New Mexico Tourism Department
2014 Annual Report

NEW MEXICO True

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James Orr

New Mexico Tourism Department Research Director

INTRODUCTION

The purpose of the New Mexico Tourism Department's Annual Report is to document the state of New Mexico's tourism industry and the department's efforts to promote tourism by monitoring a variety of tourism indicators. This report contains data from Longwoods Travel USA® annual 2010 through 2013 data sets along with a wide variety of other sources. NMTD releases an annual report in October of each year, and also releases monthly reports approximately 30 days after the close of each month.

There have been several changes to the format of the 2014 annual report as detailed below:

The Executive Summary has been divided into two sections. The **Annual Performance Review** section presents the major data highlights since the last annual report. The **2010 to 2013 Performance Review** reviews the New Mexico Tourism department's progress in meeting the performance objectives and goals the department originally established in 2011. The 2010 to 2013 review is organized using the five categories first established in the 2010 Annual Review: **New Mexico Brand Performance; Economic Impact of Tourism in New Mexico; NMTD Visitor Relationships; New Mexico Visitor Profile; and Visit Characteristics**.

In the **Visit Characteristics section** Santa Fe Airport data was dropped as recent data has not been available.

In the **Economic Impact of Tourism in New Mexico** section, under **Self Reported Spend**, only basic expenditure information from the Longwoods International data set will be reported since Tourism Economics "Economic Impact of Tourism in New Mexico" reports (first released with CY2010 and CY2011 data in the fall of 2012) provide much more detailed tourism spending information. NMTD will update the Economic Impact of Tourism study with CY2012 through CY2014 data in September 2015.

This report contains data that was available as of September 30th, 2014.

Please note that the department's Annual Reports are living documents that will continue to evolve based on feedback and new information sources. All research reports are available on the NM Tourism Industry website http://nmtourism.org under the research section. Comments are welcome and should be addressed to james.orr@state.nm.us

Contents

EXECUTIVE SUMMARY

The executive summary has been divided into two sections. The **Annual Performance Review** section presents the major data highlights since the last annual report.[1] The **2010 to 2013 Performance Review** reviews the New Mexico Tourism department's progress since 2010 in meeting the performance objectives and goals the department originally established in 2011. The 2010 to 2013 review is organized using the five categories first established in 2011 for the 2010 Annual Review: **New Mexico Brand Performance; Economic Impact of Tourism in New Mexico; NMTD Visitor Relationships; New Mexico Visitor Profile; and Visit Characteristics**.

Annual Performance Review

Over the last year, performance of the tourism sector has been strong. The following are some of the highlights:

Tourism Spending Continues to Increase: In 2013, Longwoods International Travel USA® data shows total visitor reported spending **increased 7%** to $4.6 billion ($300 million more than in 2012), continuing three consecutive years of increased spending. Per person spend for overnight visitors was **up 4.7%** to $225 and up **4.3%** to $73 for day-trip visitors.

Total Reported Visitor Spend*	**2010**	**2011**	**2012**	**2013**
	$3.7	$4.0	$4.3	$4.6
Y/Y % Growth	-1.2%	*8.1%*	*7.5%*	*7.0%*

*in billions % overnight & day-trip combined

Average Per Person Spend	**2010**	**2011**	**2012**	**2013**
Day-Trip Visitors	$57	$62	$70	$73
Y/Y % Growth	*0.0%*	*8.8%*	*12.9%*	*4.3%*
Overnight Visitors	$203	$205	$215	$225
Y/Y % Growth	*-1.0%*	*1.0%*	*4.9%*	*4.7%*

Other indicators of tourism-related spending also increased in 2013, as taxable gross accommodation receipts **increased 4.9%** yoy (year over year) and New Mexico Lodging Receipts **increased 5.8%** and these indicators have shown continued growth in 2014. Taxable gross accommodation receipts were **up 6.4%** yoy in the first quarter of CY2014 and Lodging receipts were **up 5.3%** for the first six months of 2014 over the first six months of 2013. (Sources: New Mexico Taxation and Revenue Department and the Rocky Mountain Lodging Report)

2013 Domestic Marketable Trips Increased: According to Longwoods International Travel USA® data, the total number of visitors (overnight and day-trips) increased by 200,000 to 32.2 million. While this number was relatively flat (a **0.6% yoy gain**), marketable overnight trips (other than business trips or trips to visit friends and family) were **up over 11%** from 2012. Driving marketable trips is the primary focus of the New Mexico True marketing plan.

% Marketable Overnight Trips	**2010**	**2011**	**2012**	**2013**
	41%	43%	48%	53%
# of Visitors	5,617,000	6,235,000	6,960,000	7,738,000
Y/Y % Growth	NA	*11.0%*	*11.6%*	*11.2%*

[1] The Longwoods International data is only available on an annual basis and NMTD receives the past year's results the following summer, so for example, calendar year 2013 data is received in the summer of 2014.

Tourism Jobs Continue to Grow: Tourism employment has been one of the best performing sectors in the New Mexico economy. In 2013, the number of Leisure and Hospitality (L&H) jobs **increased an average of 1,700** over 2012, continuing the steady increases seen over the last few years (see page 8 for a discussion of the possibility that L&H employment has been undercounted). Job growth has continued in 2014, with **767 additional Leisure & hospitality jobs** added between January and June 2014, as compared to the first six months of 2013. (Source: Seasonally adjusted number from the United States Bureau of Labor Statistics http://www.bls.gov/EAG/eag.nm.htm)

Number of Jobs (in thousands)	2010	2011	2012	2013
	83.7	84.6	86.2	87.9
Y/Y Change in # of Jobs	-533	967	1,533	1,700
Y/Y % Growth	-0.6%	*1.2%*	*1.8%*	*2.0%*

2010 to 2013 Performance Review

Now that there are four years (CY2010 through CY2013) of detailed data from Longwoods International and other sources[2], it seems appropriate to review New Mexico Tourism department's progress in meeting the performance objectives and goals the department set for itself in 2011. Using 2010 as the baseline year, we will look at performance changes within the five categories (***New Mexico Brand Performance; Economic Impact of Tourism in New Mexico; NMTD Visitor Relationships; New Mexico Visitor Profile; and Visit Characteristics***) established in 2011 for the first NMTD Annual Report, and which continue to be used in this year's report.

Overall, progress in meeting NMTD's fifteen objectives has been positive, exceptionally so in the case of some of the objectives. The following provides detailed information for each category:

I. NEW MEXICO BRAND PERFORMANCE (2 Objectives)

Objective #1: Increase the number of marketable overnight trips and total visitor numbers.

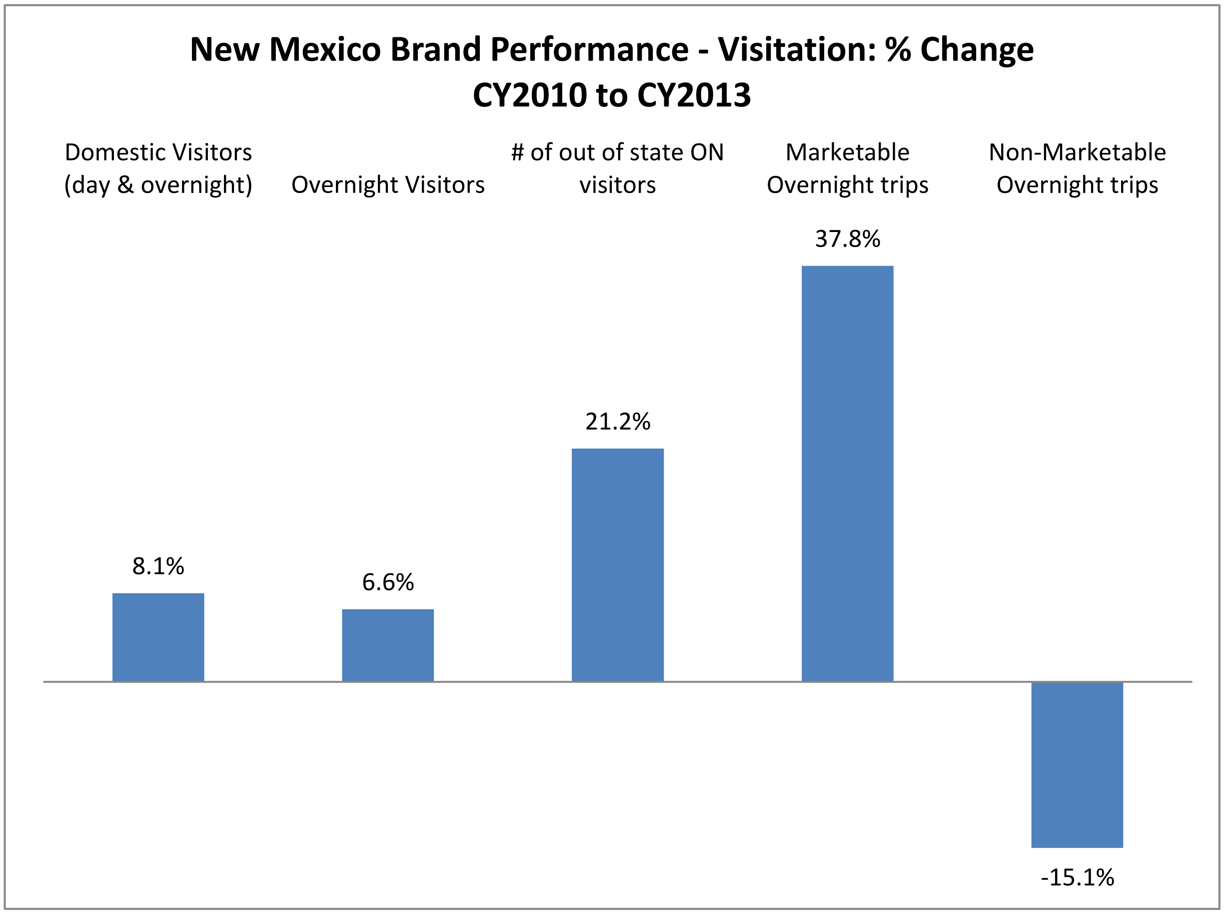
2010-13 Progress: A very strong increase in NMTD's key target of marketable overnight trips led to overall gains in visitation, offsetting a decline in non-marketable trips.

Marketable trips are defined as travel that is influenced by marketing efforts and are not comprised of visitors who visit friends and family or business trips. In 2011, based on an analysis of the visitation and spending patterns of New Mexico visitors, NMTD determined that ***increasing out-of-state marketable overnight trips would be key to driving economic impact***.

There were several reasons for developing this objective. First, while New Mexicans are the single largest group of visitors to New Mexico, out of state visitors spend much more per person in New Mexico than New Mexicans. Second, New Mexicans spend even less on in-state vacations than the average spend of in-state visitors in our competitive set of states (Arizona, Colorado and Utah). Finally, New Mexicans make up a much smaller percentage of total New Mexico visitors than in our competitive set of states, largely because New Mexico's population is much smaller. Therefore, New Mexico should be able to realize the largest spending lift by targeting out of state visitors, while at the same time encouraging in-state visitation.

[2] See pages 15-30 of this report for more detailed information on the sources used for the individual measures described in the 2010 to 2013 performance review.

The chart below shows NMTD's progress in growing its visitor market between 2010 and 2013:



The number of all domestic visitors (day and overnight) **increased 8.1% (+2.4 million)** and all overnight visitors **increased 6.6% (+900,000)**. What is remarkable, however, is that NMTD's targets of marketable overnight trips **increased 37.8% (+2.1 million)** and the number of out of state overnight visitors **increased 21.2% (also by +2.1 million)**.[3] This is exceptionally strong performance. While there isn't a U.S. average for out of state visitors (because they vary by state), the U.S. average for marketable overnight trips during this period **increased just 10.2%**, ***so New Mexico has grown overnight marketable trips over three times the U.S. average***.

However, these gains were partially offset by a **decrease of 15.1% (1.2 million)** in non-marketable trips (visits to friends and family and business trips). Non-marketable trips typically account for more than half of all overnight trips, so changes in this category have an outsize impact on overall visitation. While business trips in the U.S. **declined 2.1%** from 2010 to 2013, in New Mexico they **declined 25.4% (696,000),** and overnight trips to visit friends and family in New Mexico **decreased 9.8% (525,000)** during this period. Also, in-state New Mexico visits **decreased by 32.9% (1,217,000)** from 2010 to 2013.

NMTD currently has several initiatives to boost in-state visitation, such as New Mexico True Television; the in-state "I AM New Mexico True" advertising campaign; the regional ad program (which focuses on promoting fairs, festivals and events); and the event development program that helps communities and organizations around the state develop new and expand current events.

[3] Of course there is substantial overlap between the out of state and marketable categories.

Objective #2: Improve perceptions of New Mexico as an attractive travel destination for both the national and in-state travel markets so they are more comparable to competitive set averages.

2010-13 Progress: After some initial declines, the three indicators chosen to measure this objective (National Travel Intent, In-State Travel Intent and Repeat Visitation Rate) showed some improvement in 2013, although NMTD would like to see even more improvement in these measures.

		CY2010	CY2011	CY2012	CY2013	2010-13 % change	
National Travel Intent	**New Mexico**	**2.0%**	**1.9%**	**1.7%**	**1.9%**	-5.0%	**NM**
	Competitive Set Average*	4.5%	4.2%	4.1%	4.5%	0.0%	**C.S. Avg**
						2010-13 % change	
In-State Travel Intent	**New Mexicans**	**29.2%**	**27.7%**	**24.8%**	**26.9%**	-7.9%	**NM**
	Competitive Set Average*	33.6%	33.1%	32.3%	29.6%	-11.9%	**C.S. Avg**
						2010-13 % change	
Repeat Visitation Rate	**New Mexico**	**40.5%**	**39.2%**	**29.8%**	**30.4%**	-24.9%	**NM**
	Competitive Set Average*	51.5%	51.2%	47.8%	45.2%	-12.2%	**C.S. Avg**

*The competitive set average is the weighted average of scores for Arizona, Colorado & Utah

These three measures were selected in 2011 because they were indicators of key weaknesses in New Mexico's visitor market that NMTD would like to improve. New Mexico significantly lagged behind our competitive states in each of these measures: **National Travel Intent** (the % of respondents in the Longwoods Intl. national sample who intend to visit New Mexico and our competitive set of states in the next 12 months); **In-State Travel Intent** (the % of state residents who intend to take an overnight trip within their own state); and the **Repeat Visitation** Rate (the % of visitors who intend to return within the next 12 months to the state they previously visited and spent most of their time in).

As seen in the table above, **National Travel Intent** declined slightly from 2010 to 2013, following a similar year by year trajectory as our competitive set of states. This partly reflects NMTD's relatively low national spend and targeted media approach. **In-State Travel Intent** has declined over time in all states, but not as much in New Mexico as in our competitive set, so this can be considered a relative success for New Mexico. The **Repeat Visitation Rate** declined more sharply in New Mexico than it did in our competitive states; however, this is partially explained by New Mexico's greater growth in its fly market compared to our competitive set (see **page 26** for details). On average, fly market visitors travel greater distances to a destination than drive market visitors, and the greater the distance to a destination (which is associated with increased expense and more lengthy travel) is highly correlated with lower return rates, so lower return rates can be expected when the fly market becomes larger as it has in New Mexico since 2010. (For example, Hawaii and Alaska have some of the lowest return rates in the U.S. despite being highly desired travel destinations.)

It should also be recognized that according to Longwoods International, the decline in In-State Travel Intent and Repeat Visitation Rates, seen in each state from 2010 to 2013, is a normal consequence of recovering from a recession. Travelers tend to vacation closer to home and spend less money during a recession. As the economy improves, they are more likely to travel further from home and take more out of state trips. However, it is encouraging that in 2013, for the first time since 2010, New Mexico improved its scores in all three of these measures from 2012, despite the fact that the scores for our competitive set of states actually declined in 2013 for two of the three measures (**In-State Travel Intent and Repeat Visitation Rate**).

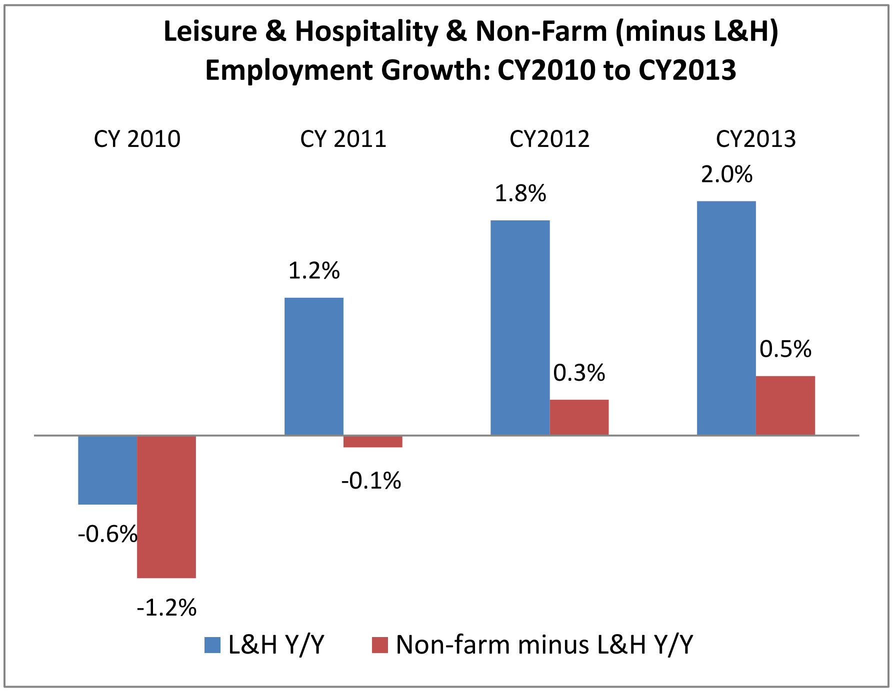
II. ECONOMIC IMPACT OF TOURISM IN NEW MEXICO (Overall and 4 Specific Objectives)

Overall objective: Make tourism the economic growth engine for New Mexico.

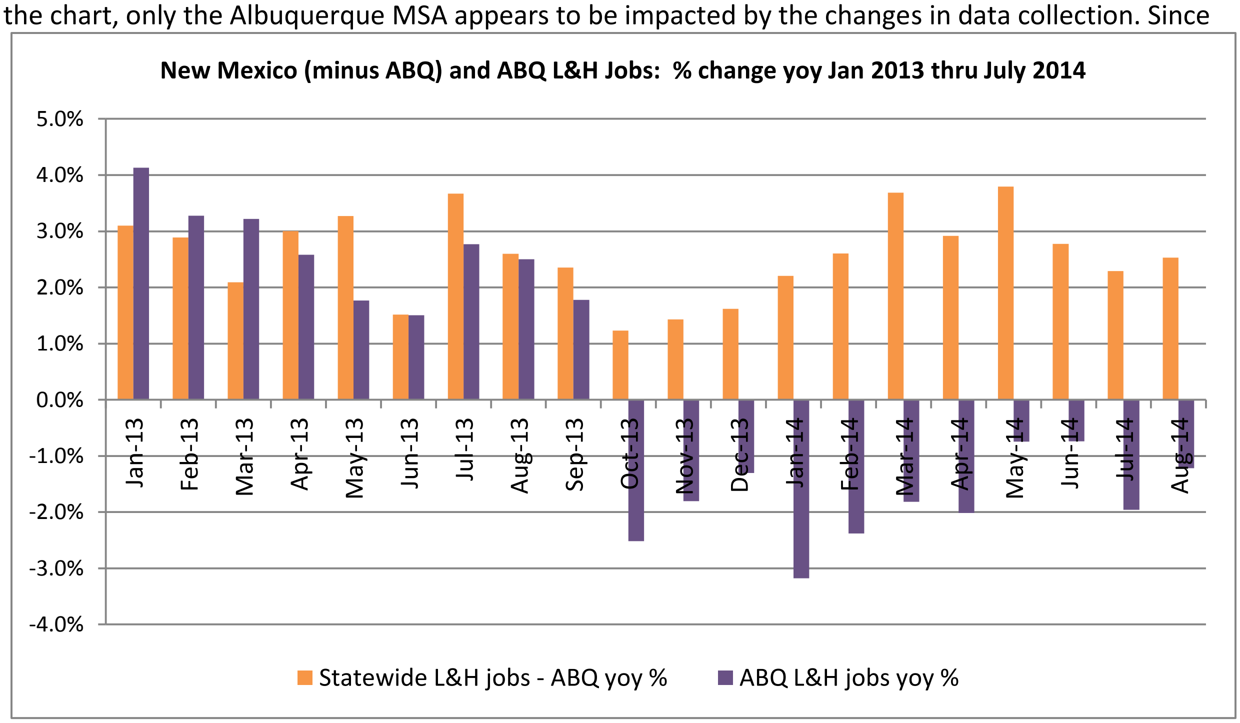
2010-13 Progress: Leisure and hospitality spending and associated revenues have increased substantially every year since 2010, and the Leisure and Hospitality sector added more jobs from 2010 to 2013 than any other sector except the Mining and Logging sector (which includes Oil & Gas).

Specific objective #1: Increase tourism related employment.

2010-13 Progress: New Mexico has shown steady and accelerating growth in Leisure and Hospitality jobs since 2010. Growth has been much stronger than for all nonfarm jobs.



While Leisure and Hospitality (L&H) jobs have grown since 2010, NMTD believes it is likely L&H jobs have been undercounted since the fourth quarter of CY2013. The chart below, which compares Leisure and Hospitality year over year (yoy) increases for New Mexico (minus Albuquerque) and Albuquerque shows a sudden drop in Albuquerque L&H jobs beginning in October 2013. This coincides with an October 2012 change in how employment data was collected, so any yoy impacts from that change would first appear in October 2013. As can be seen in the chart, only the Albuquerque MSA appears to be impacted by the changes in data collection. Since



the Albuquerque MSA accounts for about 43% of all L&H jobs in the state, this has negatively impacted total state job numbers. The Workforce Solutions department believes an upward revision in Albuquerque's and the state's job numbers is likely in January 2015 (when annual revisions to job numbers are implemented).

Other Specific Objectives:

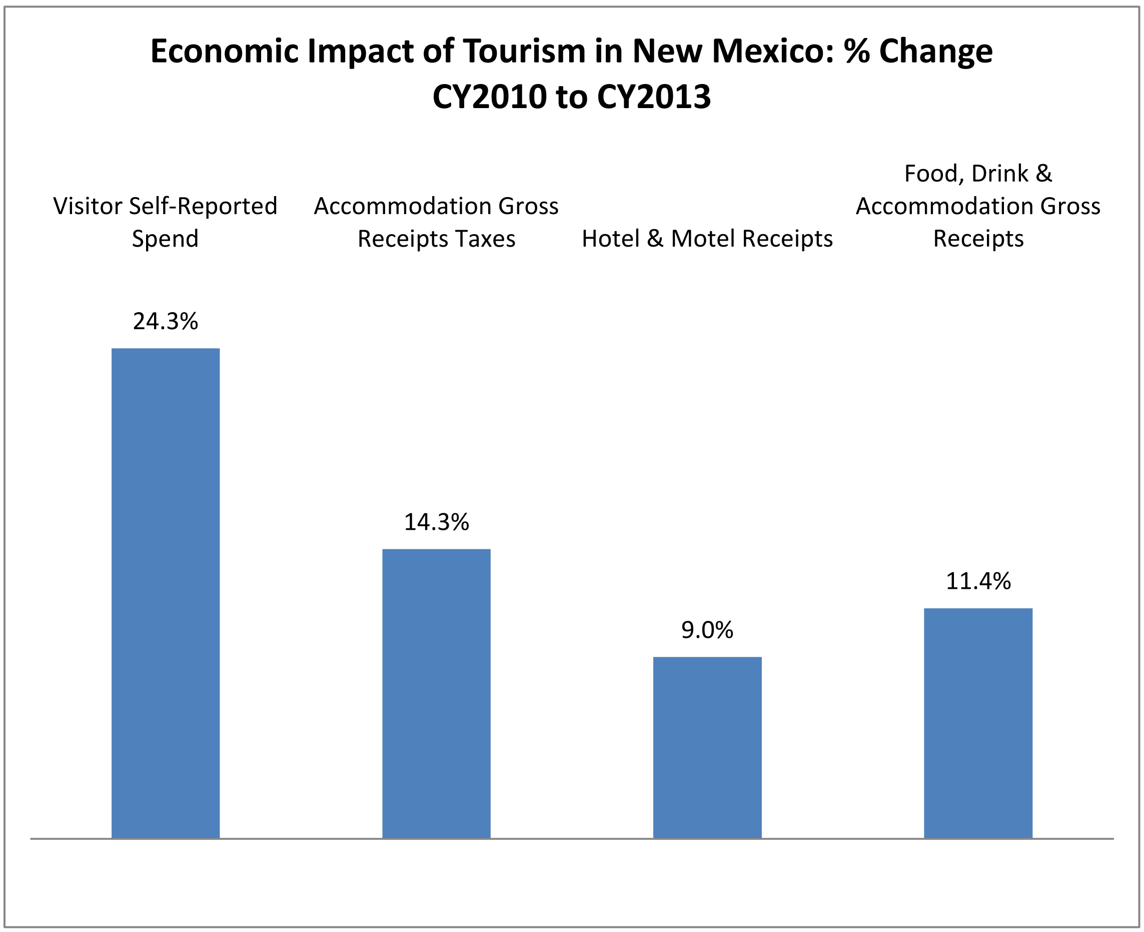
#2: Increase visitor spending.

#3: Increase tourism related tax revenue.

#4: Increase commercial lodging revenue.

2010-13 Progress: There has been strong growth in all measures of visitor spending.

The chart below shows that between 2010 and 2013, **Visitor Self-Reported Spend increased 24.3%.** (Visitor Self-Reported Spend is what visitors to New Mexico (day and overnight) said they spent on each trip – this data is from Longwoods International surveys). The other three measures, Accommodation Gross Receipts Taxes, Hotel & Motel Receipts, Food, Drink & Accommodation Gross Receipts all showed substantial growth, ranging from **9% to 14.3%**.



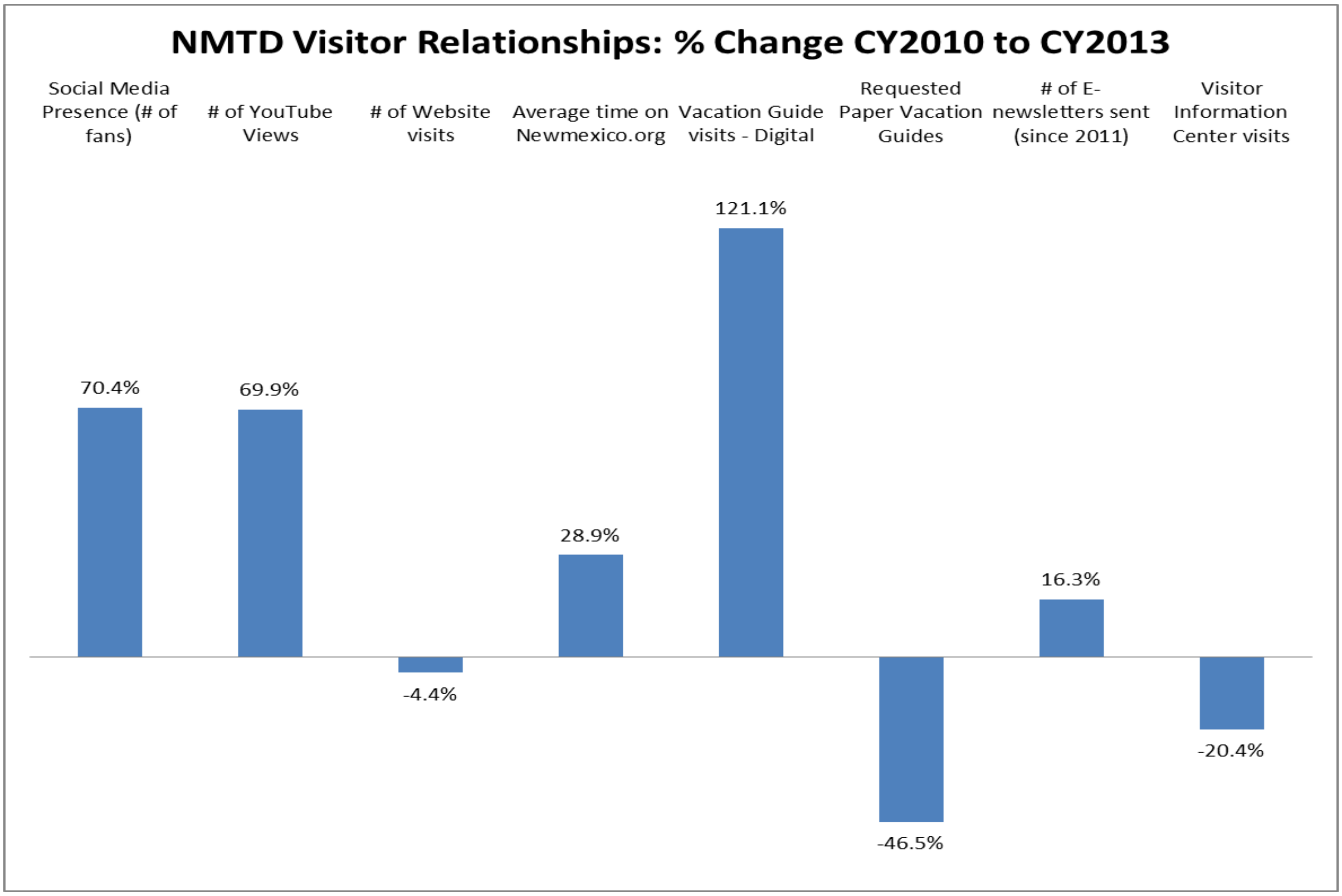
III. NMTD VISITOR RELATIONSHIPS (2 Objectives)

Objectives:

#1: Grow active visitor relationships and interactions.

#2: Increase awareness of New Mexico.

2010-13 Progress: Most indicators showed substantial improvements from 2010 to 2013.



NMTD Social Media fans and YouTube views increased about 70% from 2010 (and both media have grown even faster in the first half of 2014). YouTube views are up over 150% yoy in the first half of 2014 as New Mexico True videos (such as "The Fighter," featuring Carlos Condit) greatly expanded the number of people viewing NMTD produced videos. The growth in Facebook fans has also accelerated in the first half of 2014, growing 39% over 2013. NMTD continues to create more impactful videos to encourage travel, and all NM True TV episodes and segments that highlight important destinations and travel tips are "housed" in NMTD for future use. These short video segments are well tailored for use with other social channels.

However, website visits, decreased slightly from 2010 to 2013. This was primarily because NMTD launched a completely new website with all new content during the CY2012Q2, and website visits decreased substantially. Some of this decline was expected, due to the loss of links from external sites and user's bookmarked pages. While visits have taken time to grow back, user engagement (average time on site) has already surpassed previous levels, **increasing 28.9%** since 2010. Visits began to grow in the second quarter of 2013 and have gained momentum as NMTD continues to add new content and features, and in the first six months of 2014, visits were **up 21.6%** over the first six months of 2013. Other recent changes to NMTD websites include: launch of the paid search keyword program in Sept, 2013; demographic tracking Oct, 2013; custom GA dashboards Apr, 2014; and the launch of attribution modeling & reporting services in April, 2014.

Requests for the traditional printed vacation guide have been declining since 2001 as consumers increasingly turn to user content generated travel websites (such as Tripadvisor.com), mobile apps and social media for travel information and to make bookings. Since 2010, visits to the digital guide from web browsers, mobile devices and the VG apps **grew 121%** while requested mailed vacation guides **decreased 20.4%**, indicating a continued move to digital versions of the vacation guide.

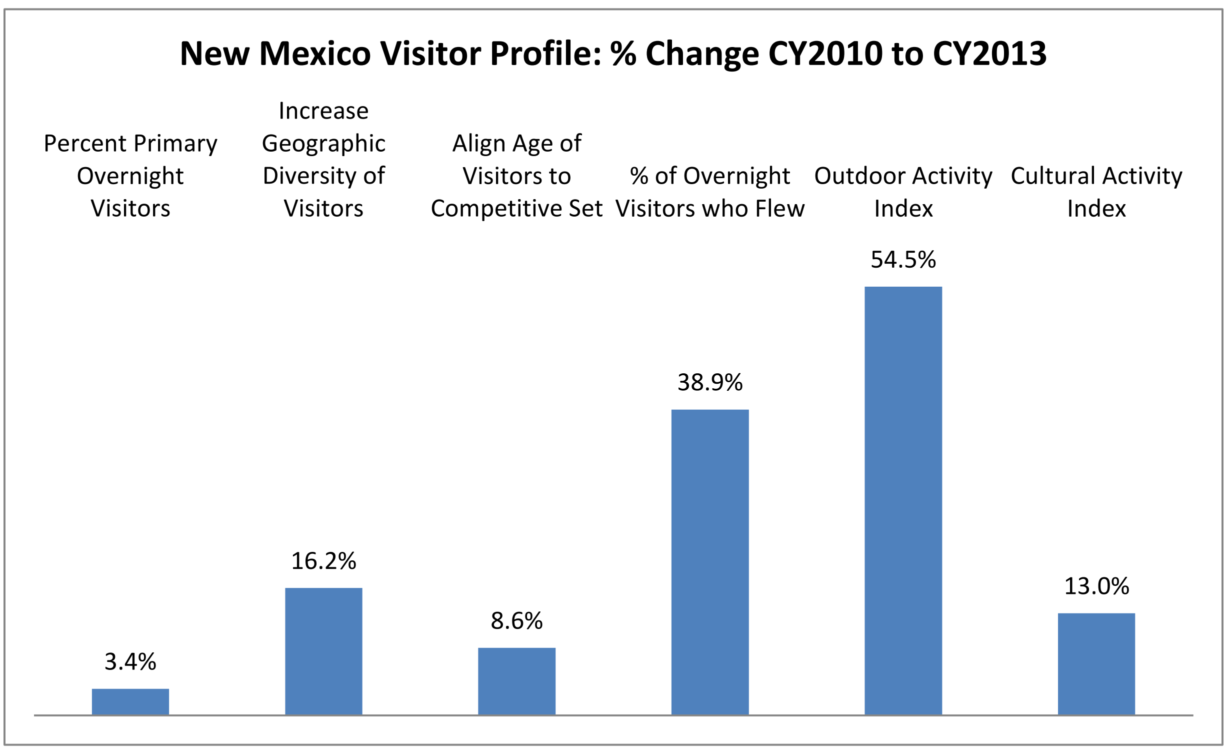
The number of monthly NMTD E-newsletters sent **increased 16.2%** since 2010. In addition, beginning in April 2014, a new e-newsletter program began, which targeted consumers interested in Arts, Culinary, and Culture and potential visitors in our target markets of Chicago, Dallas, Houston, Denver, and Phoenix. Between April and the end of June 2014, four e-newsletters resulted in **over 30,099 clicks** and **22,380 inquiries** from people seeking additional information about New Mexico.

Visits to the nine Visitor Information Centers were **down 20.4%** since 2010. This decline is expected due to traveler's (especially young travelers) increasing preference for web, GPS and social media for obtaining travel information and making travel plans.

IV. NEW MEXICO VISITOR PROFILE (5 Objectives)

Objectives:

#1: Increase the percentage of Primary Overnight visits and decrease the percentage of "pass-through" visits.
#2: Broaden New Mexico's visitor market from a regional to a more national market by reducing the concentration of visitors from the top 5 states of origin.
#3: Decrease the average age of visitors so that it aligns with our competitive set.
#4: Grow the fly market as a percentage of total overnight visits.
#5: Increase visitor Outdoor activity levels and maintain high Cultural activity levels.
2010-13 Progress: All measures show positive movement, some dramatically so, indicating substantial progress for all of the objectives.



Source: Longwoods Internationial TravelUSA® 2010 through 2013 datasets.

The gap between New Mexico and our Competitive set of states share of Primary overnight visitors has narrowed since 2010, from **16.3 percentage points** in 2010 to a **12.3 point gap** in 2013. Although there was still a substantial gap in 2013 (70.3% NM, 82.6% C.S.), New Mexico's primary overnight visitor percentage **increased 3.4% (2.3 percentage points)** from 2010 while the Competitive set average **declined 2.3 percentage points - from 84.3% to 82.6%**.[4]

The geographic diversity measure was developed because New Mexico had a narrower geographic concentration of visitors and a smaller fly market. NMTD has since sought to broaden New Mexico's appeal to more markets. Since 2010, New Mexico's percent of visitor trips from its top five states of origin (New Mexico, Texas, California, Arizona and Colorado) has **declined** dramatically (**over 16%**) while the Competitive set average **declined 3.4%.** As of 2013, New Mexico and our Competitive set of states have **identical percentages** for visits from each state's top five states. The primary reason for this improvement in geographic diversity has been an increase in New Mexico's percentage of fly market visitors (see page 25). Fly market visitors are desirable as they spend nearly twice as much in all spending categories (even accounting for higher transportation costs) than non-fly market visitors.

The **average age** of New Mexico's overnight visitors has declined significantly since 2010 (**8.6%**). While in 2010 New Mexico's visitors were older than the U.S. and Competitive set averages. However, by 2012 and 2013, the average age of New Mexico's overnight visitors fell below our competitive set and U.S. averages, a **significant shift** in New Mexico's overnight visitor profile.

In 2010, New Mexico had a much smaller fly market share than our competitive set in 2010 and was therefore more dependent on the drive market. However, by 2013, New Mexico's fly market share **increased by 38.9%**, more than the **14.7%** increase seen in our competitive set (see page 26), thus aligning New Mexico's visitor profile more closely with our competitive set of states.

New Mexico's rich culture, combined with numerous opportunities for outdoor activities is a unique strength of New Mexico. The Outdoor and Cultural Activities indices are the cumulative totals of Outdoor and Cultural activities Primary visitors engage in during overnight trips. When New Mexico's scores are compared to regional and national averages, New Mexico has high activity levels for Cultural activities, but lagged in 2010 behind our competitive set for Outdoor activities. However, from 2010 to 2013, New Mexico's outdoor activity index **increased 54.5%,** and is now close to the competitive set average, while the already high cultural activity index **increased 13%**. Therefore, NMTD has made great progress in growing outdoor activity participation while not only maintaining, but increasing already high cultural activity participation levels (see page 26 for more information).

[4] Primary visitors are overnight visitors who spent most of their time in that state.

V. VISIT CHARACTERISTICS (2 Objectives)

Objectives:

#1: Grow visitation to New Mexico's unique natural and cultural attractions.

#2: Grow visitation to New Mexico's outdoor recreational attractions.

2010-13 Progress: There were high rates of growth in the outdoor activities index and improvement in the already strong cultural activities index, although visits to state and national parks were hindered by drought (in the case of state parks) and by specific individual park issues in the National parks.

Outdoor and Cultural Activity Indexes (for primary overnight visitors)							
		CY2010	CY2011	CY2012	CY2013	2010-13 % change	
Outdoor Activities Index*	**New Mexico**	**33.6**	**34.6**	**52.9**	**51.9**	54.5%	**NM**
	Competitive Set	44.0	44.4	57.0	54.6	24.1%	**C.S. Avg**
	U.S.	24.1	24.1	33.4	32.6	35.3%	**U.S. Avg**
Cultural Activities Index**	**New Mexico**	**60.2**	**56.7**	**63.0**	**68.0**	13.0%	**NM**
	Competitive Set	44.2	44.0	50.6	51.2	15.8%	**C.S. Avg**
	U.S.	39.0	39.2	48.0	49.4	26.7%	**U.S. Avg**

*The Outdoor Activities Index is the cumulative total of the % of Primary overnight visitors who engaged in Hiking/backpacking, Camping, Fishing, Mountain Climbing, Golf, Skiing/snowboarding, Hunting, Biking or Rafting.

**The Cultural Activities Index is the cumulative total of the % of Primary overnight visitors who attended either a Museum, Landmark/historic site, Art gallery, Winery, Theater, Fair/exhibition/festival, Rock/pop concert, Symphony, Opera or Rodeo.

As mentioned in Section IV, the cumulative total of primary overnight visitors who engaged in outdoor activities in New Mexico grew rapidly between 2010 and 2013, so that New Mexico is close to our Competitive set score and much higher than the U.S. average. For example, a wide range of active outdoor recreational activities, such as biking, golf, hunting, mountain climbing, skiing and rafting all showed user participation rate increases of 50% and more between 2010 and 2013.

Cultural activity participation, which has always been higher in New Mexico than the national average or in our competitive states, grew even higher from 2010 to 2013, a testimony to New Mexico's unique cultural assets and appeal to visitors.

	CY2010	CY2011	CY2012	CY2013	2010-13 % change
State Parks Visits	4,766,156	**4,244,739**	**4,055,455**	**3,787,803**	***-20.5%***
Y/Y Change	*-1.9%*	*-10.9%*	*-4.5%*	*-6.6%*	
National Park Visits	**1,657,550**	**1,455,587**	**1,502,931**	**1,512,529**	***-8.7%***
Y/Y Change	*10.6%*	*-12.2%*	*3.3%*	*0.6%*	

From 2010 to 2013, National Park visits were **down 8.7%** primarily because of a 46% drop in visits (or 108,000+ visits) to Bandelier National Monument, which is historically the 3rd most visited national park in New Mexico. The Bandelier decline was primarily the result of damage to the Bandelier parking areas caused by the 2011 Las Conchas wildfire. Visitation at Bandelier declined during the summer of 2012 (down -43.6%) when a car shuttle service was instituted and visitors could no longer drive their own cars into Bandelier during the peak summer months. Visitation in 2013 was still well below 2010 levels. However, visits to New Mexico's most visited park, White Sands was up 4.2% (or about 20,000 visitors) since 2010. In addition, visitation in 2013 would have been considerably higher except for the

October 2013 government (and NPS) shut down, which resulted in a 23% drop in visits in the fourth quarter of 2013.

State parks visits **decreased by 20.5%** from 2010 to 2013. State park visitation is highly sensitive to drought and water levels as most visits to New Mexico's state parks are associated with warm weather water recreation. Visitation has suffered over the last few years, almost entirely due to long term drought that has resulted in low water levels low enough to interfere with recreation activities (such as boating, camping, fishing and swimming), combined with occasional park closures due to wildfire hazards.

NEW MEXICO BRAND PERFORMANCE

Tourism Visits

Objective: Increase the number of marketable visitors and total visitors numbers.

In 2013, **total visitation increased 0.6%** over 2012 for a combined total of 32.2 million visits. Overnight visits increased by 0.7% and day-trip visits **increased by 0.6%**. Marketable overnight trips **increased 11.2%** and the number of out of state visitors **increased by 4.5%** in 2013. Marketable trips (trips other than visits to friends and family and business trips) are the focus of NMTD's advertising efforts, since, as the name indicates, they are trips that can be influenced by advertising. The fact that marketable trips have **increased 11%** or more over the last three years (the average increase in marketable trips for the entire U.S. overnight visitor market is **1%, 7% and 2%** respectively for 2011, 2012 and 2013) is quite remarkable, and a strong indicator that NMTD's advertising is having an impact. An additional bonus concerning marketable trips is that people who take these trips spend more on food and lodging, and in all spending categories than the average visitor, thus bringing more money into New Mexico's economy.

New Mexico Total Person Visits* & U.S. Market Share (% market share of overnight & day trip visits)

	CY2010	CY2011	CY2012	CY2013
NM All Visits	**29.8**	**31.2**	**32**	**32.2**
Y/Y Change	*1.0%*	*4.7%*	*2.6%*	*0.6%*
NM Overnight Visits	**13.7**	**14.5**	**14.5**	**14.6**
Y/Y Change	*-1.4%*	*5.8%*	*0.0%*	*0.7%*
NM Overnight Marketable Trips	**5.6**	**6.2**	**7.0**	**7.7**
Y/Y Change	*NA*	*11.0%*	*11.6%*	*11.2%*
NM Day Visits	**16.1**	**16.7**	**17.5**	**17.6**
Y/Y Change	*3.2%*	*3.7%*	*4.8%*	*0.6%*
Overnight U.S. Market Share	1.0%	1.0%	1.0%	1.0%

* In Millions

For both tables on this page:
Source: Longwoods International Travel USA® 2010 through 2013 data sets
Interval of Measurement: Annual by Calendar Year

Intent to Travel – National Travel Intent, In-State Travel Intent, Repeat Visitation Rate
Objective: Improve perceptions of New Mexico as an attractive travel destination for both the national and in-state travel markets so that it is more in line with competitive set averages.

For the first time since TravelUSA data became available to NMTD, New Mexico improved its scores in all three measures from the previous year. This despite the fact that the scores for our competitive set of states actually declined in two of the three measures (In-State Travel Intent and Repeat Visitation Rate). Each year, New Mexico has significantly lagged behind our competitive states for each of these measures, so it is encouraging to see improvements across the board in 2013.

Percent of Respondents in the Longwoods Intl. National Sample Intending to Visit New Mexico or Competitive Set* states in the next 12 months					
		CY2010	**CY2011**	**CY2012**	**CY2013**
National Travel Intent	**New Mexico**	**2.0%**	**1.9%**	**1.7%**	**1.9%**
	Competitive Set Average*	4.5%	4.2%	4.1%	4.5%
Percent of State Residents Intending to Take an Overnight Trip within their Own State					
		CY2010	**CY2011**	**CY2012**	**CY2013**
In-State Travel Intent	**New Mexicans**	**29.2%**	**27.7%**	**24.8%**	**26.9%**
	Competitive Set Average*	33.6%	33.1%	32.3%	29.6%
Percent of Visitors Intending to Return to the State They Previously Visited and Spent Most of their Time In					
		CY2010	**CY2011**	**CY2012**	**CY2013**
Repeat Visitation Rate	**New Mexico**	**40.5%**	**39.2%**	**29.8%**	**30.4%**
	Competitive Set Average*	51.5%	51.2%	47.8%	45.2%

*The competitive set average is the weighted average of scores for Arizona, Colorado & Utah

Source: Longwoods International Travel USA® 2010 through 2013 data sets
Interval of Measurement: Annual by Calendar Year

ECONOMIC IMPACT OF TOURISM IN NEW MEXICO

Objective: Make tourism the economic growth engine for New Mexico.

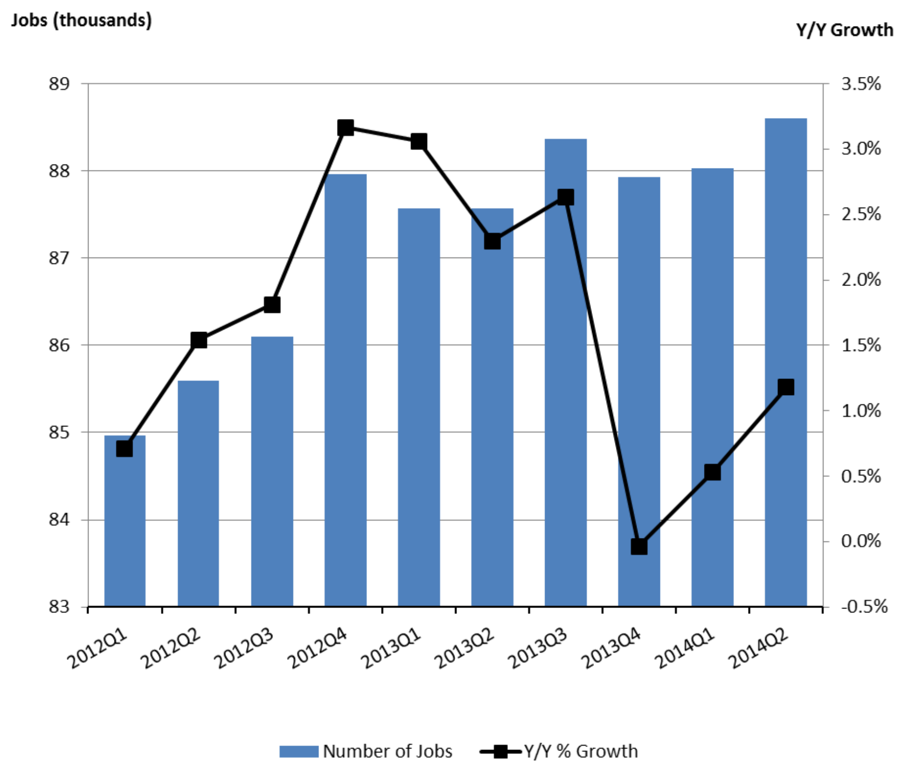
New Mexico Leisure and Hospitality Employment

Objective: Increase tourism related employment.

The U.S. Bureau of Labor Statistics Leisure and Hospitality sector is an indicator of tourism-related employment. Leisure and Hospitality Employment began growing in New Mexico in 2011 and has continued to grow in 2013 and the first two quarters of 2014. L&H employment **increased 2%, in 2013** which represented an additional **1,700 jobs over 2012.** Another **767 jobs** (0.9% yoy growth) were added in the first 6 months of 2014.

As discussed in the 2010 to 2013 Performance Review on page 8, beginning in October 2013, L&H jobs data likely reflects measurement issues (especially for the Albuquerque MSA) from a recent change in how the agency gathers employment data, and upward revisions to the job numbers are likely in January 2015.

New Mexico Leisure and Hospitality Employment (in thousands)											
	2012Q3	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY2011**	**CY2012**	**CY2013**
Number of Jobs	**86.1**	**88.0**	**87.6**	**87.6**	**88.4**	**87.9**	**88.0**	**88.6**	**84.6**	**86.2**	**87.9**
Y/Y # Change	*1,533*	*2,700*	*2,600*	*1,967*	*2,267*	*-33*	*467*	*1,033*	*967*	*1,533*	*1,700*
Y/Y % Change	*1.8%*	*3.2%*	*3.1%*	*2.3%*	*2.6%*	*0.0%*	*0.5%*	*1.2%*	*1.2%*	*1.8%*	*2.0%*



Source: U.S. Bureau of Labor Statistics http://www.bls.gov/EAG/eag.nm.htm
Interval of Measurement: Quarterly

Visitor's Self-reported Spend

Objective: Increase visitor spending.

In 2013, **reported total visitor spending increased by 7%** over 2012 as overnight visitor spending **increased by 6.5%** and day-trip spending **increased by 8.3%**. Visitor spending increased much more than the number of visitors as the number of marketable and out of state trips increased (see page 5-6 for more information). In 2013, New Mexico's 7% increase in visitor spending was **significantly higher** than the ***4.5% spending increase seen for the entire United States***.

New Mexico Visitor Spending*				
	CY2010	CY2011	CY2012	CY2013
Total Visitor Spend	**$3.7**	**$4.0**	**$4.3**	**$4.6**
Y/Y Change	*-1.2%*	*8.1%*	*7.5%*	*7.0%*
Total Overnight Spend	**$2.8**	**$3.0**	**$3.1**	**$3.3**
Y/Y Change	-2.4%	7.1%	3.3%	6.5%
Total Day-Trip Spend	**$0.9**	**$1.0**	**$1.2**	**$1.3**
Y/Y Change	*2.7%*	*11.1%*	*20.0%*	*8.3%*

* In Billions $

Day and overnight visitor spending (both for total trip and average per person spending), has increased each year since 2010. Average per person overnight trip expenditure increased from **$215** in CY2012 to **$225** in CY2013. Average per person day trip expenditure has also increased, from **$70** in 2012 to **$73** in 2013.

Average $ Spent on New Mexico Trips				
	CY2010	CY2011	CY2012	CY2013
Average per Person Overnight Trip Expenditure	**$203**	**$205**	**$215**	**$225**
Y/Y Change	*-1.0%*	*1.0%*	*4.9%*	*4.7%*
Average per Person Day Trip Expenditure	**$57**	**$62**	**$70**	**$73**
Y/Y Change	*0.0%*	*8.8%*	*12.9%*	*4.3%*

(Note that more detailed and comprehensive CY2010 through CY2014 tourism spending data will be available in September 2015 when the next Economic Impact Study is released.)

Source: Longwoods International Travel USA® 2010 through 2013 data sets
Interval of Measurement: Annual by Calendar Year

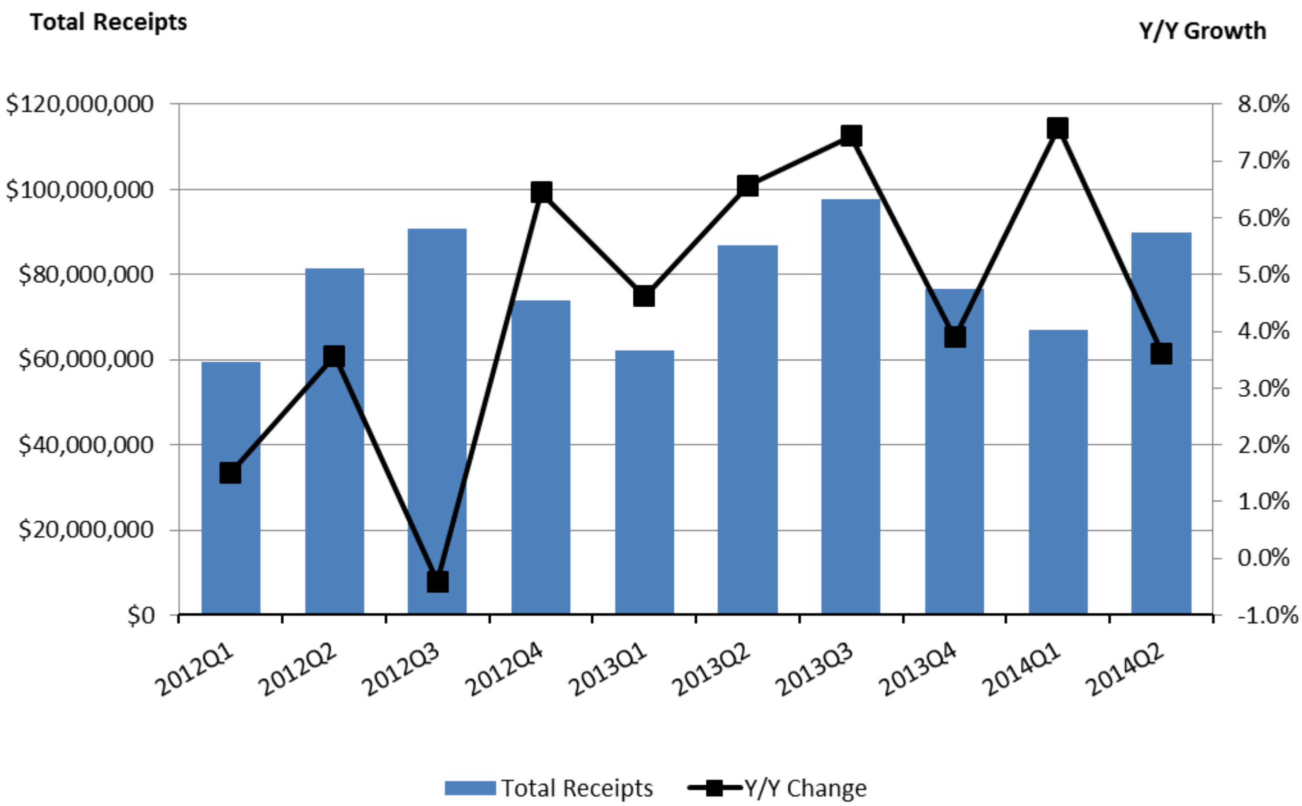
New Mexico Hotel & Motel Total Receipts
Objective: Increase lodging revenue.

In 2013, accommodation total receipts **increased 5.8%** and the average room rate **increased 3.1% to $97.00** from **$94.10** in 2012. The first two quarters of 2014 continued to show steady growth in total receipts, as they **increased 5.3%** over the first half of 2013.

Lodging Receipts (No. of occupied rooms * Average Room Rate)											
	2012Q3	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY2011**	**CY2012**	**CY2013**
Total Receipts*	$90.8	$73.8	$62.3	$86.7	$97.6	$76.6	$67.0	$89.9	$297.7	$305.5	$323.2
Y/Y Change	*-0.4%*	*6.4%*	*4.6%*	*6.6%*	*7.4%*	*3.9%*	*7.6%*	*3.6%*	*0.4%*	*2.6%*	*5.8%*

* in millions $

*Total Receipts = (Number of occupied rooms * Average Room Rate)



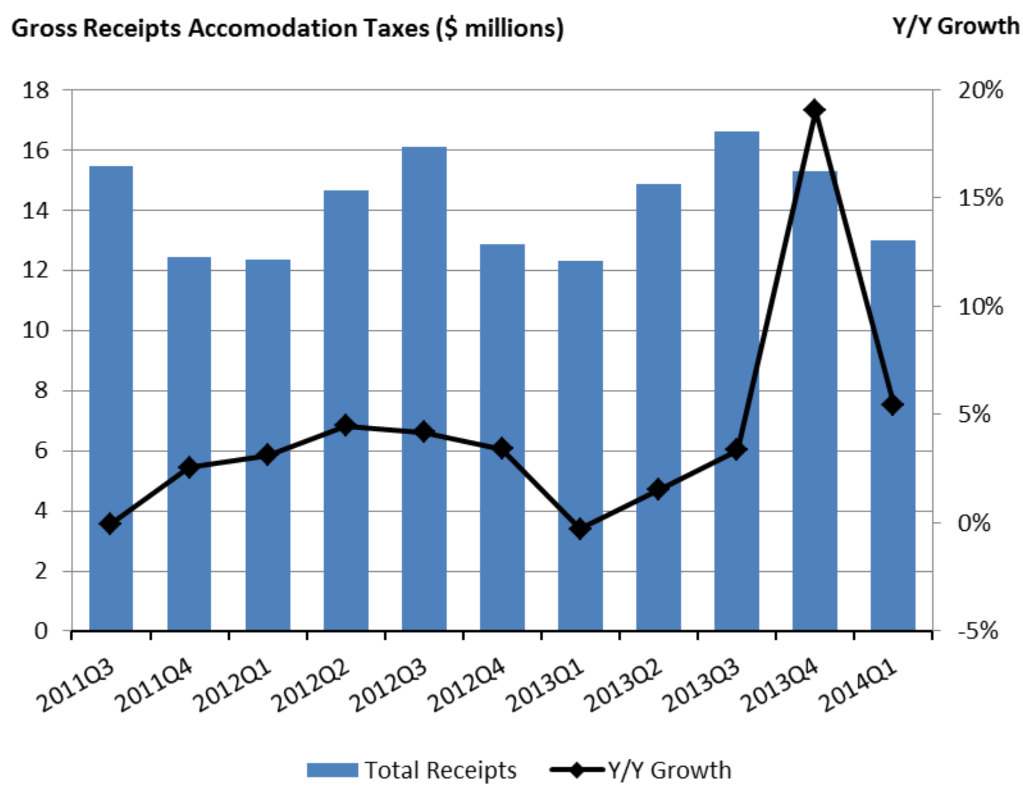
Source: Rocky Mountain Lodging Report
Interval of Measurement: Quarterly

NM Gross Receipts Accommodation Taxes & Food, Drink and Accommodation Gross Receipts
Objective: Increase tourism related tax revenue.

New Mexico gross receipts accommodation taxes **increased by 5.7%** during calendar year 2013, continuing increases seen in CY 2011 and 2012, and in the first quarter of 2014, accommodation taxes **increased another 5.4%** over the first half of 2012. Total taxable receipts for food & drink and accommodations also grew steadily in 2013, increasing **4.4%** over 2012.

Gross Receipts Accommodation Taxes and Total New Mexico Food & Drink and Accommodation Taxable Gross Receipts (in millions $)										
	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	CY2011	CY2012	CY2013
Gross Receipts Accommodation Taxes	$16.083	$12.839	$12.317	$14.855	$16.621	$15.282	$12.987	$53.834	$55.905	59.075
Y/Y Change	4.2%	3.4%	-0.3%	1.5%	3.3%	19.0%	5.4%	4.2%	3.8%	5.7%
Total Receipts	$892.838	$831.334	$863.385	$905.690	$972.346	$898.021	$886.486	$3,378.871	$3,486.368	$3,639.442
Y/Y Change	3.1%	2.9%	2.1%	1.6%	6.0%	8.0%	2.7%	4.2%	3.2%	4.4%
Food & Drink Receipts*	$695.204	$660.238	$699.961	$706.264	$750.816	$692.290	$712.560	$2,653.383	$2,735.081	$2,849.293
Y/Y Change	2.7%	3.1%	3.1%	1.7%	7.0%	4.9%	1.8%	4.7%	3.1%	4.2%
Accommodation Receipts*	$198.634	$171.096	$163.424	$199.426	$221.530	$205.731	$173.926	$725.488	$753.104	$790.111
Y/Y Change	4.3%	2.2%	-2.1%	0.9%	2.7%	19.0%	6.4%	2.3%	3.8%	4.9%

*For CY2014, only the 1st quarter is available, so % comparison is to the 1st quarter of CY2013



WITHOUT Medical Deduction – as of 9-24-14, only the first quarter of CY2014 was available
Source: BBER & New Mexico Tax & Revenue Department
Interval of Measurement: Quarterly

NMTD VISITOR RELATIONSHIPS

Social Media Presence

Objective: Grow active visitor relationships and interactions.

Measurement of the department's Facebook activities began in the 3rd quarter of calendar year 2010, but over time, NMTD's Facebook metrics have changed in response to changes Facebook has made in which measures are available. For example, new measures: "PTAT" or **P**eople **T**alking **A**bout **T**his and Weekly Reach were introduced in August, 2011. PTAT is a comprehensive ***engagement*** metric that measures the overall "health" of a Facebook brand Page. It analyzes the "conversation" happening around a Page across Facebook and provides a numerical score. It includes activities such as liking a page; commenting on, or sharing a page post, answering a question, responding to an event, mentioning a page and tagging a photo. Weekly total reach is a measure of the ***awareness*** of NMTD's Facebook content. This is the number of people who have been exposed to any content associated with NMTD's Facebook presence over a 7 day period .

The department's PTAT and total reach has generally been on an upward trajectory as more department resources have been devoted to Facebook, with especially strong growth in the first two quarters of CY2014. The number of likes continues to grow steadily, **increasing 27.2%** in 2013 and surpassing **70,000** in the second quarter of CY2014.

New Mexico Department of Tourism Facebook Statistics											
	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	CY2011	CY2012	CY2013
# of fans of NMTD facebook site (quarterly/avg)	42,790	45,223	48,764	51,202	53,119	58,150	66,010	73,072	35,116	41,531	52,809
Y/Y Change	*18.4%*	*21.0%*	*27.6%*	*28.3%*	*24.1%*	*28.6%*	*35.4%*	*42.7%*	*NA*	*18.3%*	*27.2%*
NMTD Facebook PTAT (weekly/ave)	6,678	6,836	4,868	2,725	3,760	5,429	5,731	4,968	NA	4,344	4,195
Y/Y Change	1401%	2252%	764%	-17%	-44%	-21%	18%	82%	NA	NA	-3.4%
NMTD Total Reach (weekly/ave)	131,602	80,587	69,673	63,668	68,347	119,649	135,048	102,368	NA	77,765	80,334
Y/Y Change	554%	596%	297%	-22%	-48%	48%	94%	61%	NA	NA	3.3%

Source: Facebook Insights
Interval of Measurement: Quarterly by Calendar Year

YouTube Views

Objective: Increase awareness of New Mexico.

Views of the department's YouTube page were **36.5% higher** in 2013 compared to 2012, and video views greatly increased during the first half of 2014 (by **261% to 111%** yoy) when New Mexico True videos (such as the Condit video) greatly expanded the number of people who saw NMTD produced videos. NMTD continues to create more impactful videos to encourage travel, and all NM True TV episodes and segments that highlight important destinations and travel tips are "housed" in NMTD for future use. These short video segments are well tailored for use with other social channels.

YouTube: # of Views of NMTD Videos											
	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	CY 2011	CY 2012	CY 2013
# of views	25,989	39,005	29,626	34,832	32,516	72,368	107,148	73,709	99,654	124,022	169,342
Y/Y Change	*-11.1%*	*42.2%*	*3.3%*	*14.7%*	*25.1%*	*85.5%*	*261.7%*	*111.6%*		*24.5%*	*36.5%*

Source: YouTube
Interval of Measurement: Quarterly by Calendar Year

Website Interaction

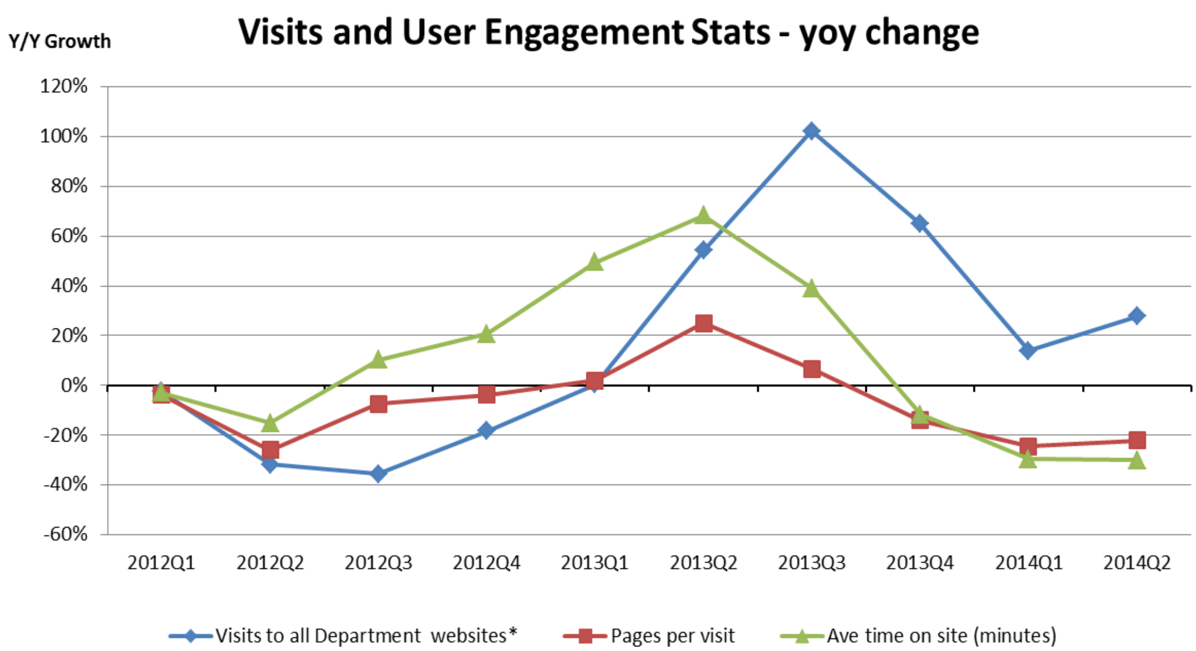
Objective: Grow visitor relationships and increase awareness of New Mexico.

Visits* to all department websites **increased 49%** in 2013, and continued to show strong yoy growth in the first half of 2014, **up 21.6%**. Content and features have been continuously updated and expanded over the last year. Other recent changes include: launched the paid search keyword program in Sept, 2013; added demographic tracking Oct, 2013; launched custom GA dashboards Apr, 2014; and launched attribution modeling & reporting services in April, 2014.

Department Website Data & Statistics											
	2012Q3	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY 2011**	**CY 2012**	**CY 2013**
Newmexico.org Visits	103,201	90,030	175,621	224,682	209,895	131,417	156,708	248,275	699,151	497,875	741,615
Y/Y Growth	*-37.9%*	*-31.3%*	*4.7%*	*64.1%*	*103.4%*	*46.0%*	*-10.8%*	*10.5%*	*-13.1%*	*-28.8%*	*49.0%*
Pages per visit	2.88	2.85	3.36	2.94	3.07	2.45	2.54	2.29	3.17	2.84	2.96
Y/Y Growth	*-7.5%*	*-3.7%*	*2.0%*	*25.1%*	*6.7%*	*-14.0%*	*-24.4%*	*-22.1%*	*-8.7%*	*-10.3%*	*4.0%*
Ave time on site (minutes)	2.47	2.63	3.51	3.25	3.44	2.33	2.47	2.28	2.28	2.35	3.13
Y/Y Growth	*10.3%*	*20.8%*	*49.6%*	*68.3%*	*39.1%*	*-11.6%*	*-29.5%*	*-30.0%*	*-6.2%*	*2.9%*	*33.5%*
Visits to all Department websites*	137,172	124,621	205,976	253,260	277,297	203,753	234,800	323,729	814,538	630,243	940,286
Y/Y Growth	*-35.5%*	*-18.3%*	*0.4%*	*54.1%*	*102.2%*	*64.9%*	*14.0%*	*27.8%*	*-17.2%*	*-22.6%*	*49.2%*

**Includes vists to NewMexico.org, NMmagazine.com, Day of Enchantment for 2010Q2, Catch the Kid for 2011Q3 and Getthepicture.com & NMTruestories.com for June-August 2013

The chart below shows that user engagement (pages/visit and Average time on site) began to recover and surpass previous engagement levels within months of the redesigned NewMexico.org site going live in April 2012. Because of the loss of some links from external sites, visits took longer to grow, but visitation increased strongly in the second quarter of 2013, and has continued to grow yoy ever since.



*A new metric for website visits (the number of visits over 10 seconds) has been used by NMTD since February 2013. This metric more accurately measures both web visits and bounce rates. We have reported raw web visits for some time; however, NMTD now report visits that last more than 10 seconds. This is considered to be a more accurate measure of both bounce rates and visits since web visits that last 10 seconds or less are of poor information dissemination value. There are also issues with the conventional bounce rate metric that the greater than 10 second visitation metric addresses (see http://padicode.com/blog/analytics/the-real-bounce-rate)

Source: Google Analytics
Interval of Measurement: Quarterly by Calendar Year

Vacation Guides

Objective: Increase awareness of New Mexico.

Requests for the traditional printed vacation guide have been in decline since 2001 as consumers increasingly turn to websites, user content generated travel websites (such as Tripadvisor.com), mobile apps and social media for travel information. The department will continue to monitor vacation guide use and make adjustments accordingly. In June 2012, the department introduced an Apple IPad app of the vacation guide and later that year added an Android vacation guide app. Digital guide visits from the apps began to be counted in 2012Q2. Visits to the digital guide from web browsers and mobile devices (including the VG apps) **grew 61%** in 2013 while requested mailed vacation guides **decreased 1%**, indicating a continuing move from requests for the paper guide to use of digital versions of the guide.

The decline in visits to and app downloads in the first half of 2014 are due to two issues. Beginning in January 2014, there has been no data for the number of digital VG visits from the Apple apps (and the Apple app accounted for over half of the mobile views of the digital vacation guide). This occurred due to a change in vendors for the Apple 2014 app, and the new vendor did not offer access to usage data in a format NMD could access. This situation will be corrected for the 2015 Apple app. Also, the default Apple vacation guide app was initially offered in a very high resolution version that took up so much disk space, and so long to download that people were discouraged from using it. The default was changed to a more standard resolution in June 2014 and downloads have increased since then.

Digital & Mailed Vacation Guides											
	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	CY 2011	CY 2012	CY 2013
Visits to Digital Guide	40,256	32,398	43,878	49,185	46,585	34,460	32,222	30,144	69,061	108,139	174,108
Y/Y Change	*112.1%*	*230.2%*	*192.2%*	*191.5%*	*15.7%*	*6.4%*	*-26.6%*	*-38.7%*	*-12.3%*	*56.6%*	*61.0%*
Downloads of Digital Guide or App	863	1,056	1,383	1,747	1,335	888	1,096	898	2,850	3,333	5,353
Y/Y Change	*8.0%*	*160.1%*	*119.9%*	*122.5%*	*54.7%*	*-15.9%*	*-20.8%*	*-48.6%*	*-11.2%*	*16.9%*	*60.6%*
Requested Mailed Vacation Guides	7,930	7,640	25,081	12,641	8,851	5,896	10,272	12,845	70,470	52,225	51,713
Y/Y Change	*-26.5%*	*-1.4%*	*18.7%*	*-18.6%*	*11.6%*	*-22.8%*	*-59.0%*	*1.6%*	*-37.1%*	*-25.9%*	*-1.0%*

Sources: Zmags.com & Digimag beginning June, 2012 (for online data); Adelante Mailing Services (for data on mailed guides).
Interval of Measurement: Quarterly by Calendar Year

E-newsletter Performance

Objective: Grow visitor interactions and disseminate information.

NMTD E-newsletters are sent each month highlighting upcoming events and specific New Mexico attractions. The number of E-newsletters sent increased each quarter (yoy) through the first quarter of 2013, but **decreased 5.2%** in 2013. The open rate averaged **16.2%** in 2013.

The E-newsletter program was bolstered when; beginning in April 2014, MMGY began sending out e-newsletters targeted to consumers interested in Arts, Culinary, and Culture and to target markets including Chicago, Dallas, Houston, Denver, and Phoenix. Between April and the end of June 2014, four e-newsletters resulted in over **30,099 clicks** and **22,380 inquiries** seeking additional information about New Mexico.

E-newsletters Sent & Open Rate										
	2012Q3	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY 2012**	**CY 2013**
# of e-newsletters sent	**395,187**	**381,103**	**369,199**	**360,618**	**355,261**	**353,689**	**358,733**	**364,783**	**1,517,467**	**1,438,767**
Y/Y Change	*25.2%*	*15.6%*	*4.7%*	*-7.2%*	*-10.1%*	*-7.2%*	*-2.8%*	*1.2%*	*22.6%*	*-5.2%*
% e-newsletter open rate (average)	**18.2%**	**17.3%**	**17.9%**	**17.0%**	**15.0%**	**16.8%**	**17.9%**	**14.7%**	**18.6%**	**16.2%**
Y/Y Change	*1.6%*	*-1.3%*	*-10.3%*	*-10.0%*	*-17.6%*	*-2.8%*	*-0.2%*	*-13.2%*	*6.4%*	*-12.7%*

Source: Vertical Response from August 2010 through July 2012, Mailchimp since August 2012, MMGY: April thru June 2014
Interval of Measurement: Quarterly by Calendar Year

Visitor Information Center Visits

Objective: Grow visitor interactions and disseminate information.

Visits to the nine Visitor Information Centers were **up 13%** in 2013. ***This was primarily because the Manuelito VIC was closed for repairs from April through July 2012*** which caused the 2013 results to artificially increase***.*** The small declines seen in the first half of 2014 are more in line with expectations of a slow decline in visitation over time, due to traveler's (especially young travelers) increasing preference for online, GPS and social media as sources of travel information.

Total Visits to NMTD's Visitor Information Centers											
	2012Q3*	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY 2011**	**CY 2012**	**CY 2013**
Total Visits	**258,809**	**223,264**	**203,806**	**294,839**	**292,750**	**226,363**	**196,657**	**284,050**	**1,182,732**	**900,494**	**1,017,758**
Y/Y Growth	*-31.1%*	*-9.1%*	*-9.9%*	*53.5%*	*13.1%*	*1.4%*	*-3.5%*	*-3.7%*	*-7.5%*	*-23.9%*	*13.0%*

**2012Q3 would be -16.1% respectively if the closed Manuelito VIC is excluded*

Source: New Mexico Tourism Department Visitor Information Center Program.
Interval of Measurement: Quarterly by Calendar Year

NEW MEXICO VISITOR PROFILE

Percent Primary Overnight Visitor Trips

Objective: Increase the percentage of Primary Overnight visits and decrease the percentage of "pass-through" visits.

New Mexico and the Competitive set's average share of Primary overnight visitors changed little from 2012, both **decreased slightly** from 2012 to 2013. However, longer term (from 2010 to 2013), the gap between New Mexico and our Competitive set of states narrowed significantly, from a **16.3** percentage point gap in 2010 to a **12.3** point gap in 2013. Since 2010, New Mexico's primary overnight visitor percentage increased while the Competitive set average slowly declined.

% of Primary* Overnight Visitors				
	CY2010	CY2011	CY2012	CY2013
New Mexico	**68.0%**	**72.0%**	**70.7%**	**70.3%**
Competitive Set Average**	84.3%	83.9%	82.7%	82.6%
* Primary visitors are overnight visitors who spent most of their time in that state.				
** Competitive set is weighted average of Arizona, Colorado & Utah.				

Regional Concentration of Visitor Trips

Objective: Broaden New Mexico's visitor market from a regional to a more national market by reducing the concentration of visitors from the top 5 states of origin.

New Mexico's percent of visitor trips from the top five states of origin (New Mexico, Texas, Arizona, Colorado and California) **declined 2.5 percentage points in 2013** while the Competitive set average **declined 1.4** points. New Mexico and our Competitive set of states now have **identical percentages** for visits from each state's respective top five states, a very significant change in the last three years. This measure was introduced in 2011 because New Mexico's narrower geographic concentration of visitors and smaller fly market created dependence on a narrower group of visitors. The primary reason geographic diversity has increased is due to of an increase in fly market visitors (as seen on page 26). More fly market visitors are desirable as they spend nearly twice as much in all spending categories (even accounting for higher transportation costs) as non-fly market visitors.

% of Primary* Overnight Visitors from top 5 states				
	CY2010	CY2011	CY2012	CY2013
New Mexico	**78.2%**	**77.3%**	**68.0%**	**65.5%**
Competitive Set Average**	67.8%	66.9%	66.9%	65.5%
* Primary visitors are overnight visitors who spent most of their time in that state.				
** Competitive set is weighted average of Arizona, Colorado & Utah.				

For the two tables on this page:
Source: Longwoods International Travel USA® 2010 through 2013 data sets
Interval of Measurement: Annual by Calendar Year

Average Age of Visitors

Objective: Decrease the average age of visitors so that it aligns with our competitive set.

The average age of New Mexico's overnight visitors **declined significantly** since 2010. While in 2010 New Mexico's visitors were older than the U.S. and Competitive set average (especially for non-primary overnight visitors), by 2011 New Mexico's visitors **were very** similar to the U.S. and Competitive set averages. In 2012 and 2013, the average age of New Mexico's overnight visitors actually **fell below** our competitive set and national averages, a significant shift in New Mexico's overnight visitor profile.

Average Age of Overnight Visitors

		CY2010	CY2011	CY2012	CY2013
Primary Overnight Visitors*	New Mexico	**46.4**	**45.0**	**42.6**	**42.4**
	Competitive Set**	45.4	45.5	43.5	43.5
All Overnight Visitors	New Mexico	**48.1**	**46.3**	**42.2**	**42.6**
	Competitive Set**	45.7	45.8	43.1	44.1
	U.S.	45.7	45.2	42.7	43.1

* Primary visitors are overnight visitors who spent most of their time in that state. There is no U.S. equivalent.

** Competitive Set is the weighted average of Arizona, Colorado, Utah.

Fly Market

Objective: Grow the fly market as a percent of total visits.

New Mexico was more reliant on the drive market than our competitive set in 2010 and 2011. In 2012 and 2013, the percent of Primary overnight visitors who travelled by plane **increased to levels closer** to our competitive set's average, although in 2013, New Mexico's fly market **declined slightly to 20.7%**, while the competitive set average increased from 24.9% to 27.3%. However, since 2010 New Mexico's fly market has grown more than the competitive set.

Analyses of fly market visitors show they spend about twice as much in nearly all spending categories as drive market visitors. Therefore, it is believed a more balanced fly/drive visit profile (more similar to our competitive set) would benefit New Mexico.

Traveled by Air - Percent of Primary Overnight Visits

	CY2010	CY2011	CY2012	CY2013
New Mexico	**14.9%**	**16.7%**	**22.4%**	**20.7%**
Competitive set weighted average*	23.8%	23.7%	24.9%	27.3%

* Competitive set is Arizona, Colorado, Utah

Source for both tables on this page: Longwoods International Travel USA® 2010 through 2013 data sets
Interval of Measurement: Annual by Calendar Year

Outdoor & Cultural Activity Indexes

Objective: Increase visitor Outdoor activity levels and maintain high Cultural activity levels.

New Mexico's rich culture, combined with numerous opportunities for outdoor activities is a unique strength of New Mexico. These indexes are the cumulative totals of the Outdoor and Cultural activities Primary overnight visitors engaged in during their trips. When New Mexico's scores were compared in 2010 to regional and national averages, New Mexico had high activity levels for Cultural activities, but lagged compared to our competitive set for Outdoor activities. (Note that only Primary overnight visitors were measured as non-primary overnight visitors spent most of their trip outside each respective state.)

For 2013, the percentage of Primary overnight visitors who engaged in Outdoor activities **decreased slightly for New Mexico, our Competitive Set and in the U.S.** However, Outdoor activities in New Mexico were much higher than they were in 2010 and 2011, and participation in Cultural activities (where New Mexico has an advantage), **increased to a new high of 68**, well above the Competitive set or U.S. averages. This indicates NMTD has made **great progress** in growing outdoor activity participation while **not only maintaining, but increasing** already high cultural activity participation levels.

Outdoor and Cultural Activity Indexes (for primary overnight visitors)

		CY2010	CY2011	CY2012	CY2013
Outdoor Activities Index*	**New Mexico**	**33.6**	**34.6**	**52.9**	**51.9**
	Competitive Set	44.0	44.4	57.0	54.6
	U.S.	24.1	24.1	33.4	32.6
Cultural Activities Index**	**New Mexico**	**60.2**	**56.7**	**63.0**	**68.0**
	Competitive Set	44.2	44.0	50.6	51.2
	U.S.	39.0	39.2	48.0	49.4

*The Outdoor Activities Index is the cumulative total of the % of Primary overnight visitors who engaged in Hiking/backpacking, Camping, Fishing, Mountain Climbing, Golf, Skiing/snowboarding, Hunting, Biking or Rafting.

**The Cultural Activities Index is the cumulative total of the % of Primary overnight visitors who attended either a Museum, Landmark/historic site, Art gallery, Winery, Theater, Fair/exhibition/festival, Rock/pop concert, Symphony, Opera or Rodeo.

Source: Longwoods International

Source: Longwoods International Travel USA® 2010 through 2013 data sets

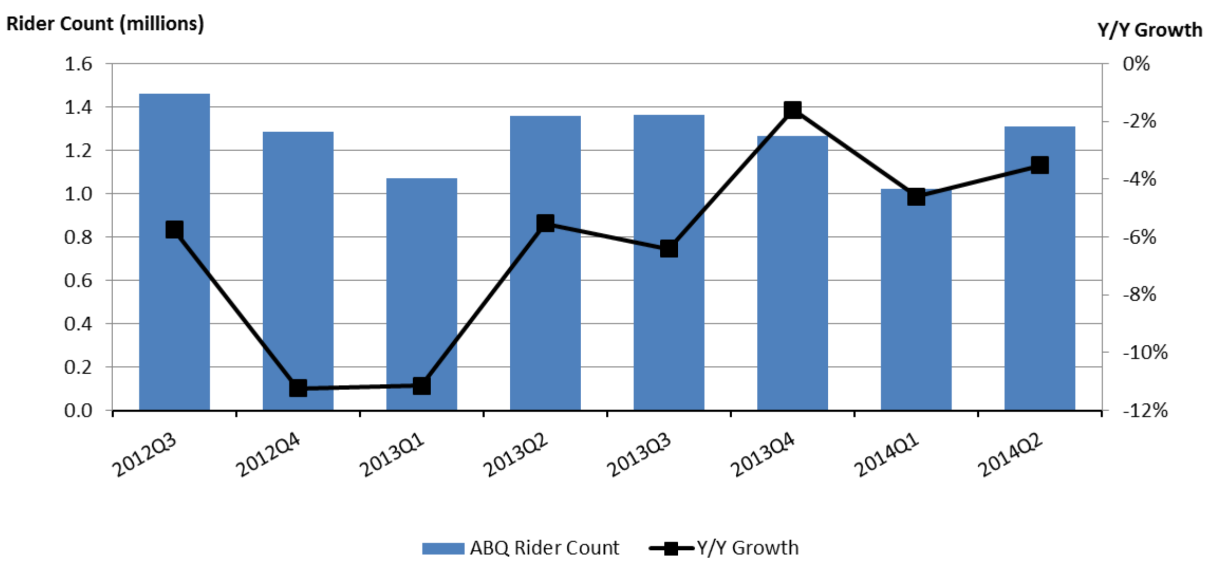
Interval of Measurement: Annual by Calendar Year

Airport Passenger Volume – Albuquerque International Airport

There was a **6.1% decrease** in passenger volume through the Albuquerque International Airport in 2013 from 2012 and a smaller, **4.1% decrease** in the first half of 2014 yoy. This continues a pattern of declining passenger volume since at least 2009. These declines have been attributed by Sunport spokesman to the economy and to airlines cutting back flights at medium size airports like Albuquerque. The Albuquerque Sunport is attempting to ameliorate this trend by adding additional airlines, such as JetBlue Airways, which began service in April 2013.

Albuquerque International Airport Total Enplaned & Deplaned (in millions)											
	2012Q3	**2012Q4**	**2013Q1**	**2013Q2**	**2013Q3**	**2013Q4**	**2014Q1**	**2014Q2**	**CY2011**	**CY2012**	**CY2013**
ABQ Rider Count	**1.459**	**1.287601**	**1.070**	**1.357**	**1.366**	**1.267**	**1.021**	**1.309**	**5.698**	**5.387**	**5.059**
Y/Y Change	*-5.7%*	*-11.2%*	*-11.2%*	*-5.5%*	*-6.4%*	*-1.6%*	*-4.6%*	*-3.5%*	*-1.7%*	*-5.4%*	*-6.1%*

Source: City of Albuquerque Website, Airport Facts and Figures, http://www.cabq.gov/airport/facts-and-figures



Source: City of Albuquerque Website, Airport Fact and Figures, http://www.cabq.gov/airport/facts-and-figures
Interval of Measurement: Quarterly

New Mexico National Park and Monuments Visits

Objective: Grow visitation to New Mexico's unique natural and cultural attractions.

Visits were **up 0.6%** in 2013 compared to 2012, led by strong performance at the two largest parks: White Sands National Monument (**up 9.6%** yoy) and Carlsbad National Park (**up 2%**). White Sands and Carlsbad accounted for 58.1% of all visits to New Mexico's 13 National Parks and Monuments in 2013, up from just 53.2% in 2011. Visitation would have been considerably higher in 2013 except the October 2013 government (and NPS) shut down resulted in a **23% drop** in visits in the fourth quarter of 2013.

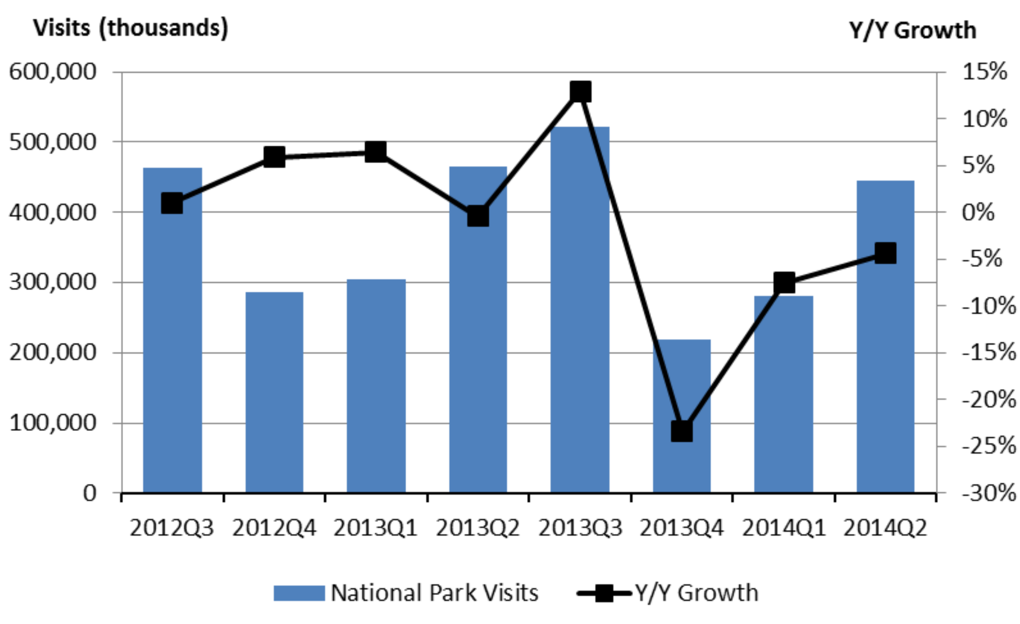
Visits were **down 5.6%** in the first 6 months of 2014 from 2013. This was due to decreases in just two parks – El Malpais, which had an 82% decrease from 2013 and Petroglyph National Monument which saw a 16.7% decrease (park rangers have been working for a year to rebuild trails damaged by rain). All other parks showed **increased yoy visitation** in the first half of 2014, ranging from a **0.7% increase** at Carlsbad to a **16.5% increase** at El Morro (likely because visitors were diverted from visit nearby El Malpais). From December 2010 to June 2013, visitors to El Malpais were banned from its lava tubes to protect the park's bats from white nose syndrome, and although four of the caves are now open, more restrictive visit requirements appear to have led to decreased visitation.

National Parks and Monuments include the following: Aztec Ruins NM; Bandelier NM; Capulin Volcano NM; Carlsbad Caverns NP; Chaco Culture NHP; El Malpais NM; El Morro NM; Fort Union NM; Gila Cliff Dwellings NM; Pecos NHP; Petroglyph NM; Salinas Pueblo Missions NM; White Sands NM

New Mexico National Park & Monument Visits

	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	CY2011	CY2012	CY2013
NM National Park Visits	462,591	286,272	304,775	465,880	522,517	219,357	281,754	445,433	1,455,587	1,502,931	1,512,529
Y/Y Change	*1.0%*	*5.9%*	*6.4%*	*-0.4%*	*13.0%*	*-23.4%*	*-7.6%*	*-4.4%*	*-12.2%*	*3.3%*	*0.6%*

Source: National Park Service Public Reports, https://irma.nps.gov/Stats



Source: National Park Service Public Reports, http://www.nature.nps.gov/stats
Interval of Measurement: Quarterly

State Parks Visits

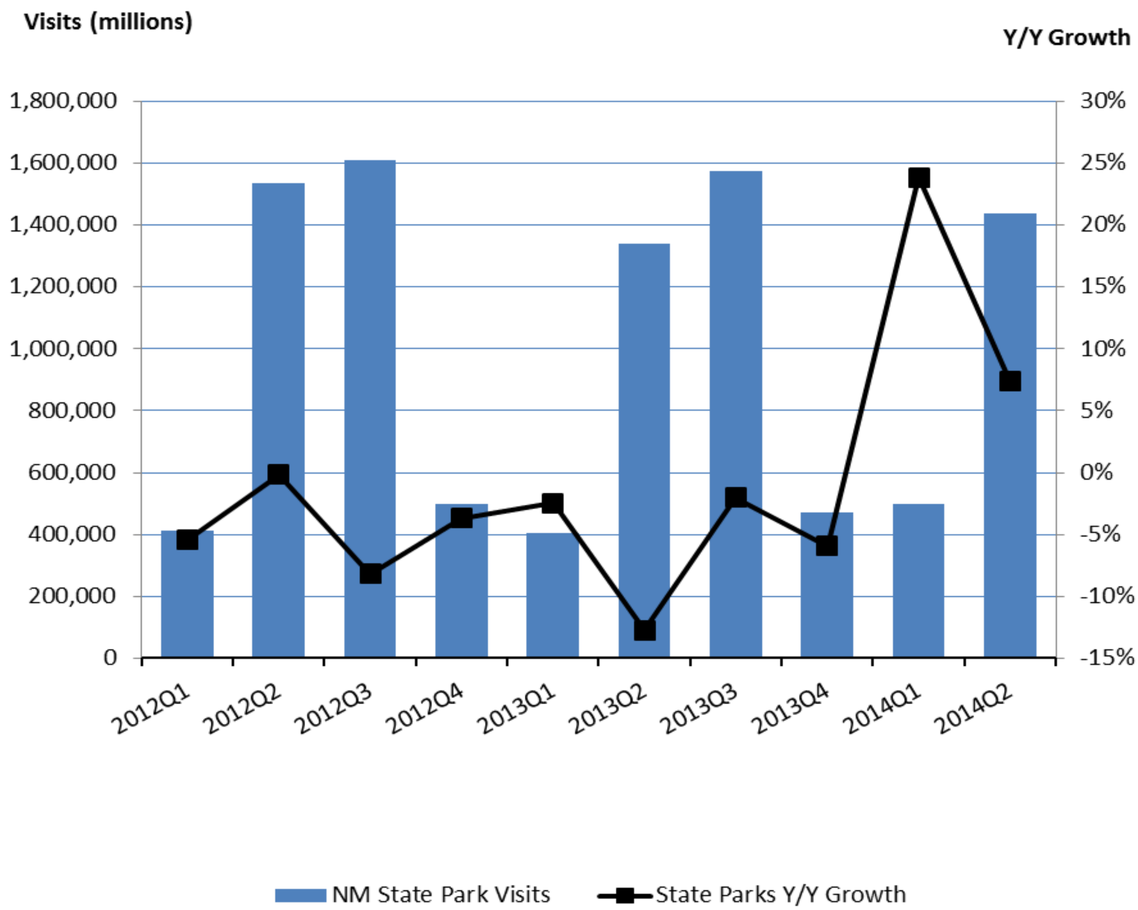
Objective: Grow visitation to New Mexico's outdoor recreational attractions.

State parks visits **decreased by 6.6%** in 2013, although visitation **increased by 11.2%** in the first half of 2014. State park visitation is highly sensitive to long term drought and the water levels in New Mexico's lakes and reservoirs as most of the visitation to New Mexico's state parks visitation is associated with warm weather water recreation. This is consistent with the highly seasonal nature of state parks visitation, as can be seen in the chart below.

Visitation has suffered over the last few years, almost entirely due to long term drought conditions that have resulted in low water levels (low enough to interfere with recreation activities) combined with occasional park closures due to wildfire hazards.

Visits to New Mexico State Parks											
	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	CY2011	CY2012	CY2013
State Parks Visits	1,608,215	499,680	402,786	1,339,274	1,575,754	469,989	498,796	1,438,858	4,244,739	4,055,455	3,787,803
Y/Y Change	*-8.2%*	*-3.7%*	*-2.5%*	*-12.7%*	*-2.0%*	*-5.9%*	*23.8%*	*7.4%*	*-10.9%*	*-4.5%*	*-6.6%*

** Source: Energy Minerals, National Resources Department, Park & Recreation Division



Source: Energy Minerals, National Resources Department, Park & Recreation Division
Interval of Measurement: Quarterly