



# Annual Report

Fiscal Year 2007

the Grand Canyon State

A wide-angle photograph of the Grand Canyon at sunset. The sky is a warm, golden-orange color, and the canyon's layered rock formations are silhouetted against the light. The foreground shows a rocky ledge on the left side.

We covered a lot of ground in Fiscal Year 2007, literally and figuratively! Through our efforts we have discovered many great new international segments in both Europe and Asia that have tremendous potential in which to market the Grand Canyon State as a premier vacation destination.

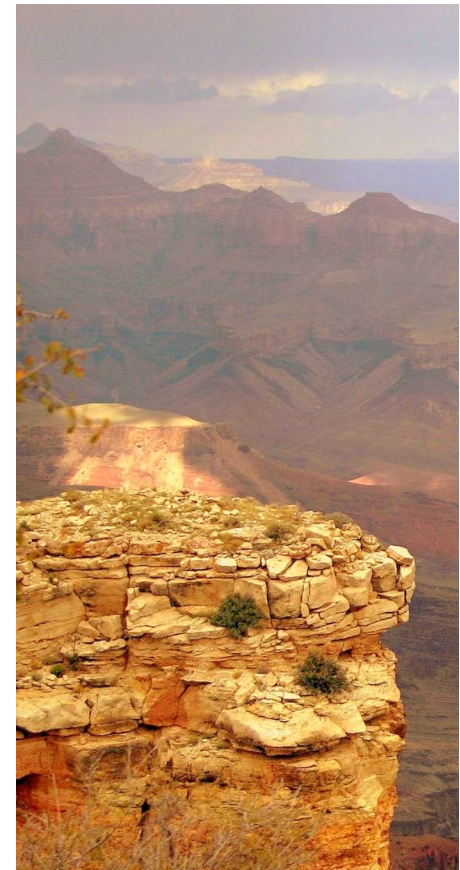
It is vital to our overall goals to broaden our international marketing efforts in addition to our domestic targets. International visitation to the U.S. has suffered greatly since 9/11. We are finally starting to see an increase from international markets and to keep this great momentum going, we need to focus more of our efforts abroad. In Arizona, the travel and tourism industry generated \$18.6 billion for the state's economy in 2006. That was \$51 million a day that was contributed to the state's economic development. International visitation contributed greatly to this. International travelers contributed nearly 13 percent to Arizona's total economic impact.

Over the course of FY07, we also took some time to analyze our advertising efforts. The data we accumulated has allowed us to examine our advertising effectiveness in addition to helping us identify areas of opportunities to develop targeted marketing initiatives. We will be using this information to help us develop strategic marketing plans for future campaigns.

This is a tremendously exciting time to be a part of this great industry. We look forward to FY08 as we continue to build upon our solid foundation of programs to help us market this amazing tourism destination.

*Margie A. Emmermann*

Margie A. Emmermann  
Director, Arizona Office of Tourism



## AOT's Grant Programs

Teamwork for Effective Arizona Marketing (TEAM): TEAM grants are designed to help communities fund advertising, public relations campaigns, product development, research and strategic planning and other tourism-related marketing efforts.

Rural Tourism Development Grant Program (RTDGP): RTDGP grants are designed to provide coordinated funding for rural economic development, through tourism, for infrastructure and enhancement, which helps strengthen the regional and local economies and expand tourism in rural and tribal communities throughout Arizona.

Information Center Enhancement Program (ICE): ICE grants assist Local Visitor Information Centers (LVIC) in enhancing their services and facilities.



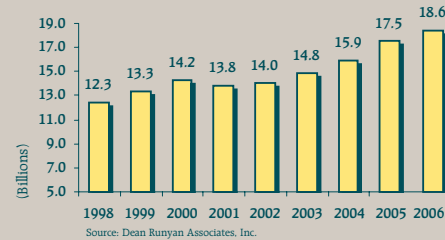
## AOT Year in Review

In 2006:

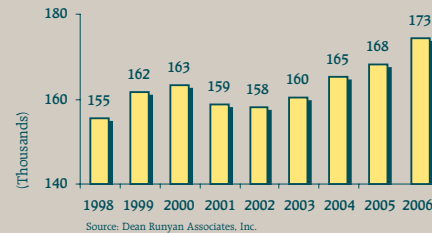
- A record 33.7 million domestic and international overnight travelers visited Arizona, spending \$18.6 billion
- Arizona's travel industry pumped nearly \$51 million directly into the state's economy everyday
- Traveler spending directly generated 173,000 travel industry jobs
- Direct travel spending in Arizona generated \$2.6 billion in local, state and federal tax revenues annually, which equates to \$1,150 per Arizona household.

- For each \$1 spent in advertising, AOT generated \$180 in direct travel spending
- For each \$1 spent in advertising, AOT generated \$14.95 in state and local taxes

### DIRECT TRAVEL EXPENDITURES



### DIRECT TRAVEL EMPLOYMENT 1998-2006



In FY07:

- AOT awarded more than \$1.4 million in TEAM grants to 49 tourism organizations and Native American tribes.
- AOT awarded nearly \$674,000 in Rural Tourism Development Grant funding to 16 rural and tribal organizations.

- AOT awarded more than \$15,000 in Information Center Enhancement grants to 11 Local Visitor Information Centers.
- The Painted Cliffs Welcome Center on Interstate 40 in northeastern Arizona welcomed a record 134,000 visitors to the Grand Canyon State.
- More than 700 Arizona tourism industry members attended one of AOT's educational workshops.
- Arizonaguide.com received more than 2.7 million visits, which equated to more than 7,200 visits per day.
- 1.4 billion advertising impressions were accomplished through AOT's advertising program
- 281 travel writers, tour operators and travel agents experienced Arizona firsthand on a Familiarization (FAM) tour.
- 30 trade shows, media missions and sales missions were conducted in 38 different cities around the world.

# AOT Overview

## AOT Mission

The Arizona Office of Tourism enhances the state economy and the quality of life for all Arizonans by expanding travel activity and increasing related revenues through tourism promotion and development.

## AOT Vision

Lead the way in branding Arizona.

## AOT Values

**INTEGRITY.** We will always, to the best of our ability, honor our commitments and carry out our work according to the highest personal and professional standards.

**INNOVATION.** We will be on the leading edge of our industry—using the latest research, marketing techniques, and technology to emerge as a leader in our field.

**ACCOUNTABILITY.** We are responsible to the people of Arizona for the effective, efficient, and appropriate use of our resources. We are committed to being good stewards of these resources.

**QUALITY.** We will strive to make every product, service, and interaction the best it can be.

**CUSTOMER SERVICE.** We highly value

our customers. We will listen to them, be responsive to their needs and preferences, do our best to provide them with service that exceeds their expectations, and share our passion for Arizona with them.

**RESPECT.** We will demonstrate respect for each other, for our state, its lands and its people.

## AOT Core Strategies

**PEOPLE.** Recognize, reward and value our people as our key assets.

**RESEARCH.** Enhance research capabilities as the foundation for understanding and reaching targeted visitors and maximizing return on investment (R.O.I.).

**EDUCATION.** Educate constituents in traditional and innovative methodologies to maximize economic impact through tourism.

**PRODUCT DEVELOPMENT.** Facilitate and enhance product development by providing technical assistance, education and resources for communities.

**PROMOTION.** Market the full Arizona experience through a unified message on a global scale.

## AOT Funding

AOT is funded through formula funding, which began June 30, 2004. The amount is equal to the sum of the following formula:

- Three and one-half percent of the gross revenues derived from the transient lodging classification pursuant to section 42-5070 during the preceding fiscal year.
- Three percent of the gross revenues derived from the amusement classification pursuant to section 42-5073 during the preceding fiscal year.
- Two percent of the gross revenues derived from the restaurant classification pursuant to section 42-5074 during the preceding fiscal year.

This performance-based funding allows AOT to compete more effectively with other states by strengthening AOT's programs, adding necessary staff and launching programs in line with the Core Strategies. Because performance-based funding enables AOT to build on previous success, AOT is empowered to develop the Arizona economy at an even more impressive rate.



## AOT Divisions

AOT is comprised of five marketing divisions that execute a research-based program of work. Although each division is responsible for separate pieces of the overall program, all of the pieces work together with the common vision of leading the way in branding Arizona. Each division develops a piece of the marketing plan that is reflective of the Agency's overall strategy, ensuring a maximum return on investment to the state.

### Research and Strategic Planning

The Research division is based on the Three Es: Educate, Execute and Evaluate. Through these methods, the division drives the strategic goals of AOT and continually refines AOT's research capabilities through the use of technology to better understand and reach targeted visitors, with an overall goal of achieving the maximum return on investment. The division monitors tourism indicators, acting as a clearinghouse for tourism data in order to enhance marketing efforts and evaluate performance in reaching goals and objectives. Results of on-going and special research studies are available on [www.azot.gov](http://www.azot.gov). AOT's internal Strategic Plan is also produced and managed under this division.

### Advertising and Fulfillment

The Advertising and Fulfillment division works to create a positive brand image for Arizona through a comprehensive schedule of advertising aimed at stimulating interest and motivation levels of potential travelers in key target markets and customer segments. The division also strives to convert "leads" or consumer inquiries generated by the advertising program into actual Arizona visitors in an efficient customer-oriented manner. The division also fulfills requests for travel planning assistance, provides travel planning materials, disseminates regular correspondence for "opt-in" consumers and maintains comprehensive, informative Web sites to encourage extended visits to Arizona. In addition, the division is responsible for administering the Proposition 302 Maricopa County Grant, which is available to destination marketing organizations (DMO) within Maricopa County. The grant program provides funding for tourism marketing activities such as advertising, public relations and travel industry marketing.

### Travel Industry Marketing

The Travel Industry Marketing division helps increase the state's share in the tourism marketplace by assisting tour operators and travel agents in developing new and/or expanding existing tour and travel programs. The division also assists

Arizona destination marketing organizations and tourism suppliers in their efforts to target the travel trade. As part of AOT's effort to assist and motivate tour operators and travel agents to create and market group and individual tour packages throughout Arizona, division representatives attend trade shows, coordinate sales missions, conduct familiarization tours and fulfill collateral requests. In addition, the division provides follow-up assistance to tour operators to help facilitate the development of travel packages.

### Media Relations and Communications

The Media Relations & Communications division conducts programs to position Arizona as a premier vacation destination by generating positive media coverage in the state's domestic and international markets. By promoting Arizona through the use of media and promotional programs, AOT is able to reach its target audience with an objective third-person message. The division works with qualified domestic and international journalists to produce compelling stories about Arizona that persuade AOT's targeted visitors to travel to the Grand Canyon State. Additionally, the division works to position the efforts of AOT and the travel industry in the business media. The division also produces public relations materials; represents Arizona at

trade shows, media missions, and events; produces AOT's annual report and Marketing Plan; and works with the Public Relations Round Table, which meets quarterly to offer opportunities for Arizona tourism professionals to share ideas, success stories and media relations tactics.

### Tourism Education and Development

The Tourism Education and Development division works to strengthen AOT's partnerships throughout the state to enhance tourism promotion and development. The division also develops and executes educational and customer service programs such as Arizona Tourism University and Grand Impressions, which are designed to enable tourism organizations and Native American tribes around the state to attract visitors and provide them with a quality experience. The Tourism Education and Development Division oversees the agency's grant programs, including Teamwork for Effective Arizona Marketing (TEAM), Rural Tourism Development Grant Program and Information Center Enhancement, and is responsible for operating the Painted Cliffs Welcome Center and other visitor service programs.

## Studies and Surveys

**Visitor Surveys** - AOT launched a new series of community visitor surveys by commissioning the Arizona Hospitality Research and Resource Center (AHRRC) at Northern Arizona University (NAU). The first area selected was the Verde Valley, which is comprised of five Arizona communities: Camp Verde, Cottonwood, Clarkdale, Jerome and Sedona. The year-long Verde Valley survey was launched in December 2006. NAU worked with the representatives in each of the communities to educate them on the proper way to gather the data from visitors. Once completed, the final report will provide AOT and the Verde Valley communities with vital information on where their visitors are coming from, when they're coming, how long they're staying, and what they are doing



“Arizona is an outstanding winter running destination and the Valley of the Sun offers many attractions for race participants who visit with their families and friends,” said Tim Murphy, CEO of Elite Racing. “We are looking forward to the race’s continued growth as we prepare to celebrate the fifth running of the P.F. Chang’s Rock ‘n’ Roll Arizona Marathon & ½ Marathon in 2008.”

while visiting the Verde Valley. This data will allow tourism officials to identify areas of opportunity, develop highly-targeted marketing initiatives and provide key decision makers with concrete research about the economic importance of tourism.

**Advertising Campaign Evaluations** - AOT conducted a series of evaluations on the Agency’s advertising and marketing campaigns to determine if AOT’s marketing message was reaching the intended audience. These various evaluations have allowed AOT to gain a clearer understanding of the current advertising campaign and the effectiveness of the message, the targeting, the media mix and the return on investment (ROI). The data acquired has also allowed AOT to make strategic decisions about the future of the campaign and can direct the Agency in any new campaign development that needs to take place.

- AOT conducted a pre/post awareness study in the Target City of Seattle. Each year, AOT conducts a similar study in one of the Target City markets to determine how much its advertising and marketing efforts have “moved the needle” in terms of creating awareness of Arizona as a leisure destination. This type of study allows AOT to understand the effectiveness of its target city message and media mix. AOT uses this information to adjust the target city messages, as well as the knowledge of Arizona as a travel destination, to more effectively influence potential visitors to choose Arizona as a vacation destination.

In the case of Seattle, AOT learned that awareness of Arizona as a leisure travel destination has been established. The agency also learned that it would benefit more from focusing its marketing message around the

Cactus League Spring Training events and access to the Seattle Mariners whose spring training games occurs in Peoria.

- AOT conducted six focus groups (two in Phoenix, two in Chicago and two in Los Angeles) to evaluate the current advertising campaign. From this type of qualitative research, AOT learned how its message is impacting consumers, which parts of the ads people are looking at and responding to, which messaging is most effective and how to make improvements. This kind of face-to-face research is incredibly useful in understanding different reactions among people of different ages, different geographic locations and different demographic circumstances.

Based on the focus group findings, AOT has completely revamped the agency’s online campaign aimed at the Gen X market. Additionally, AOT has altered the agency’s cold weather Target City message.

- AOT worked with Longwoods International to conduct an Ad Effectiveness Study in FY07. The ultimate goal of the study was to determine how many visitors the campaign influenced to come to Arizona and how much money these visitors spent while they were in the state. AOT’s ads were shown and respondents were asked if they recognized the ads, then did respondents use the ads, and did the respondents travel to Arizona because of the ads. The spending of those visitors is then calculated and used to measure return on investment (ROI). This study also provided feedback on the effectiveness of the campaign’s media mix by specific market and whether the message is effective in changing perceptions of Arizona as a travel destination.

**Impact Assessments** - AOT completed economic impact assessments for two major sporting

events in Arizona. Understanding the economic value of any major sporting event helps AOT and the Arizona travel industry make strategic decisions on future events to attract to Arizona. Additionally, knowing more about the visitors who travel here to participate in or watch these sporting events will assist in future marketing efforts.

- AOT worked with the Cactus League Association to help fund an Attendee Tracking and Expenditure Impact survey of the 2007 Cactus League Season. During the season, more than one million Spring Training fans generated more than \$300 million for the Grand Canyon State, which is a 54 percent increase from 2003, the last date the survey was conducted. The study also revealed that 57 percent of Spring Training attendees came to Arizona from another state or country, an increase from 48 percent in 2003.

AOT worked with Elite Racing, Inc. to conduct an economic impact study of the 2007 P.F. Chang’s Rock ‘n’ Roll Arizona Marathon and Half Marathon. AOT commissioned the Arizona Hospitality Research and Resource Center (AHRRC) at Northern Arizona University (NAU) to survey race participants to determine the travel behaviors and economic impact of this event on the Arizona economy. More than 34,000 runners registered for the 2007 race, generating \$44 million to the state’s economy and contributing more than \$2 million in tax revenues. This level of spending by the participants of the event helped produce an employment impact of more 1,200 jobs in Maricopa County.

## Marketing Initiatives

**Arizona Origins** – AOT partnered with National Geographic and the Sonora, Mexico Office of Tourism to produce the first bi-national National Geographic Arizona Sonora Desert Region MapGuide. The map features destinations, attractions and events on both sides of the border that fit the geotourism definition, which is tourism that sustains or enhances the geographic character of a place. To support this agency project, AOT introduced Arizona Origins, a celebration of Arizona's culture, environment, history and heritage. Arizona Origins, accessible off the homepage of AOT's consumer Web site, [www.Arizonaguide.com](http://www.Arizonaguide.com), allows visitors to learn more about the Geotourism MapGuide project while exploring the interactive geotourism map and viewing the destinations highlighted within the geotourism program. The agency is promoting Arizona Origins through its Web site, in addition to a targeted online ad campaign. Consumers can request a printed copy of the MapGuide as a well as view and download an electronic version on [www.arizonaguide.com](http://www.arizonaguide.com).

### Results:

- During a three month timeframe, AOT's Arizona Origins advertising placements generated more than 5,000 visits to the Web site while the integration of Arizona Origins on the AOT's homepage of the Web site lead to more than 16,000 Web visits. All visits resulted in more than 700 requests for printed copies of the MapGuide and more than 3,000 downloads of the electronic version. In addition, the Local Visitor Information Centers and AOT partners help distributed many of the MapGuides.

**Geotourism promotes unique visitor experiences and is defined as “tourism that sustains or enhances the geographical character of a place — its environment, culture, aesthetics, heritage, and the well-being of its residents.”**

**Room to Roam** – A short haul marketing initiative catering to the drive market, AOT launched the “Room to Roam” initiative targeting the emerging extreme Gen-X market in two key regional cities - Los Angeles and San Diego – touting Arizona's wide open spaces. The target audience was

the active, uncommitted, young adult, aged 21-34, with no children. The campaign consisted of unique specialty advertising mediums including health club panels, yoga mats, dry-cleaning bags, coffee wraps, bar coasters, outdoor posters and outdoor video projections. Each of the aforementioned mediums allowed AOT to reach this active audience at a neighborhood level. The overall goal of the campaign was to appeal to the overworked, overstressed extreme Gen-X market in these two crowded cities, showing them the adventures that await in Arizona's relaxed, wide open spaces. All of the advertising drove traffic to a special Web site built to speak to the Gen-X demographic.

### Results:

- The results were measured by the hits to the designated URLs, [RoomToRoamAZ.com](http://RoomToRoamAZ.com) for Los Angeles and [RoamAZ.com](http://RoamAZ.com) for San Diego. There were more than 2,000 hits to the unique URLs and users spent an average of 1.25 minutes interacting with the Web site.



## Target Demographics

AOT's two primary targets will continue to be Empty Nesters and Affluent Boomer families; both targets are ages 45-64 with \$125,000 plus incomes. They travel four to six times a year for leisure and live in suburban areas around cities. They differentiating factor is the presence/absence of children living at home. Empty Nesters, as the term implies, have not children living at home, while Affluent Boomers have one or more children still living at home.

AOT's secondary target is the Gen-X Family. The age range for this target is 35-44 years old with an income of \$75,000 plus. They travel one to two times a year for leisure and live in suburban areas. They are in relationships with one or more children.

AOT's developmental target is the Xtreme Gen-Xer. The age range for this group is 25-34 years old with an income of \$50,000. They travel one to two times a year for leisure and live close to Arizona. They do not have children.



## Spreading the Quality of Life Message

AOT partnered with the Arizona Department of Commerce (ADOC) on a project designed to position Arizona as a vibrant destination for business and pleasure. In order for the tourism industry to be recognized as a premier contributor to the State's economy, AOT must have a seat at the table with key economic development organizations. The worlds of tourism and economic development came together last year with the "Vibrant Variety, Endless Opportunities" cooperative video developed by AOT, on behalf of AOT and ADOC. The video has been shown at events around the globe, spreading the quality of life message that is key in attracting visitors and businesses to Arizona.



## Marketing Initiatives Con't

**Instate/Regional Marketing** - AOT launched a new, integrated, year-long Instate/Regional Marketing Campaign representing all of Arizona's rural regions: North Central, Northern, West Coast, and Southern. The goal of the campaign was to promote the vibrant variety of experiences and adventures available to visitors from neighboring states as well as residents of Arizona. In addition to showcasing the strengths of each region, the campaign was also aimed at increasing overnight visitation during regional shoulder seasons. Unique regional URLs drove consumers to a central OnlyInArizona.com micro Web site which provided visitors interactive maps, key regional information, a calendar of events, online video and the opportunity to request the digital or print version of the Inside Arizona regional guides. The guides, a magazine style piece designed and produced by Arizona Highways, are approximately 16 pages featuring intriguing articles and superb photography showcasing the variety of experiences specific to each of Arizona's regions.

### Results:

- This campaign was launched in early November and results were measured by Web site visits, Web site interaction, as well as fulfillment of the regional guides. There were more than 93,000 visitors who spent an average of four minutes interacting with the Web site and AOT fulfilled more than 5,000 requests for regional guides.

### A Consistent Message

AOT established its "Inspiring Unforgettable Southwest Moments" brand promise nearly two years ago, and this concept continues to be integrated into every aspect of the Agency's activities. Through the four brand dimensions - Unexpectedly Exhilarating Signature Scenery, Rejuvenating Open-Air Lifestyle, Timeless Discoveries and Vibrant Variety - AOT is able to incorporate all areas of the state into its marketing and highlight the attributes that set Arizona apart from the competition. These brand dimensions also allow AOT to develop consistent messaging throughout all Agency communications, from advertorials and print advertising, to newsletters and television commercials.

### Official State Visitor's Guide and Map - In

FY07. AOT revamped the Official State Visitor's Guide (OSVG) and Map. The new approach offered more experienced-based articles from travel writers that were written from their editorial perspective. Another change to the guide was the addition of several themed sections to help capture the imaginations of potential and repeat visitors to Arizona. The themed sections feature information on statewide events, sightseeing opportunities, outdoor activities and culinary experiences. The OSVG also offers tips on how to take the perfect photograph such as the best angle or the best time of day. The accompanying Map includes valuable travel and tourist information, including a detailed listing of campgrounds and recreation areas, information about the state's Native American lands, a listing of Arizona's designated scenic roads and travel trips.

### Results:

- In FY07, more than 300,000 OSVGs were distributed both through direct shipments to consumers and shipment to Local Visitor Information Centers.

**Tribal Photo Shoot** - AOT worked with several Native American tribes to obtain professional photographs of Arizona's Tribal lands that can be used by individual Tribes in their marketing activities. In addition, AOT will use the images to enhance its advertising campaign with Native American photos. Working with the Tribal Tourism Advisory Committee, AOT developed a list of images from tourism attractions, events and experiences that individual Tribes wish to promote. Selected shots and sites for the Fort McDowell Yavapai Nation and Navajo Nation have already been photographed to capture the excitement and diversity of travel to Indian Country.

## Cutting Edge Technology

### New Consumer and Business-to-Business

**Web site** - AOT's consumer Web site, [www.arizonaguide.com](http://www.arizonaguide.com) and new business-to-business Web site, [www.azot.gov](http://www.azot.gov), were implemented in June 2006. The look and feel of the agency's Web sites were completely redesigned to provide visitors with important Arizona travel information, while highlighting the experiences and adventures that await them in the Grand Canyon State. The newly renovated Web sites features an easy-to-use navigation structure, helping visitors find important, travel planning information faster and easier than with the previous Web site. The consumer site also features sections on "what to do" in each of Arizona's five regions Phoenix & Central, Northern, North Central, Southern and West Coast.

### Results:

- The new consumer Web site has continued to encourage visitation to Arizona, including nearly a nine percent increase in Official State Visitor's Guide orders when compared to the former site.

**Page-Turning Technology** - Visitors to AOT's consumer Web site, [www.arizonaguide.com](http://www.arizonaguide.com), can access a digital version of the 2007 Official State Visitor's Guide and the four Inside Arizona in-state regional guides, in addition to or

instead of, ordering the printed guides.

The digital versions offer a page-turning technology allowing consumers to view the content of the guides as if the guides were online magazines. Readers can bookmark pages, make notes, print pages, search by word, navigate directly to sections from the table of contents, use a one-click feature to add content from the guide to other sites, link to advertisers and constituents, and much more.

### Results:

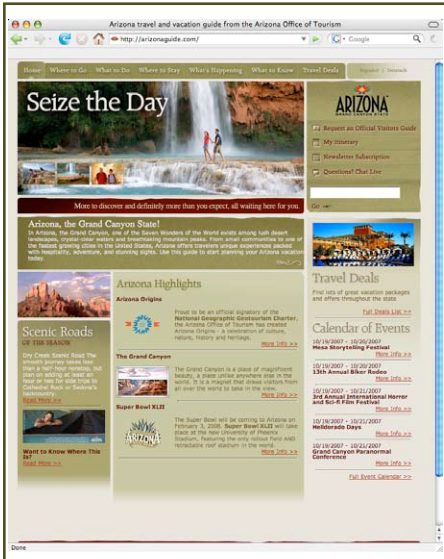
- Starting in January FY07, there were more than 5,000 unique visitor downloads for the digital version of the OSVG. Digital regional guide downloads were as follows:

  - North Central region: 1,194
  - Northern region: 2,704
  - Southern region: 1,274
  - West Coast region: 838

**Online Chat Tool** – In addition to the Page-Turning Technology, AOT added a Live Chat feature on [www.arizonaguide.com](http://www.arizonaguide.com). The tool can be found on the homepage of the Web site and is an opportunity for visitors seeking answers to questions about Arizona to have 24-hour accessibility to travel counselors who can answer their travel questions and offer practical advice.

### Results:

- In the four months that this feature was live in FY07, more than 1,500 visitors used AOT's Live Chat option.



### The Native American Connection:

Through AOT's Native American Tourism Development program, several tribal representatives have been able to participate in trade shows and sales/media missions, and AOT has made a commitment to including tribal experiences in its events.

**Go West Summit:** AOT sponsored Tribal representatives from Fort McDowell Yavapai Nation and the Gila River Indian Community to attend the GO West Summit, a trade show held in Portland, Oregon. The Tribal representatives had pre-scheduled appointments with European, Latin-American and Asian based tour operators as well as U.S. receptive operators who expressed an interest in cultural and heritage tourism. AOT provided technical assistance to the tribal representatives in selecting and conducting their appointments, promoting their attractions, culture and destinations and preparing follow up information packets.



## New Horizons, New Markets: Expanding Trade Shows, Media and Sales Missions and FAM Tours

AOT has established a solid presence in Arizona's top five international markets (Canada, Mexico, UK, Germany, Japan), and continues to build upon those successes year after year. While these five markets have been lucrative and consistent for Arizona, AOT is also paying attention to political, social and demographic shifts around the world to identify developmental markets that could potentially be beneficial for the state. Whether it is exploring an entirely new market, or significantly expanding efforts in an established market, AOT is committed to remaining at the forefront of domestic and international marketing.

**Benelux:** AOT's primary focus in Europe has been in Germany and the UK, but the Belgium, Netherlands, Luxembourg (Benelux) region is one that offers future potential, as many parts of the state are seeing visitors from this area. AOT commissioned a product inventory of all the Dutch and Belgian tour operators to see how much Arizona product was featured in their U.S. programs. The results showed that Arizona is prominently featured by 24 Dutch and nine Belgian tour operators, which represents a solid base with opportunity for growth. In order to increase awareness of Arizona as a travel destination, AOT traveled to Belgium and the Netherlands in June 2007 on a week-long sales and media mission. Because many travelers from the Benelux region travel to the "Grand Circle" area

that encompasses the Four Corners areas of Arizona, New Mexico, Colorado and Utah, AOT partnered with the tourism offices from these four states on the mission. The goal of the partnership was to educate tour operators, travel agents and media about the region as a whole, then focus on individual states and attractions.

### Results

- The delegation conducted 17 appointments and product trainings with key tour operators in Belgium and the Netherlands and travel trade and media attended receptions hosted in Utrecht (outside Amsterdam) and Brussels.

**Canada:** During 2006, visitation from Canada increased 17.3 percent from previous years to a record number of 495,800 people. This is a nearly 100 percent increase in five years from 255,000 people in 2002. This increase is due to several factors including increased AOT efforts in the areas of travel industry marketing, media relations and consumer advertising.

With air service currently coming out of five Canadian cities, the airlines play a key role in the agency's partnerships with the Canadian tourism industry. WestJet has proven to be one of Arizona's most valuable partners in Canada with new and increased air service to Phoenix from Calgary, Edmonton and Winnipeg. WestJet launched their packaged product, WestJet Vacations, last year which included numerous Arizona resorts and

hotels. AOT supported their promotional efforts to the travel agent community by attending their Toronto launch and reaching out to travel agents in Edmonton and Winnipeg.

### Results

- AOT reached more than 500 travel agents at the Toronto launch and met with more than 200 agents in Edmonton and Winnipeg.
- With WestJet's assistance, AOT visited more than 25 travel agencies in Kelowna, a fast-growing city in British Columbia and a new market for Arizona.

AOT also took its popular Grand Canyon IMAX Road Show to Canada, playing the "Grand Canyon: The Hidden Secrets" film for consumers, schoolchildren and travel industry representatives in Toronto, Montreal, Vancouver and Calgary. To maximize the time in Canada, the Arizona delegation also conducted appointments with key travel media, tour operators and travel agents.

### Results

- More than 5,000 consumers, schoolchildren and travel industry representatives viewed the film and walked away with valuable travel planning information.
- In addition to the travel industry representatives that attended the screenings, the Arizona delegation met with 31 travel writers, tour operators and travel agents.

## New Horizons, New Markets: Expanding Trade Shows, Media and Sales Missions and FAM Tours Con't

**China:** For the past several years, the travel industry has been analyzing and predicting what will happen in the Chinese market. The Chinese economy is growing rapidly as is the Chinese middle class. For the first time, Chinese people have the money and desire to travel. The Chinese outbound travel market is predicted to grow to more than 100 million people by the year 2020, at which time it will surpass the number one market (the United States) for travel and tourism demand. In order to learn more about this booming market, AOT attended the China International Travel Mart held in Shanghai. AOT maximized its resources and worked with American Trade and Investment Associates, the Arizona's Department of Commerce's Asian representatives to coordinate logistics. During the show, AOT conducted eight appointments with key operators, hosted a dinner with three travel trade representatives. Even though those numbers may sound small, the industry is highly concentrated with just a few operators handling the majority of the market.

### Results

- The Chinese have a strong affinity for gambling and shopping, making Las Vegas a favorite destination. Given the geographic

proximity to Las Vegas along with a key destination driver – the Grand Canyon – easily accessed from this Nevada gateway, AOT determined that Arizona has great opportunity in this market. After traveling to Shanghai and meeting with many operators, AOT determined that realizing the potential in China may take longer than originally anticipated. There are greater visa issues and Approved Destination Status (see sidebar) challenges than originally believed. Additionally, there is a tremendous amount of education still needed to bring tour operators up to speed on Arizona.

**France** – FY07 was the second year in a three-year plan for AOT to enter the French market before pursuing a full-time Arizona representative in France. This European market has great potential for increased visitation to Arizona and significant progress was made during the first year. In order to keep momentum going, an Arizona delegation traveled to Paris to conduct product meetings and trainings, meet with travel media and host an Arizona workshop. In addition to the sales and media mission, AOT hosted its first ever familiarization trip (FAM) of French tour operators. Representatives from the six major French

tour operators spent six days in Arizona to increase their product knowledge and their Arizona product offerings.

### Results

- More than 70 travel trade and media representatives attended the Arizona workshop in Paris.

**Ireland** - With the strengthening of the Irish economy and the number of Irish visitors to the U.S. increasing by eight percent between 2005 and 2006, AOT considered the potential for this growing market and attended its first Irish consumer trade show in Dublin in October 2006. The show, which reached an attendance of more than 15,000, was sponsored by the leading Irish Tour Operator, Tour America. During the event, the AOT delegation was on hand to answer questions from consumers and provide general information on Arizona. With direct non-stop and one-stop air service from Dublin to the Western U.S., interest in the Grand Canyon State is increasing.



## China and Approved Destination Status

Approved Destination Status (ADS) is defined as a country approved by the People's Republic of China (PRC) for designated PRC travel companies to organize group tours. Countries with ADS are also allowed to advertise their travel destinations within China. Even though the U.S. doesn't have ADS from the Chinese government, it is still possible for Chinese people to visit the U.S. The U.S. is in fact the top long-haul destination for Chinese traveling outside of Asia. The U.S. is currently working to establish ADS to ease the travel process for Chinese tourists.



**New York Media Marketplace:** AOT organizes a media marketplace event in New York City every other year, and a representative from the Native American Tourism Development program joined the delegation this year to educate the travel media about Arizona's tribal offerings. More specifically, the Native American display focused on the cultural aspect, featuring a traditional basket weaver, and the diverse culinary offerings of the Hopi Tribe. The New York writers had a strong connection with the Native American aspect of the event.



## New Horizons, New Markets: Expanding Trade Shows, Media and Sales Missions and FAM Tours Con't

**United Kingdom:** AOT conducted its first-ever, full-scale media mission in the UK in FY07. The mission was designed to complement AOT's annual attendance at World Travel Market (WTM), the largest travel trade show in the UK. Many quality travel writers don't attend WTM, so the media mission provided an opportunity to spread the Arizona message to the vast media market that resides in the UK. During the mission, the Arizona delegation conducted one-on-one media appointments in London, Glasgow, Edinburgh and Dublin, four of the largest media markets in those countries. Over the course of five days, the Arizona delegation met with 22 travel writers and editors. While it is important that AOT continue to participate in WTM to represent Arizona, it is also important that the Agency reach out to the other valuable media that do not attend the trade show.

### Results

- As a result of the media mission, four writers have already committed to visit Arizona and write a story, while several more writers will feature Arizona coverage in the coming year.

**Denver:** New York and Los Angeles are considered to be the two U.S. media hubs and AOT has a strong presence in these

**Grand Canyon IMAX Road Show:** Native American Hoop Dancer Tony Duncan joined AOT in Toronto for a large-scale event to generate interest in the Grand Canyon IMAX Road Show. Held outside a major train station, the event featured Arizona travel information and several captivating performances by Tony. The promotion generated media attention, with several morning television shows and newspapers covering the event.

markets each year. But, there are several key "secondary" markets such as Denver that are good feeders for Arizona and are home to many freelance writers. AOT organized a media marketplace/reception event in Denver with six partners from around the state. Denver is an important market for Arizona because of its proximity, abundance of direct flights to both Phoenix and Tucson, and connections like the Colorado Rockies Spring Training games in Tucson.

### Results

- The reception was attended by more than 30 travel writers who contribute to publications such as the Denver Post, Chicago Tribune, Los Angeles Times, Boston Globe, Sunset Magazine, and many more.

**FAM Tours:** For the first time ever, AOT developed a program with AAA, offering two pre-scheduled FAM tours exclusively to their agents. In the past,

AOT conducted FAM tours on an "as requested" basis, but this program allows AOT to select the dates and themes of the FAMs, making it more beneficial to partners around the state. AAA has an extremely qualified and vast network of agents around the country, making them an ideal partner for this new program. The two FAMs offered in FY07 were "Super Structures: Arizona's Amazing Architecture" and "Native Ruins of Arizona."

### Results

- A total of 11 travel agents attended these FAMs. Seven of the agents were from the eastern United States (Connecticut, New Jersey, Pennsylvania, Ohio and West Virginia), two agents were from Colorado, one from Michigan and one from Ontario, Canada.

## Spreading the Word

While a majority of AOT's marketing efforts go toward communicating with potential visitors, there are several other key audiences that AOT also communicates with on a regular basis. First and foremost, it is vital that key decision makers such as state legislators and city council members understand the tremendous impact the tourism industry has on Arizona's communities and the entire state. This audience needs to be constantly reminded that tourism is a blue chip, sustaining industry, so it is top of mind when they make funding decisions. Second, AOT also has a commitment to keeping the Arizona tourism industry up to speed on trends within the industry and on AOT's activities so they can take advantage of these opportunities. The media is the audience that ties everything together. Whether it is working with the in-state media on positive stories about the tourism industry, or reaching out to national travel media to position Arizona as premier leisure travel destination, the media is a key component in AOT's communications.

**Crossroads:** In an effort to keep Arizona's tourism industry and key stakeholders up-to-date on AOT's activities and partnership opportunities, the latest news relating to Arizona tourism, and national tourism trends, AOT launched the Crossroads newsletter in FY07. This quarterly printed piece is designed to complement AOT's weekly e-newsletter, AOT in Action, and to provide more in-depth information about the topics and people that make the tourism industry tick. The highlight of each issue of Crossroads is the quarterly tourism indicators, which give a snapshot of the health and current state of Arizona's tourism industry. These indicators include data on state

and national park visitation, tourism industry tax revenues and lodging performance. Additional features include an interview with an AOT staff member, an Arizona tourism industry member, and an in-depth look at one of AOT's programs or initiatives. The newsletter, which has a circulation of 2,500, has been extremely well received and is serving its purpose of keeping Arizona's tourism industry in the know about the latest information.

**Tourism Works for Arizona:** AOT created a one-page collateral piece called "Tourism Works for Arizona," designed to educate Arizona's tourism industry leaders and key decision makers about the impact of the tourism industry in Arizona. One of AOT's key goals is to ensure that legislators and Arizona residents understand the vital contributions that tourism makes to the state's economy. The "Tourism Works for Arizona" piece was designed to arm the tourism industry with the appropriate information for their conversations with legislators. This piece features data on the tourism industry's benefit to Arizona taxpayers, the economic impact of Arizona's travel industry and AOT's impact on the state. One of the key areas this piece touches on is business development, as this is often considered one of the most important parts of economic development. AOT's goal is for decision makers to see the correlation between tourism and business development.

**AOT in the News:** Determining the advertising equivalency and circulation of the many articles and television broadcasts the agency generates for the Arizona tourism industry is a critical component to measuring AOT's media impact. In FY07, the agency generated more

than \$13 million in domestic publicity about Arizona, reaching nearly 550 million people. The advertising equivalency value is a more than 50 percent increase over the previous year and the circulation is a nearly 425 percent increase over the previous year. In the international markets where AOT tracks publicity (Canada, Mexico, UK, Germany, Japan), the agency generated more than \$20 million in Arizona media coverage, reaching more than 735 million people in FY07. In addition to generating travel-related articles about Arizona, AOT also works with the in-state media to generate articles about the tourism industry and the agency's programs and initiatives. This type of publicity is extremely important, as these are the publications that are read by key decision makers.

## Conclusion

During FY07, AOT continued to build upon the foundation of successful programs. For FY08, the agency is extremely motivated in carrying on these flourishing programs to increase visitor spending within the state that will contribute to Arizona's economic development.

