.
- Upon completion of data collection, an SPSS dataset was prepared for analysis.
- A copy of the questionnaire is included in the Appendix of this report.
Personas

- Some results in this report are shown among these personas with comparisons to consumers who do not fall into any persona.
- The chart shows the incidence of these personas in this ad effectiveness research sample.
- The table summarizes the demographic characteristics of these groups with color-coding to highlight skews.
- The persona questions and classification criteria are included in the questionnaire in the Appendix.
The FY22 Advertising Campaign

- AOT ran updated “Rediscover AZ” advertising in FY22. This campaign launched in FY21, but most of the FY22 creative is new.

- The FY22 campaign includes digital display, print, out-of-home, video, social media, and radio/podcast advertising. The ads ran throughout the fiscal year (July 2021 through June 2022).

- The ads leverage post-pandemic pent-up demand with messages like “epic reunions,” “where selfies are fun again,” “together is better,” and “bring a buddy or three.” A video ad sums up this sentiment by stating, “Are you ready? Because travel is back. And in Arizona, epic reunions can happen. Now’s the time to get way out of the house. Rediscover Arizona.”

- The complete collection of advertising used in the survey instrument is included in the Appendix of this report.
Investment on Ads Tested by Fiscal Year

<table>
<thead>
<tr>
<th>Medium</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>% Change from FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital display</td>
<td>$2,430,131</td>
<td>$622,665</td>
<td>$1,268,064</td>
<td>$897,072</td>
<td>$1,398,613</td>
<td>$1,360,636</td>
<td>$1,432,335</td>
<td>$2,145,540</td>
<td>50%</td>
</tr>
<tr>
<td>Print</td>
<td>$1,390,791</td>
<td>$707,042</td>
<td>$657,940</td>
<td>$728,475</td>
<td>$912,725</td>
<td>$684,775</td>
<td>$299,482</td>
<td>$361,615</td>
<td>21%</td>
</tr>
<tr>
<td>Out-of-home</td>
<td>$651,550</td>
<td>$1,002,972</td>
<td>$906,435</td>
<td>$531,263</td>
<td>$395,000</td>
<td>$543,100</td>
<td>$960,000</td>
<td>$1,083,500</td>
<td>13%</td>
</tr>
<tr>
<td>TV/video</td>
<td>$405,600</td>
<td>$250,000</td>
<td>$410,000</td>
<td>$410,410</td>
<td>$300,000</td>
<td>$353,996</td>
<td>$828,000</td>
<td>$724,828</td>
<td>-12%</td>
</tr>
<tr>
<td>Social media</td>
<td>$0</td>
<td>$195,430</td>
<td>$0</td>
<td>$335,950</td>
<td>$453,000</td>
<td>$250,710</td>
<td>$151,000</td>
<td>$398,501</td>
<td>164%</td>
</tr>
<tr>
<td>Radio/Podcasts</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$75,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$349,250</td>
<td>NA</td>
</tr>
</tbody>
</table>

- AOT invested $5.06 million on the FY22 “Rediscover AZ” advertising tested in this research. This is the investment that will be used to calculate ROI.
- The $5.06 million investment marks a 38% increase compared to the prior year investment ($3.67 million).
- AOT increased the investment in FY22 on all ad media except for video.
## FY22 Investment by Medium by Market

<table>
<thead>
<tr>
<th>National/Target City</th>
<th>OOH</th>
<th>Print</th>
<th>TV/Video</th>
<th>Radio/Podcast</th>
<th>Digital</th>
<th>Social</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>$0</td>
<td>$283,540</td>
<td>$724,828</td>
<td>$145,500</td>
<td>$1,413,584</td>
<td>$63,387</td>
<td>$2,630,840</td>
</tr>
<tr>
<td>Chicago</td>
<td>$350,500</td>
<td>$21,525</td>
<td>$0</td>
<td>$61,450</td>
<td>$143,832</td>
<td>$42,222</td>
<td>$619,529</td>
</tr>
<tr>
<td>Dallas</td>
<td>$219,500</td>
<td>$31,525</td>
<td>$0</td>
<td>$33,850</td>
<td>$101,088</td>
<td>$44,475</td>
<td>$430,437</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$259,000</td>
<td>$25,025</td>
<td>$0</td>
<td>$19,250</td>
<td>$85,782</td>
<td>$39,822</td>
<td>$428,879</td>
</tr>
<tr>
<td>Denver</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$28,850</td>
<td>$68,901</td>
<td>$23,075</td>
<td>$120,826</td>
</tr>
<tr>
<td>Seattle</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$21,250</td>
<td>$74,898</td>
<td>$40,907</td>
<td>$137,055</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$43,021</td>
<td>$25,092</td>
<td>$68,113</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$6,000</td>
<td>$57,569</td>
<td>$21,563</td>
<td>$85,132</td>
</tr>
<tr>
<td>Southern California</td>
<td>$154,500</td>
<td>$0</td>
<td>$0</td>
<td>$27,100</td>
<td>$88,505</td>
<td>$59,642</td>
<td>$329,747</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$6,000</td>
<td>$42,564</td>
<td>$23,229</td>
<td>$71,793</td>
</tr>
<tr>
<td>New York</td>
<td>$100,000</td>
<td>$0</td>
<td>$0</td>
<td>$25,797</td>
<td>$15,088</td>
<td>$140,884</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,083,500</td>
<td>$361,615</td>
<td>$724,828</td>
<td>$349,250</td>
<td>$2,145,540</td>
<td>$398,501</td>
<td>$5,063,235</td>
</tr>
</tbody>
</table>

- AOT targeted specific spot markets, but about half of the FY22 investment is allocated to a national buy that can reach consumers across the U.S.
- Of the individual target markets, Chicago received the largest investment.
Insights

The following section summarizes the key research insights regarding advertising effectiveness and strategic considerations.
Insights

Advertising Awareness

- The FY22 “Rediscover AZ” advertising generated 41% awareness nationally, reaching about 40.6 million traveling households. The FY21 advertising generated 41% awareness and reached 38.7 million households. The incidence of leisure travel increased in FY22. Thus, the quantity of traveling households reached grew in FY22 despite no growth in the awareness percentage.

- While AOT reached more households this year, it required a larger budget to do so. As a result, cost per aware household increased from $0.09 in FY21 to $0.12 in FY22. This could be because many destinations are back to advertising with bloated budgets, equating to more competition for share of mind. Media inflation could also be a driver of this result, which may continue to be a factor going forward. But while this cost per ad-aware household is higher than recent years, the FY22 media buy is efficient compared to SMARInsights’ DMO national campaign benchmark of $0.21.

- The “other national” (non-spot) markets produce 70% of the ad-aware households, highlighting the importance of running the advertising nationally.

- The FY22 media buy produced a notable amount of media overlap. More than a quarter of those aware of the ads recall seeing ads in 5 or 6 of the media employed.

- Ad awareness is high among all target personas compared to awareness among those who do not fall into any persona. When factoring in persona incidence, the Foodies without Pretense and Spa Fanatics generate the most ad-aware households.
Insights

Creative Ratings

➢ Overall, the FY22 “Rediscover AZ” advertising effectively communicates the intended messages, achieving ratings in the top 25% benchmark range for all except unexpected scenery and makes me picture myself in Arizona. There is opportunity to improve upon these aspects of the campaign as well as to strengthen other ratings into the top 10% level.

➢ However, the target personas are much more positive than other consumers about the advertising. In fact, almost all communication ratings among the personas are in the top 10% benchmark range. And all creative impact ratings eclipse the top 10% benchmark among the personas. The advertising is clearly resonating with these intended targets.

➢ Compared to recent AOT advertising, the FY22 “Rediscover AZ” campaign more effectively communicates welcoming, fun, and variety. There were some ratings declines year-over-year, the largest being for unexpected scenery.

Advertising Impact

➢ In line with prior AOT campaigns, the FY22 advertising influences information gathering across channels. It also helps to familiarize consumers with the Arizona leisure travel product and to build the overall perception of the state as a place for a leisure trip.

➢ The advertising also strengthens specific perceptions of Arizona as a leisure travel destination. Those aware of the ads rate the state in the “excellent” benchmark range for parks, outdoor activities, and beauty.
Insights

Incremental Travel & ROI

- Ultimately, the FY22 advertising influenced Arizona leisure travel. Generating media overlap was key to generating this influence.

- The FY22 advertising influenced about 843,000 Arizona trips. With average trip spending of $2,340, the advertising influenced about $2.0 billion in revenue. With a media investment of $5.1 million, the advertising returned $390 in visitor spending for each $1 invested. In terms of total tax revenue, the ROI is $30 for each $1 invested.

- The impact of the pandemic is clear in the past four years of advertising impact results. FY19 was unaffected by the pandemic, and the overall levels of Arizona travel incremental travel were both comparatively high. FY20 was partially affected by the pandemic, resulting in a drop in Arizona travel and incremental travel. The entire FY21 travel period evaluated was negatively influenced by the pandemic, leading to travel and incremental travel bottoming out. Now, as we emerge from the pandemic in FY22, the overall levels of travel and ad-influenced travel rebounded. In fact, incremental travel is at its highest level of the past four years.

- The FY22 ROI is the strongest since FY19 ($420). While FY22 ROI is lower than FY19 ROI, ad-influenced trips, travel revenue, and taxes generated are higher in FY22.

- FY22 ad-influenced travel is stronger among the target personas than among others. The strongest increment is among the Luxury Travelers, but this is a small group. The advertising influenced the most trips from the Foodies without Pretense and Natural History Lovers personas. Overall, the results indicate that the personas are fruitful targets.