



**ARIZONA**<sup>®</sup>  
OFFICE OF TOURISM

Fiscal Year 2008 Annual Report

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The Arizona tourism industry had an incredible year in 2007 and we were thrilled to guide the industry to record-breaking success! From innovative marketing campaigns and resourceful workshops to new trade programs and major sponsorships, we launched many exciting initiatives - all of which lead to great tourism numbers.

Last year, 35.2 million domestic and international overnight travelers visited Arizona, a significant increase of 4.4 percent from 2006. These visitors spent a record \$19.3 billion, a 4.2 percent increase from the previous year. That's a record \$53 million being pumped into Arizona's economy every day and the benefits are evident in each and every county in the state. These are remarkable numbers for our industry and could not have been achieved without the tremendous support and partnerships we've established throughout the state.

These partnerships allowed us to contribute to the most popular game in sports last year... Super Bowl XLII. This single event brought an estimated 60,000 visitors to the Valley, and more than a billion people worldwide saw the game. It is considered to be the most watched Super Bowl in history and we were elated about the half-billion dollars in spending the game created.

But this event is only a fraction of what we helped to accomplish in the past year. New research-based marketing campaigns such as the Arizona Music Project, a one-of-a-kind campaign that uses social networking, helped expand the perception of Arizona and reflected our brand promise, Inspiring Unforgettable Southwest Moments. The campaign introduced Arizona to a new audience and showed them that our state is not only breathtaking scenery but also full of arts, culture and heritage. You can read more about the effectiveness of this campaign, as well as others, in the "Marketing Initiatives" section of this report.

Although it is a key element within our program of work, advertising campaigns are just one component to marketing Arizona. Ensuring our industry partners, travel agents and tour operators are well-equipped with the tools and knowledge needed to help market Arizona is just as vital as any effective advertising campaign. In 2007, we introduced the Arizona Accreditation Program (AZAP), a new trade program where travel agents and tour operators from across the nation become certified Arizona experts.

We also launched a new dynamic and informative series of Arizona Tourism University workshops. These resourceful sessions connected with the Arizona travel industry and encouraged the enhancement of Arizona tourism products.

While each program we launched was supported by strong media relations and public relations efforts, we also made strides in working with domestic and international journalists to position Arizona as a premier tourist destination.

Thank you to all of our industry partners who have worked with us throughout the year to make our programs and campaigns so successful. I'm excited to continue our work during the next fiscal year as we market unique Arizona experiences to all of our treasured visitors.



*Margie A. Emmermann*

Margie A. Emmermann  
Director, Arizona Office of Tourism

# AOT Year in Review

In FY08:



- A total of 35.2 million overnight travelers visited Arizona in 2007, a 4.4 percent increase from 2006 (two million of which were international visitors.) The total equates to visitation five times the size of Arizona's population base.

- Direct visitor spending resulted in a record \$19.3 billion in 2007, an increase of 4.2 percent from 2006. That's \$53 million being pumped into Arizona's economy each day.

- Traveler spending generated 171,500 direct travel industry jobs and generated \$5.1 billion in earnings in 2007.\*

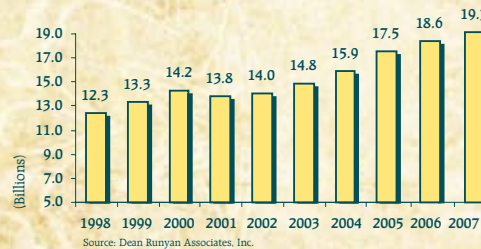
- Direct travel spending in Arizona generated 2.7 billion in local state and federal tax revenues, which equates to \$1,170 per Arizona household.

- For each \$1 spend in advertising, AOT generated \$180 in direct travel spending.

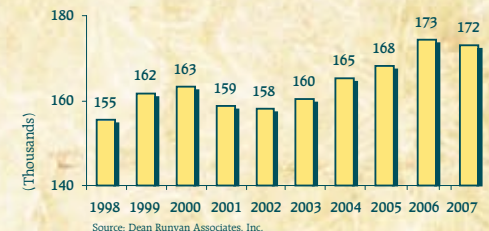
- For each \$1 spend in advertising, AOT generated \$14.95 in state and local taxes.

- AOT invested more than \$3 million to grant programs and marketing initiatives that provide opportunities for Arizona communities to develop and execute their own marketing strategies.

**DIRECT TRAVEL EXPENDITURES**



**DIRECT TRAVEL EMPLOYMENT 1998-2007**



*“Tourism is a blue chip industry that is a constant, stabilizing force in our state’s economy.”*

— Margie A. Emmermann,  
Director, Arizona Office of Tourism

\*Dean Runyan Associates



## 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.

**LEADERSHIP.** We will provide leadership and unify the industry in marketing and tourism initiatives in the state.

**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 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 with them our passion for Arizona.

**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.

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

**COMMUNICATION.** Communicate clearly and listen effectively to all AOT audiences.

**INNOVATION.** Be on the leading edge of our industry-using the latest research, marketing techniques and technology.

### **AOT Agency Goals:**

**PEOPLE.**

- Foster a work environment that promotes personal and professional growth.

- Develop a corporate culture that prioritizes the gathering and sharing of market intelligence.

- Expect all staff members to passionately engage in the vision of the Arizona Office of Tourism and the values that define the Agency.

**PROMOTION.**

Strategically market Arizona tourism experiences.

**COMMUNICATION.**

- Strengthen and communicate Arizona's Brand.

- Implement an integrated strategy that communicates to all audiences the importance of tourism as a key economic driver. Educate AOT's constituents through traditional and innovative methodologies to maximize the economic impact of tourism.

**INNOVATION.**

- Establish a technology platform for all programs of work to extend the Agency's reach and impact.
- Create a blueprint for Sustainable Tourism. Lead the way in innovative marketing and tourism initiatives in the state.



## AOT Funding

**AOT is funded through a formula, that 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 marketing programs, adding necessary staff and launching programs in alignment with the Core Strategies.

AOT is also funded through Prop 202, better known as Indian Gaming and Prop 302, which passed in 2009 by Maricopa County voters approving a surcharge on car rentals and hotels.

Because performance-based funding enables AOT to build on previous success, AOT is empowered to enhance 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 elements 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.

### **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 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.

### **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.

### **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.

### **Tourism Education and Development**

The Tourism Education and Development division works to strengthen AOT's partnerships throughout the state to enhance tourism promotion and



## AOT Divisions

Continued

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. The division is also responsible for operating the Painted Cliffs Welcome Center in Lupton, Arizona and cooperating the Downtown Phoenix Visitors Information Center and Arizona Visitor centers.

### **Travel Industry Marketing**

The Travel Industry Marketing division helps increase the state's share of 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.



## Studies and Surveys

**Community Visitor Surveys** – AOT continued working with the Arizona Hospitality Research and Resource Center (AHRRC) at Northern Arizona University to conduct community surveys in FY08. The first survey in the series was conducted in the Verde Valley and wrapped up in early 2008. The results were presented to the communities in April. Two new surveys were launched in FY08 in the communities of Lake Havasu City and Flagstaff.

These surveys provide AOT and the communities with vital information on *where* their visitors are coming from, *when* they are coming, *how* long they are staying and *what* they are doing while visiting the community.

Additionally, this data provides resources to identify areas of opportunity, develops highly targeted marketing initiatives and provides key-decision makers with concrete research about the economic importance of tourism.

**Mexico Visitor Survey** – No entity is consistently collecting data on Mexican visitors to Arizona, which presents a challenge for AOT in understanding how this vital international market for visitation to Arizona. In FY08, AOT commissioned the University of Arizona to conduct a year-long visitor survey of Mexican visitors to Arizona.

Working closely with the Customs and Border Protection Agency, interviewing took place at all six land ports (San Luis, Lukeville, Sasabe, Nogales, Naco and Douglas) and two international airports (Phoenix Sky Harbor International and Tucson International), with a total of 2,997 completed surveys collected.

AOT sponsored the project and helped fund it, along with City of Phoenix Aviation/Sky Harbor International Airport, Metro Tucson Convention & Visitor's Bureau and Maricopa County destination marketing organizations (DMOs).

The final report will be publicly available during the fall of 2008, and will provide updated research on the demographics, travel behaviors and spending of this important visitor segment.

**Advertising Campaign Evaluations** – AOT conducted a pre/post awareness evaluation in the Target City of Detroit. Each year, AOT conducts this evaluation in one of the agency's Target City markets to determine how much its advertising and marketing efforts have impacted awareness of Arizona as a leisure destination.

This type of evaluation allows AOT to understand the effectiveness of its Target City message and media mix. AOT uses this information to adjust the messaging to more effectively influence potential visitors to choose Arizona as a vacation destination. (More about the Target City campaign can be found in the Marketing Initiatives section.)

In the case of Detroit, AOT learned that the economic downturn hit Detroit hard and affected residents' ability to consider vacation travel in 2008. In spite of that, a record 24 percent of survey respondents took action after seeing AOT advertising by either accessing our web site, [www.arizonaguide.com](http://www.arizonaguide.com), or calling a toll free number to request an Arizona Travel Packet.

In addition to the pre/post awareness evaluation, AOT conducted a cluster analysis of all five FY08 Target Cities (Chicago, Denver, Detroit, Los Angeles, San Francisco) to assess whether the people responding to the advertising fit AOT's target profile of a high-value traveler. The evaluation showed high correlation between the current messaging and AOT's target markets. Information will be utilized in future marketing campaigns.

## Marketing Initiatives

**Arizona Music Project** – Launched in FY08, the Arizona Music Project (AMP) brought to life Arizona's vibrant music scene. The project includes two parts, an original composition and a documentary. The composition is comprised of four movements that embody the four brand dimensions AOT created to set Arizona apart from other states. The documentary details the musicians and their journey through the recording process.

The goal of AMP is to change perceptions and to appeal to those who have yet to visit Arizona. Two online videos – a 90-second trailer and a two-minute video – provide a creative and fun way to experience Arizona through music. The uniqueness of AMP gives AOT the opportunity to use social networking as a marketing tool. The entire documentary, as well as links to the musicians' Web sites and blogs, is posted on MySpace.com and [www.arizonaguide.com](http://www.arizonaguide.com).

### **Results:**

During the four months following the launch of AMP, (March 2008 through June 2008), there were more than 15,000 unique visitors to the AMP web page on [www.arizonaguide.com](http://www.arizonaguide.com), more than 4,400 unique visitors to the AMP page on MySpace.com, and the AMP profile on Myspace.com has more than 100 "friends." The AMP trailer, music video and documentary have been viewed more than 8,000 times. The AMP project also generated news coverage for AOT with local media and will continue to do so as the project grows.



*"We're excited about the Arizona Music Project because it is an opportunity to use social networking as a marketing tool to encourage visitors to experience the Grand Canyon State. Because of this campaign, more and more people are discovering Arizona's vibrant music scene."*

— Margie A. Emmermann,  
Director, Arizona Office of Tourism

## Marketing Initiatives

Continued

*“By combining the best aspects of Arizona State Parks and the Arizona Trail Association, this campaign creates a synergy that encourages residents to get out and explore the Grand Canyon State. From hiking and biking to trail running and swimming, their dream summer vacation can be found outside their front door.”*

— Margie A. Emmermann,  
Director, Arizona Office  
of Tourism.



**Arizona Passages** – In FY08, AOT's new instate outdoor adventure campaign, Arizona Passages, launched in partnership with Arizona State Parks and the Arizona Trail Association. Based on the platform “Just Feet Away,” the intent of this campaign is to showcase the outdoor offerings available to Arizona residents and encourage them to explore their home state. The messaging of this campaign is targeted at the two largest metropolitan areas in the state, Phoenix and Tucson.

The primary Web site for this campaign, AZpassages.com, encourages visitors to discover the wide variety of outdoor activities available throughout the Grand Canyon State, including hiking, biking and boating. This site is unique in

that it is incorporating third-party content from sites such as TripAdvisor, Google Maps, MeetUp and Flickr, as well as allowing site visitors to submit their own travel stories and experiences.

### **Results:**

The results for Arizona Passages were determined by the number of hits to the Web

site, AZpassages.com. From the launch of the campaign in May 2008 through June 2008, there were more than 7,000 unique visitors to the Web site. Because of its importance to outdoor recreation, Arizona Passages will be an ongoing marketing effort.





# Marketing Initiatives

Continued

**Domestic Hispanic Campaign** – AOT contracted with RIESTER Multicultural to develop and implement a campaign targeting the Domestic Hispanic audience. While traditional national and target cities campaigns have reached this audience, FY08 was the first year for a dedicated effort. Research of this target market indicated awareness of Arizona was moderate but Arizona's image among the group was very weak.

Creative was developed to specifically speak to this target group. Since this audience will also be reached by AOT's national campaign, it was critical that the new campaign adhered to the Arizona brand and incorporated some common elements from the AOT national campaign.

Three creative executions, which featured key Arizona destination drivers paired with images relevant to this target consumer group, were rotated across the advertising schedule. The use of multiple images in the creative allowed AOT to showcase the diversity of opportunities available in Arizona. The imagery and ad copy aimed to alter perceptions of Arizona as a dry, hot desert.

Creative headlines were chosen that interjected a bit of the Spanish language to further appeal to this acculturated yet, bilingual target group. The campaign was executed in national and regional print publications, as well as online.

**High Impact Inserts** – In FY08, AOT continued to work with both Custom Marketing Group and Madden Media to create high impact inserts for both the domestic and Canadian markets.



As a result of the success of the domestic and Canadian high impact programs, AOT expanded its efforts with Custom Marketing Group and created a co-op piece targeting Mexico. This eight-page, high impact insert in both Spanish language magazines (Glamour, GQ, Vogue and National Geographic Traveler) and newspapers allowed AOT to showcase the Arizona brand deeper into Mexico while being a leader to our industry partners.

**Target Cities** – Each year, through a meticulous combination of statistics and indices, AOT selects four to five key target markets in which the Target Cities campaign is executed. Based on the combination of this research and secondary consumer insights, the selected Target Cities for FY08 were Chicago, Detroit, Denver, San Francisco, and Los Angeles. While the objective of AOT's national campaign is to create awareness and shift perception, the Target Cities campaign is to initiate action among consumers. Based on results of past research, new creative was developed for the FY08 Target Cities campaign. The creative

shifted away from a weather specific message and aimed to highlight specific emotional/behavioral triggers for each target city. Unique Arizona experiences were paired with witty and intriguing headlines to connect specifically with residents of the selected target market.

**Results:** The Target Cities campaign ran from February 2008 through April 2008 in the five cities. Each city had a corresponding Web site to track web traffic coming from each specific city.

In all, the FY08 Target Cities campaign resulted in nearly 18,000 unique, engaged visitors to the Target Cities micro-sites or to [www.arizonaguide.com](http://www.arizonaguide.com). Banner advertising resulted in more than 10,000 unique page views on [www.arizonaguide.com](http://www.arizonaguide.com). Direct search engine traffic in the five Target Cities increased from the previous two months from 23 percent to 220 percent, with Detroit seeing the largest increase in search engine traffic related to Arizona travel.



## Marketing Initiatives

Continued

**Tribal Photo Shoot** – In FY08, AOT launched a Native American photo shoot project to provide professional photographs for Tribal tourism organizations and programs. Additionally, AOT will use these photos in brochures, advertising campaigns, marketing and product development efforts, and to accompany stories to visually depict the rich culture and heritage of our tribal lands. AOT secured full-usage rights on the images for the agency, as well as the Tribe involved in the shoot.

Working with each Tribal Tourism Advisory Committee member and appropriate Tribal offices, select shots and sites were photographed to capture the excitement and diversity of travel to Indian Country. This is a continuing project with the goal of photographing all 22 Arizona tribes. To date, the agency has completed the following shoots:

- Orme Dam Celebration – November 2006
- Fort McDowell Adventures – February 2007
- We-Ko-Pa Golf Course – April 2007
- Monument Valley – June 2007
- White Mountain Apache Tribe – May 2008



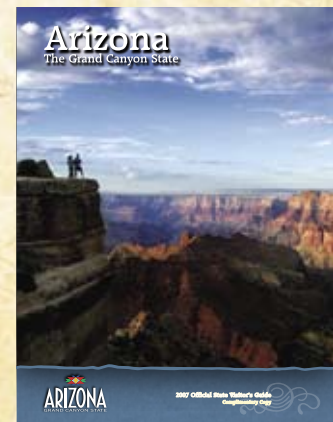
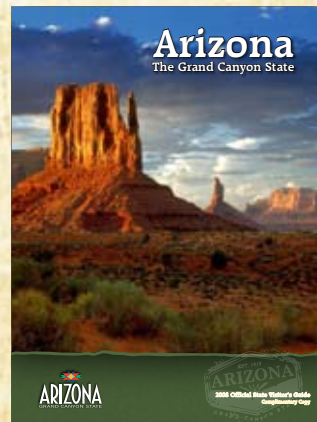
## Fulfillment Highlights

In FY08, AOT improved communications with consumers who ordered the agency's travel packets by implementing a customer relationship management system.

Through this new system, AOT sent an e-mail to consumers who ordered a travel packet online and provided a valid e-mail address. The e-mail communicated to the consumer that AOT received their request. This also allowed AOT to provide the consumer links to the online version of the Official State Visitor's Guide as well as links to other information on the agency's consumer website [www.arizonaguide.com](http://www.arizonaguide.com). By clicking through to these links, the consumer had instant access to travel information, articles, and the visitor's guide online.

Once the order had been fulfilled, AOT sent out a shipment confirmation to the consumer. This communicated to the consumer that their packet was on the way, and gave a timeframe of an estimated date of arrival. AOT again provided links to [www.arizonaguide.com](http://www.arizonaguide.com), so the consumer could instantly access additional planning information.

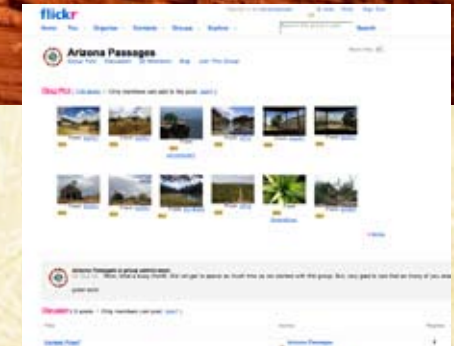
AOT also engaged consumers that had previously expressed an interest in Arizona through ordering 2004-2007 Official State Visitor's Guides, and who had opted into receiving e-mail communications from AOT, by sending them an e-mail announcement when the 2008 Official State Visitor's Guide was released. This e-mail provided a direct link to the online version of the new 2008 Official State Visitor's Guide, as a result more than 14,000 unique visitors reviewed the online guide within days of its release as a result.



## Cutting Edge Technology

**Arizona Travel Video Section** – Building upon the success of the revamped [www.arizonaguide.com](http://www.arizonaguide.com) Web site, AOT continues to add new and engaging features for potential travelers to the Grand Canyon State. Beginning in November 2007, AOT added an advanced travel video section to the consumer Web site, [www.arizonaguide.com](http://www.arizonaguide.com) to highlight and promote, through video, the beauty and travel opportunities the state has to offer. Working with the agency's partners, AOT has been able to feature several five to seven minute “shows” on a particular topic or location within Arizona. In addition, AOT is using highly advanced video player technology to offer the traveler a unique look at the state's tourism assets.

**Social Networking** – Staying on the cutting edge of technology and consumer interest is one of AOT's primary keys to attracting visitation to Arizona. Nowhere is this focus more evident than in the ever-changing and evolving world of interactive technology and social media. In order to ensure that these social sites match up with AOT's overall marketing strategy, the agency developed a social strategy statement to guide the adoption of this technology. *Position AOT as a reliable and expert resource for Arizona information within social media / networking sites, while reaching the agency's targeted demographics, thus allowing for optimized use of resources, and providing measurable metrics.*



Currently, AOT is using several social media sites, including MySpace, YouTube, Flickr and twitter, to connect with travelers and encourage them to visit Arizona. This strategy takes the agency's message beyond [www.arizonaguide.com](http://www.arizonaguide.com) and begins to reach key audiences when they are spending time online.

**Web Conferencing** – To further connect with and communicate to AOT's internal and in-state constituents, AOT implemented web conferencing technology from iLinc. The software allows AOT employees and partners to hold instant and effective meetings online as well as reduce the travel expenditures and offset carbon emissions. Additionally, the new software will help AOT expand and develop the Arizona Tourism University (ATU) program, making it available on-demand to both urban and rural communities through [www.AZOT.gov](http://www.AZOT.gov).

# Trade Shows, Media and Sales Missions and FAM Tours

AOT has established a solid presence in Arizona's top five international markets (Canada, Mexico, United Kingdom, Germany, Japan), and continues to build upon those successes year after year. While these five markets have been lucrative and consistent for Arizona, AOT also monitors 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.

In FY08:

- 20 familiarization tours were conducted with 142 participants
- 33 trade shows were attended by AOT staff and representatives
- 16 sales missions occurred throughout the year

**Familiarization Tours** – This was the first year AOT proactively reached out to the domestic travel agent community to educate them about Arizona. In FY08, AOT and AAA conducted three familiarization tours with 23 participants.

- *Gazing and Grazing* took place October 18 – 21, 2007, and highlighted Chandler, Tempe Phoenix and Tucson. There were seven participants who scored the tour 4.58 overall (with 1 being poor and 5 being excellent).
- *Historical Treasures of Arizona* was conducted February 20 – 24, 2008, and highlighted Phoenix, Flagstaff, Grand Canyon, Kingman, Lake Havasu and Scottsdale. There were eight participants on this tour who scored the trip a 4.71 overall.
- *Navajo Nation* occurred April 24 – 28, 2008 and focused on northeastern Arizona and included Tempe, Tuba City, Monument Valley and Canyon de Chelly. There were eight participants who scored the trip 4.75 overall.

**Staff FAM** – In FY08, this division also oversaw the creation of regularly scheduled staff familiarization tours. These tours allowed AOT staff to experience Arizona firsthand and provided an excellent opportunity to meet community members. Four FAM tours were conducted in FY08. Each tour highlighted a two-day, one-night itinerary that was jam-packed with activities. A total of 34 staff people were able to participate in one of these familiarization tours.

## VISIT USA Switzerland and Austria

– On January 30-31, 2008, AOT sponsored the VISIT USA signature events in Zurich, Switzerland and Vienna, Austria. This opportunity allowed the agency to highlight its Native American product as these markets in particular are drawn to Arizona to experience the Native American culture. In addition to being represented by AOT staff the group was also accompanied by two hoop dancers, as well as a former Miss Navajo. These people not only worked in the AOT tradeshow booth, but they were also key components of the group's presentation.

### Results:

- In Zurich, 368 Swiss travel agents attended the event and Arizona's participation was covered in two trade publications; *Travel Inside* and *Schweizer Touristik*.
- In Vienna, more than 90 Austrian travel agents were in attendance.

- The first tour took place October 15 – 16, 2007, and overnighed in Page. This tour highlighted Lake Powell and Monument Valley.
- The second tour was conducted January 24 – 25, 2008, and overnighed at the cabins at Grand Canyon West. Staff members experienced the Grand Canyon Skywalk and Lake Havasu.
- The third tour occurred March 25 – 26, 2008, and overnighed in Sierra Vista. Patagonia and Ramsey Canyon were featured on this tour
- The final tour was May 20 – 21, 2008, and overnighed in Bisbee. This tour highlighted Tombstone and the Dragoon Mountains.

## Trade Shows, Media and Sales Missions and FAM Tours Continued

**Motorhome FAM** – German visitors to Arizona have long been attracted to Arizona's beautiful scenery, off-the-beaten path attractions and outdoor adventures. These interests, coupled with an extraordinarily long vacation time (typically three weeks or more), have resulted in many Germans exploring the state by camper, tent or motorhome

Because of this, FY08 marked the first time AOT conducted a "Motorhome FAM" in conjunction with FTI, one of the largest tour operators in Germany. Ground transportation for familiarization tours is usually handled with a van or motorcoach (depending on the size of the group), but in this case the attendees traveled around Arizona in motorhomes sponsored by Cruise America. This unusual mode of transportation allowed the participants to visit different parts of the state and see some off-the-beaten-path attractions.

The tour was conducted May 3-10, 2008 with ten participants who visited Globe, Pinetop, Benson, Tombstone, and Bisbee. Currently offer German tour operators motorhome tours of Arizona and encourage their clients to spend their first and last nights at luxurious resorts to combine the roughing it experience of camping

with the pampering experience found at many resorts. This FAM tour was no different, as participants spent their first night at the Renaissance Scottsdale Resort and their final night at the Sheraton Wild Horse Pass Resort and Spa.

### Media Marketplaces

– Native American visibility was incorporated in two Media Marketplaces hosted by AOT. The Los Angeles Media Marketplace was at the Four Seasons Beverly Wilshire Hotel on September 27, 2007. This bi-annual event gave nearly two dozen tourism and hospitality partners from around the state the opportunity to expose their community to key members of the LA media. The Native American programming included basket weaving demonstrations by Apache basket weaver MaryiIn Hunsicker and a tasting of traditional Hopi foods made from blue corn meal. The Arizona Media Marketplace on November 1, 2007, was at the Westin Kierland Resort in Scottsdale. The Native American featured element included Hopi basket weaver Cheryl Chimerica and traditional Hopi foods consisting of piki, Sumeviki and blue marbles.

## Trade Programs and Contributions

**AZAP** – With the disappearance of airline commissions, travel agents now have to become specialists in order to survive and succeed. Many travel agents have become destination specialists focusing on a key country, region or state while others have become experience specialists such as cruise specialists or safari experts. Given this trend, AOT worked with *Recommend* magazine in FY08 to develop, promote and conduct an Arizona specialist program entitled the Arizona Accreditation Program (AZAP).

Since 1967, *Recommend* has been providing travel agents with destination and travel product information through their monthly publication, Web site [www.recommend.com](http://www.recommend.com) and weekly e-bulletin (*Recommend Weekly*). These outlets reach 48,000 agents in the U.S. and Canada and currently have more than 13,000 active members.



In FY08, Arizona suppliers hosted a journalist, who traveled throughout the state to prepare course content. There was so much interest in this program that a partnership opportunity was created attracting 12 DMO from Sierra Vista to Page-Lake Powell.

The 12-month training program was launched on July 1, 2008 (FY09), and consists of several courses taking between 1 to 1 ½ hours each to complete, for a total of four to six hours.

In order to receive the designation of Arizona specialist, travel agents will have to pass a test relating back to the course material. During the first year, AOT expects more than 800 agents to participate with more than 500 of these agents graduating to become Arizona specialists.

The program is accredited by the Travel Institute and can be submitted for assignation of credits. AOT will continue to work with *Recommend* to provide a comprehensive campaign to promote AZAP in FY09.


**Super Bowl XLII Campaign** – With many activities and campaigns focused around the Super Bowl XLII 2008 in FY08, the Travel Industry Marketing division contributed with an incentive campaign targeting UK travel agents in partnership with British Airways.

British Airways promoted this campaign to their key tour operator and travel agency partners of Wexas, Azure, North American Travel Service, Bon Voyage and ITC Classics. The campaign took place from December 8, 2007 - January 25, 2008, and travel agents working with these five key partners were encouraged to sell air tickets from London to Phoenix on British Airways.

Each agent who sold a ticket was submitted into the contest and a winner was drawn at random from all entries submitted to win a trip for two to the Super Bowl in Arizona.

The trip included roundtrip airfare with British Airways, hotel accommodations and two tickets and transfers to the Super Bowl.





## Tourism Education and Development

### Native American Grant Recipients

Six individual and regional TEAM grants totaling \$361,586.00 were awarded to Tribes throughout Arizona.

Individual grants awards included the following:

- Cocopah Indian Tribe received \$25,025
- Sipaulovi Development Corporation received \$10,440
- Navajo Nation Tourism Department received \$14,842

Three Tribes participated in regional applications including:

- Havasupai Tribe with the Grand Canyon Regional Marketing Alliance received \$52,579
- Yavapai Prescott Indian Tribe with the Prescott Area Coalition for Tourism received \$130,000
- White Mountain Apache Tribe with the White Mountains Partnership received \$130,000

Two Tribal projects received the Rural Tourism Development Grant Program (RTDG).

- Bylas District of the San Carlos Apache Tribe received \$50,000 for the Bylas Rodeo Ground and Exhibit Hall Renovation Project
- Yavapai-Apache Nation received \$50,000 for the Exodus Commemoration Bronze Sculpture Project.

*“Every county in Arizona benefits from the travel and tourism industry. The TEAM grants are a direct investment into our communities and contribute to the economic vitality of the entire state.”*

— Governor Janet Napolitano

### Grant Programs

#### Teamwork for Effective Arizona Marketing

**(TEAM)** – TEAM is a matching grant program offered to statewide destination marketing organizations, tourism based associations and tribal entities. The grant program enables Arizona communities and tribal organizations to promote their tourism offerings through advertising, public relations campaigns, research and strategic planning and other tourism-related marketing.

#### **Results:**

AOT awarded \$1,536,365 in TEAM matching grants, which funded 47 Arizona communities and organizations in FY08.

#### Rural Tourism Development Grant Program

**(RTDGP)** – RTDGP provides funding for rural economic development through tourism to strengthen the regional and local economies and expand tourism in rural communities throughout Arizona.

#### **Results:**

AOT awarded \$546,713 in Rural Tourism Development Grant Program to 15 rural and tribal communities and organizations in FY08.

#### Information Center Enhancement Program

**(ICE)** – ICE was created to help designated local visitor information centers (LVICs) enhance their services. Visitor centers serve as a point of pride for the community in which the centers are located. They assist with marketing and promoting the area's attractions, recreational opportunities, and hospitality amenities.

Eight LVICs received ICE Grants during FY08. Communities who received awards include: Sierra Vista, Springerville-Eagar, Cottonwood, Flagstaff, Pinetop-Lakeside, Chino Valley, Glendale, and Nogales.

## Tourism Education and Development Continued

*"I'd recommend the ATU workshops to any community looking for more visitors. The workshops are a tremendous learning tool."*

— Kay Daggett, Director, Sierra Vista Convention and Visitors Bureau.

AOT offers the AOT on the Road: A Native American Community Outreach Workshop specifically for Tribal partners to highlight the work AOT has done throughout the year to promote the Native American experience in Arizona. In addition, Tribal representatives received information on AOT programs and have an opportunity to meet one-on-one with AOT staff. The program was held on October 11, 2007 at the Yavapai-Apache Nation.

Twenty-nine participants attended the all-day workshop. The workshop also included special presentations on Nature Tourism/Wildlife Viewing Outdoor Recreation and its Impact on Tribal Communities.

Tribal partners were also encouraged to attend the Arizona Tourism University topic-specific workshops presented in regional locations.

Four of the communities were awarded the maximum award amount of \$2,000. Some of the projects included were retrofitting a center's front desk, implementing and enhancing brochure racks, interior signage and improve visitor seating.

Annual evaluations of the LVICs were administered during the latter part of FY08. Sixty of the 63 Local Visitor Information Centers were evaluated against the criteria by which AOT requires the centers to operate. Of the 60 centers evaluated, 11 centers were 100 percent compliant with all 12 AOT criteria. Twenty of the centers were compliant with 11 elements of the criteria.

### **Results:**

AOT awarded \$15,918 in ICE grants for FY08.

### **Local Visitor Information Centers (LVICs)/Americans with Disabilities Act (ADA) Compliance Grant Program**

The LVIC program has been in existence for more than 20 years. Because of this, there are a significant number of LVICs built prior to 1992; the year that the Americans with Disabilities Act (ADA) was enacted. Therefore, these centers were not in compliance with ADA.

In FY08, AOT offered a one-time grant available to any LVIC owned and operated by a not-for-profit organization to upgrade their facility. The ultimate purpose of this AOT grant program was to ensure that all LVICs are ADA compliant in the following categories:

- Accessible parking
- Accessible entrances and exits
- Accessible sales and service counters
- Accessible toilet facilities

- Accessible routes that connects all of these elements and spaces

### **Results:**

AOT awarded \$104,626 in the LVIC/ADA special grants for FY08.

**Community Workshops** – The Arizona Tourism University (ATU) offered a series of topic-specific workshops that were presented in locations across Arizona. Topics included interactive marketing, marketing strategies for destination marketing organizations, working with travel agents and tour operators, and creating effective collateral material.

The 2008 Grand Impressions workshops featured a presentation on understanding the importance of quality guest service. Using the educational tool "What's Your Pickle," the workshop walked participants

## Tourism Education and Development Continued



through exercises to determine their unique “pickle” for their visitors. Information on Arizona attractions and points of interest throughout state were also presented. The workshops ended with the opportunity to tour a local attraction or travel on motorcoach to various local attractions in the workshop's host community. The host communities for Grand Impressions FY08 were Nogales and Flagstaff.

*“Because of the contributions from both agencies, this center is now the focal point for tourist information with more than 500 brochures highlighting every region on the state.”*

— Margie A. Emmermann,  
Director, Arizona Office of Tourism

In FY08, AOT offered an online test option for communities applying for the Teamwork for Effective Marketing (TEAM) grant program. The test was open for communities that were awarded TEAM funds in FY08 and intended to reapply for a FY09 grant. The online test allowed applicants to “test out” of the required TEAM workshop. Fifty people from 32 organizations completed and passed the online test. The workshop was required for communities intending to apply for FY09 TEAM funds that did not receive funds in FY08. Fifty-six people from 45 organizations attended the workshop.

TEAM Workshops provided information on the FY09 grant program and AOT initiatives. It also included a session on “How to Write an Effective Marketing Plan.” AOT hosted a total

of 528 participants, in FY08, at specialized educational workshops, including Arizona Tourism University (ATU), Grand Impressions, Teamwork for Effective Arizona Marketing (TEAM) and Native American Community Outreach.

**Visitor and Welcome Centers** – AOT's Painted Cliffs Welcome Center in Lupton, located on Interstate 40 near the Arizona/ New Mexico border, had another great year assisting and educating more than 119,000 visitors on what to see and do in Arizona. The top five states for visitors to Painted Cliffs Welcome Center were Texas, California, New Mexico, Arizona and Colorado. The top five countries with visitors to Painted Cliffs Welcome Center were Canada, Germany, United Kingdom, France, and the Netherlands.

Last year, the Grand Canyon State Visitor Information Center, located at the AOT Washington Street location, was merged with the Greater Phoenix Convention & Visitor Bureau's visitor center to create the Visitor Information Center at the Phoenix Convention Center. The Visitor Information Center is jointly operated by both AOT and the Greater Phoenix CVB. The downtown opened during the week of Super Bowl and continue to offer a variety of information to Arizona visitors. The center has a goal of serving 75,000 visitors by the end of 2008.

## Native American Marketing Programs

AOT has enhanced its efforts to integrate and promote Native American tourism and activities throughout the Agency, as well as to provide technical assistance and product development consultation to Tribes. In FY08, AOT continued to strengthen its relationship with the Tribes through various efforts.

**Relationship Building** – AOT works closely with Tribal partners to provide information on current programs and services and to receive information about Tribal events, projects and tourism initiatives. Outreach to various Native American organizations is another avenue to further tourism to Indian Country.

**Tribal Tourism Advisory Committee (T-TAC)** – T-TAC serves in an advisory capacity to AOT and the agency's Native American Tourism Development Manager to enhance the marketing efforts and cultural experiences offered to Arizona's visitors.

The committee provides an effective method of communicating with Tribal communities. T-TAC provides critical input on program planning and communicates AOT program opportunities to Tribal programs encouraging participation. During FY08, the committee met on a quarterly basis.

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**Western Arizona Community-based Tourism Workshop** – This was an AOT sponsored workshop attended by 65 individuals who work with the western Navajo Nation and Hopi communities. The workshop was held in Page, Arizona on August 12-15, 2007

Participants learned to identify and assess potential tourism opportunities in their community, created an inventory of tourism assets in their community and acquired skills in community tourism development.

**Arizona Indian Festival** – The Arizona Indian Festival was held January 18-20, 2008, at the Steele Indian School Park in conjunction with the 2008 Super Bowl. The festival featured: recreated Indian villages; performance stage; arts and crafts vendor area; food pavilion; and Tribal economies tent and was included on the Arizona Super Bowl Host Committee's calendar. AOT provided a \$50,000 sponsorship to the Arizona American Indian Tourism Association to execute the Festival. All 22 Tribes in Arizona were represented.





## Increasing Awareness

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.

**Arizona's tourism industry:** AOT is committed to keeping the Arizona tourism industry informed on the latest trends within the industry and on AOT's activities so community tourism organizations can work in partnership with the agency.

**Domestic and International media:** The media is the audience that ties everything together, as this is how most people receive their information. Whether it is working with the in-state media on positive stories about the tourism industry, or reaching out to national and international travel media to position Arizona as premier leisure travel destination, the media is a key component in AOT's communications.

**Elected officials:** 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. Through targeted brochures and informative communication pieces, AOT sends the message that the Arizona tourism is a blue chip industry, and needs to remain top of mind when elected officials make critical funding decisions.

### Advertising Equivalency

Determining the advertising equivalency and circulation of the many articles and television broadcast the agency generates for the Arizona tourism industry is a critical component to measuring AOT's media impact.

In FY08, the agency generated more than \$2 million in domestic publicity about Arizona, reaching nearly 50 million people.

In the international markets where AOT tracks publicity (Canada, Mexico, UK, Germany, Japan), the agency generated more than \$13 million in Arizona media coverage, reaching more than 250 million people in FY08.



# Summary

As you can see from the results, 2007 was a great year!

We learned how to implement interactive technology and social media sites into our program of work, which has become one of our principal tools in attracting visitors to Arizona. This has truly opened up an extensive assortment of marketing possibilities for us and we will continue to utilize several of these social media sites, including MySpace and Twitter to connect with and encourage travelers to visit the Grand Canyon State.

We cannot deny that FY09 will bring new challenges to our program of work. This next fiscal year, we all will be put to the test, and must learn how to do more with less. Every single dollar that we have at our disposal will need to account for much more than in past years.

But in spite the economy and budget restraints, AOT is ready for this challenge. We're researching new ways to bring awareness to the amazing attributes of our state. We're developing new campaigns that reflect our brand promise and four brand dimensions to showcase Arizona's unique beauty, heritage and culture. More importantly, we're continuing to contribute and stimulate the economic growth and vitality of our industry and Arizona.

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