

NEW MEXICO *True*

Adventure that feeds the soul begins here.

Research Portion of the New Mexico Tourism Department Presentation
at the May 2012 Governor's Conference on Tourism in Taos, New Mexico

Tourism Department Research Overview

- Fall 2011 Image study and how it influenced the New Mexico True ad campaign
- Inventory of New Mexico attractions
- Upcoming research – Economic Impact Analysis and ROI study

Image Study: Background & Intent

Background

- A baseline image study was fielded by Longwoods International in Fall of 2011 to establish an understanding of New Mexico's current image as well as the factors most important in motivating travel.
- Sample Size = 1,200 travelers. Drive Market: 150 respondents each from New Mexico, Arizona, Colorado, and West Texas DMA's. Fly Market: 150 respondents each from Dallas, Houston, Chicago, LA
- The data was weighted on key demographic variables (age, gender, income, household size, market size) to ensure that the sample profile was representative of New Mexico's travel market.

Intent of this Analysis

- Establish a baseline measure for future Image and ROI performance measurement.
- Provide data-based guidance for the department's creative strategy and execution via a custom analysis of the study data conducted by Katie Connolly & Associates and Jim Orr of the New Mexico Tourism Department.

The Image Study Included a Variety of attributes, from what There is to Do, to How it Makes You Feel

Exciting

A place everyone should visit at least once
A fun place for a vacation
An exciting place
A vacation there is a real adventure

Family Destination

Good for a family vacation

Adult Atmosphere

Good for an adult vacation

Worry-free

A place I would feel welcome
Good place to relax
Safe to travel anywhere in this place
Warm, friendly people
Excellent climate overall
Not too crowded with tourists

Sightseeing

Lots of things to see and do
Unique landmarks and natural attractions
Excellent Museums
Truly beautiful scenery
Wide variety of scenery
Interesting history/historical sites
Interesting cities
Interesting festivals/fairs/events
Interesting architecture
Variety of local arts/galleries and artists/artisans
Great for experiencing native cultures/customs/traditions
Interesting small towns/villages
Excellent local wine/wineries

Popular

Popular with vacationers
I often notice advertising for this place

Unique

Provides a unique vacation experience
Interesting inns/bed & breakfasts
Unique local/ethnic cooking/cuisine
Unusual, unique accommodations
Different cultures/ways of life

Luxurious

First-class hotels/resorts
Elegant, sophisticated restaurants

Sports & Recreation

Great Nature travel/eco touring
Excellent state park facilities
Great for exploring nature
Has many challenging outdoor activities
Good for viewing wildlife/birds
Excellent hiking/backpacking/camping
Excellent fishing
Excellent Golfing
Great for skiing/snowboarding

Entertainment

Excellent shopping
Exciting casinos/gaming
Exciting nightlife/entertainment/shows

Affordable

Excellent vacation value for the money
Easy to get to
Affordable to eat there
Affordable accommodations
Affordable to get to

Respondents rated each of these for each state on a scale from 1 to 10 (do not agree to agree completely)

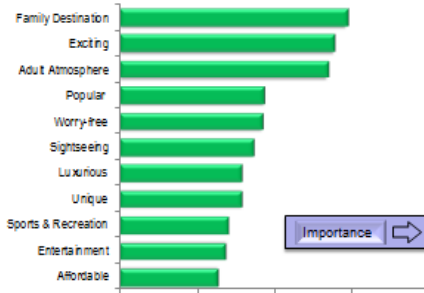
Key

FEEL

DO

Longwoods Delivered a Comprehensive Report, with Detailed Findings for both Drive & Fly Markets

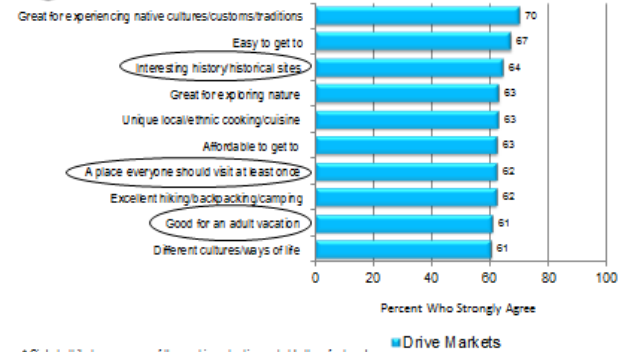
Travel Motivators — Drive Markets



Degree of association between each factor and whether New Mexico is a place I would really enjoy visiting

21

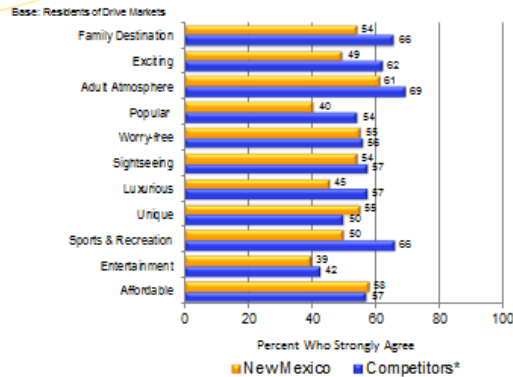
New Mexico's Highest Image Ratings — Drive Markets



* Cited attributes are some of the most important image hot buttons for travelers

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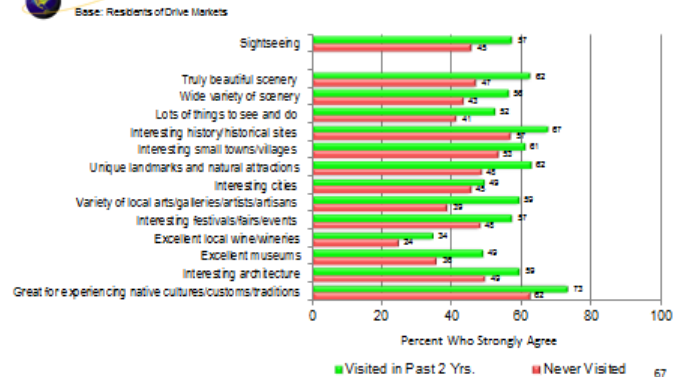
New Mexico's Image vs. Competitors



* Competitors: Arizona, Colorado, Utah

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New Mexico's Product Delivery — Sightseeing



Percent Who Strongly Agree

Percent Who Strongly Agree

67

Building on Longwoods Work, a Simple Screening Process Prioritized “what matters most” to Maximize the Impact of our Messaging

Screening Process for Longwoods factors:

Potential Effectiveness Assessment

- 1. Is it a motivator of trip conversion?*
- 2. Do we deliver on it?*



Top Conversion Drivers Delivered

Strategic Opportunity Assessment

- 3. Is it a point of difference for NM?*
- 4. Does it fit with our target?*



DRIVE
MARKET

Most Relevant P.O.D. to Drive Conversion



FLY
MARKET

Longwoods International's “Motivators”

- Longwoods takes an indirect approach to profiling the factors that motivate travel and destination choice
 - direct questioning of respondents on why they choose a destination can often lead to misleading answers. Respondents' answers tend to favor rational over emotional ideas because they are easier to call to mind and articulate.
 - predictive modeling analytics gets below the surface to uncover the true factors that drive overall ratings of destination appeal and choice.
- The statistical correlation between each attribute rating and the overall rating for “A place I would really enjoy visiting” is calculated
- *Attributes showing strong correlations with this attribute are strong predictors of destination choice and those with the highest correlations are ‘Hot Buttons’ that should be included in the communications messaging strategy*

For the DRIVE MARKET, the Top 10 Motivators are Dominated by Emotional “feel” Factors, with Top Performing “do” Factors including Adventure, Nature, and History



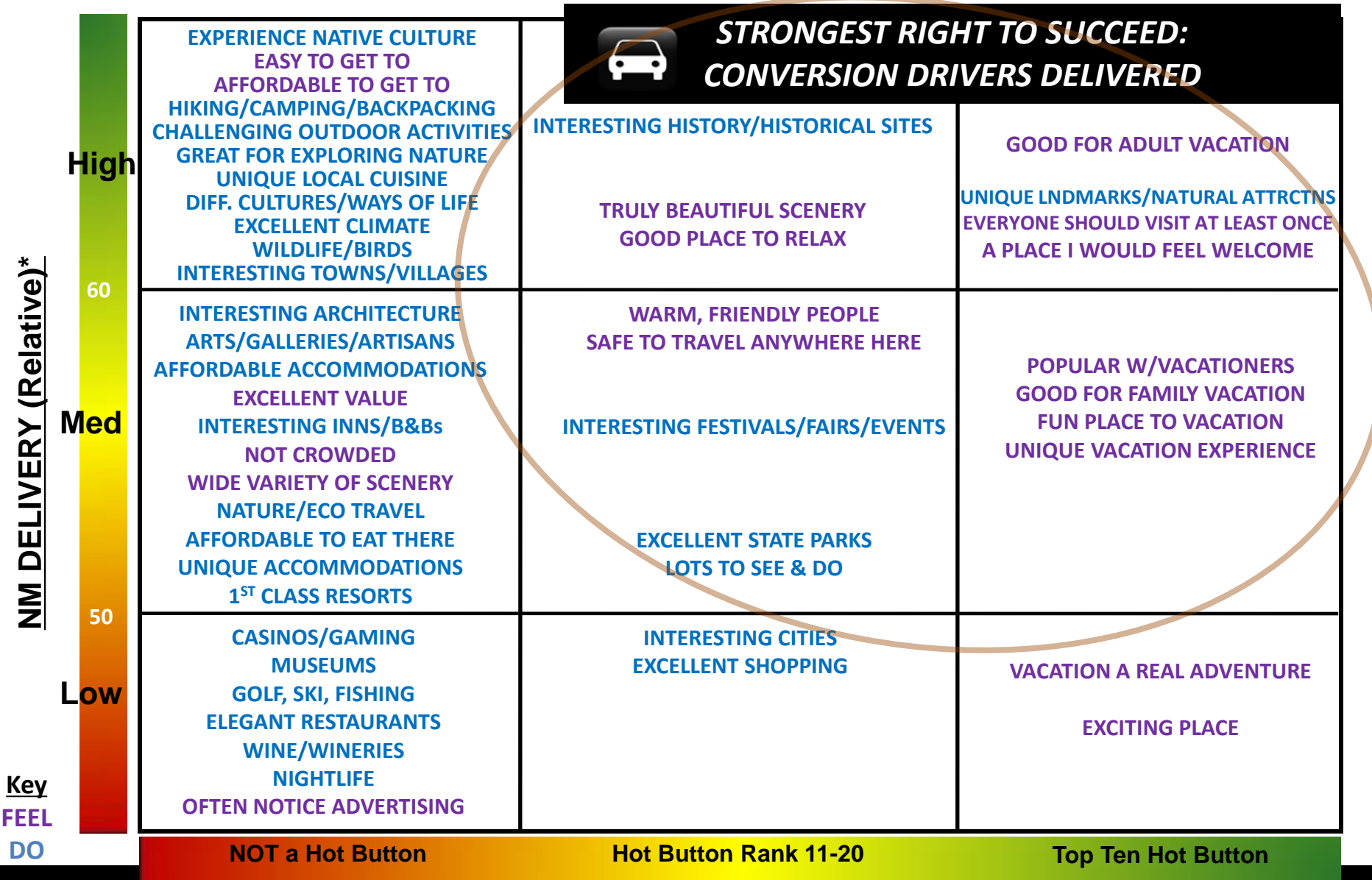
DRIVE
MARKET

Factors	<u>IS IT A MOTIVATOR?</u>	<u>DO WE DELIVER? *</u>
	<i>Hot Button Ranking</i>	<i>(Past 2 Yr Visitors: % agreeing)</i>
FEEL A fun place for a vacation	1	56
FEEL A place everyone should visit at least once	2	62
FEEL Good for a family vacation	3	57
FEEL Good for an adult vacation	4	66
FEEL An exciting place	5	42
FEEL Provides a unique vacation experience	6	56
FEEL A place I would feel welcome	7	61
DO A vacation there is a real adventure	8	48
DO Unique landmarks and natural attractions	9	62
FEEL Popular with vacationers	10	58
FEEL Good place to relax	11	62
FEEL Warm, friendly people	12	59
DO Excellent shopping	13	49
DO Lots of things to see and do	14	52
DO Interesting festivals/fairs/events	15	57
DO Excellent state park facilities	16	53
DO Interesting cities	17	49
FEEL Safe to travel anywhere in this place	18	59
DO Interesting history/historical sites	19	67
FEEL Truly beautiful scenery	20	62

* Green = 60% or more agreeing (8-10 on 10 point scale); Yellow = 50-59% agreeing; Red = less than 50% agreeing

Source: Longwoods Int. NM Image Baseline Study, Nov. 2011; Katie Connolly & Associates, LLC custom analysis

Drive Market Right to Succeed Assessment: Motivation vs. NM Delivery



Key
FEEL
DO



Compared to our Competitive Set, Recent Drive Market Visitors Indicated only Parity at Best on the Most Motivating Factors... Although Most Factors Fit well with our “Venturesome” Target



<u>Factors</u>	<u>IS IT A POINT OF DIFFERENCE?</u>	<u>DOES IT FIT WITH OUR TARGET?</u>
	NM Gap vs. Comp*	Fit with "Venturesome" Psychographic Target**
DO Interesting history/historical sites	2	Green
DO Interesting festivals/fairs/events	2	Yellow
FEEL Warm, friendly people	-2	Yellow
FEEL Popular with vacationers	-3	Red
FEEL A place I would feel welcome	-6	Green
FEEL Good place to relax	-6	Yellow
FEEL Provides a unique vacation experience	-7	Green
FEEL Good for an adult vacation	-8	Yellow
FEEL Safe to travel anywhere in this place	-8	Yellow
FEEL A fun place for a vacation	-12	Green
FEEL Good for a family vacation	-14	Yellow
DO Unique landmarks and natural attractions	-17	Green
DO Lots of things to see and do	-18	Green
FEEL A place everyone should visit at least once	-18	Green
FEEL Truly beautiful scenery	-19	Yellow
DO Excellent state park facilities	-23	Yellow







*Point gap on Past 2 yr Visitors % agreeing vs. Competitive Average (CO, UT, AZ);

**Based on Plog “Venturer” psychographic profile

Source: Longwoods Int. NM Image Baseline Study, Nov. 2011; Katie Connolly & Associates, LLC custom analysis

For the FLY Market, the Top 20 Fly Market Motivators are Similar to the Drive Market's (four are unique) – Delivery is Generally Stronger



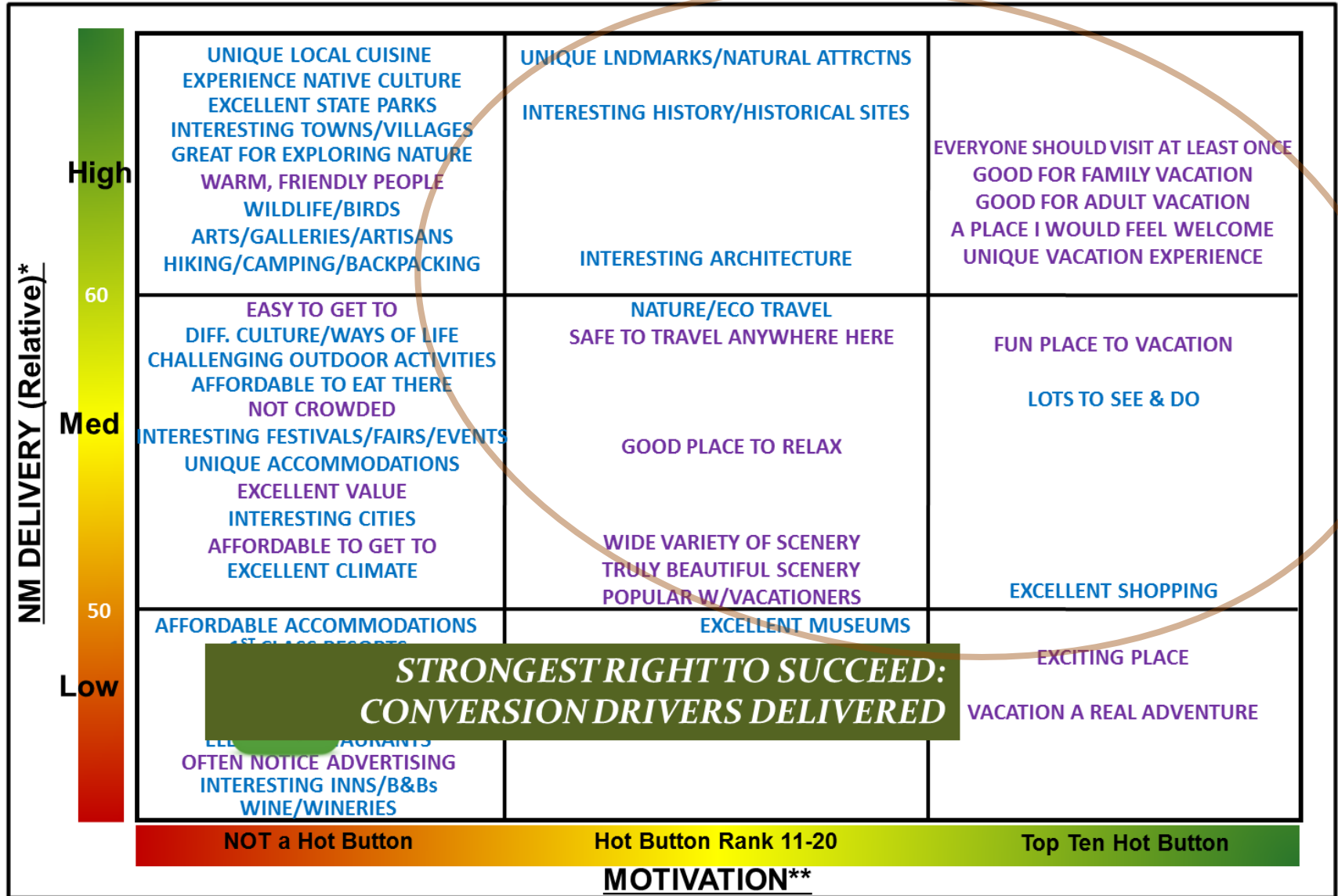
Factors	IS IT A MOTIVATOR?	DO WE DELIVER?
	Hot Button Ranking	(Past 2 yr Visitors: % agreeing)
FEEL A fun place for a vacation	1	58
FEEL A place everyone should visit at least once	2	66
FEEL Good for an adult vacation	3	64
FEEL Provides a unique vacation experience	4	61
FEEL Good for a family vacation	5	66
FEEL An exciting place	6	48
DO Lots of things to see and do	7	56
DO A vacation there is a real adventure	8	46
FEEL A place I would feel welcome	9	62
DO Excellent shopping	10	50
 DO Excellent Museums	11	49
DO Unique landmarks and natural attractions	12	71
FEEL Good place to relax	13	54
FEEL Safe to travel anywhere in this place	14	59
FEEL Popular with vacationers	15	50
 FEEL Wide variety of scenery	16	52
FEEL Truly beautiful scenery	17	51
 DO Great Nature travel/eco touring	18	59
 DO Interesting architecture	19	61
DO Interesting history/historical sites	20	68
 Unique to Fly Market		
 Strong Performance vs. Drive Market		

* Green = 60% or more agreeing (8-10 on 10 point scale); Yellow = 50-59% agreeing; Red = less than 50% agreeing

Source: Longwoods Int. NM Image Baseline Study, Nov. 2011; Katie Connolly & Associates, LLC custom analysis



Fly Market Right to Succeed Assessment: Motivation vs. NM Delivery



Key
FEEL
DO

*% agreeing (past 2 yr visitors); **Based on factor correlation to "A place I would really enjoy visiting"
 Source: Longwoods Int. NM Image Baseline Study, Nov. 2011; Katie Connolly & Associates, LLC custom analysis

Unlike the Drive Market, the Fly Market posts Strong Performance on Competitive P.O.D. for five of the most motivating factors...with most also a solid fit with our consumer target



		<u>IS IT A POINT OF DIFFERENCE?*</u>	<u>DOES IT FIT WITH OUR TARGET?***</u>
<u>Factors</u>		NM Gap vs. Comp	Fit with "Venturesome" Psychographic Target
DO	Interesting architecture	12	Green
DO	Interesting history/historical sites	9	Green
FEEL	Good for a family vacation	4	Yellow
FEEL	A place I would feel welcome	4	Green
FEEL	Safe to travel anywhere in this place	4	Red
FEEL	Good for an adult vacation	1	Yellow
DO	Unique landmarks and natural attractions	-1	Green
DO	Excellent shopping	-1	Red
FEEL	A place everyone should visit at least once	-2	Green
FEEL	Good place to relax	-3	Yellow
FEEL	Provides a unique vacation experience	-3	Green
DO	Excellent Museums	-5	Red
FEEL	A fun place for a vacation	-6	Green
DO	Great Nature travel/eco touring	-7	Green
DO	Lots of things to see and do	-8	Green
FEEL	Wide variety of scenery	-13	Yellow
FEEL	Truly beautiful scenery	-16	Yellow
FEEL	Popular with vacationers	-16	Red

*Point gap on Past 2 yr Visitors % agreeing vs. Competitive Avg (CO, UT, AZ); **Based on Plog "Venturer" psychographic profile

Source: Longwoods Int. NM Image Baseline Study, Nov. 2011; Katie Connolly & Associates, LLC custom analysis

Summary of Strategic Communication Priorities: With Additional Support Strongly Delivered



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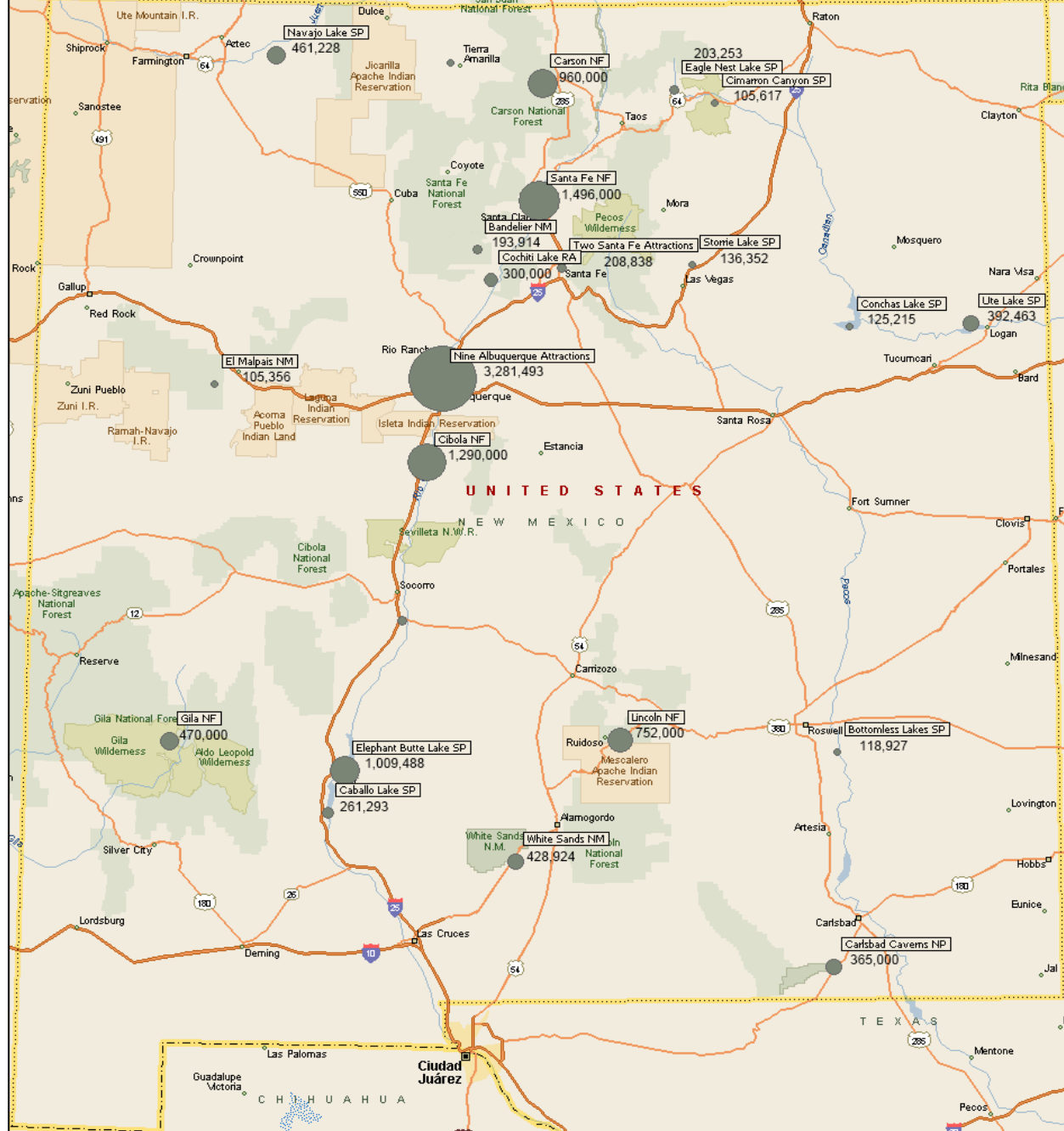
FLY
MARKET

TOP CONVERSION DRIVERS DELIVERED	"FEEL"	Fun / Lots to See & Do	
		"Must Do"/ Unique Vacation Experience	
		Feel Welcome / Good for Adults/Families / Safe	
		Good Place to Relax	
		Beautiful/Wide Variety of Scenery	
		Unique Landmarks/Natural Attractions	
SOURCES OF STRATEGIC ADVANTAGE (Relevant P.O.D.)	"DO"	Interesting History / Historical Sites	
		Festivals/Fairs/Events	Interesting Architecture
		Warm/Friendly People	
OTHER SUPPORT STRONGLY DELIVERED		Native Cultures & Cuisine	
		Hiking/Camping/State Parks/Exploring Nature/Wildlife/Birds	
		Easy/Affordable to Get to	Nature Travel/Eco Touring
		Challenging Outdoor Activities	Interesting Small Towns/Villages
		Climate	Local Art/Galleries/Artisans

Top New Mexico Attractions (with more than 100,000 annual visits)

12.98 million visits total

Includes National Parks & Monuments, State & City Parks, National Forest Recreational Visits, Native American Pueblo and Tribal attractions, State Museums and Monuments, Fairs, Festivals and Events



List of Top New Mexico Attractions (with more than 100,000 annual visits)

<u>Destination</u>	<u>Annual Visits</u>
Santa Fe National Forest*	1,496,000
Cibola National Forest	1,290,000
Albuquerque BioPark	1,200,000
Elephant Butte Lake State Park	1,009,488
Carson National Forest	960,000
Lincoln National Forest	752,000
Albuquerque International Balloon Fiesta	737,466
Gila National Forest	470,000
Navajo Lake State Park	461,228
White Sands National Monument	428,924
NM State Fair	399,529
Ute Lake State Park	392,463
Carlsbad Caverns National Park	365,000
Cochiti Lake Recreation Area	300,000
Caballo Lake State Park	261,293
Eagle Nest Lake State Park	203,253
Indian Pueblo Cultural Center (Albuquerque)	200,000
Bandelier National Monument	193,914
Museum of Natural History & Science (Albuquerque)	192,168
Rio Grande Nature Center (Albuquerque)	187,265
Bosque del Apache NWR	165,000
Heron Lake State Park	151,865
Storrie Lake State Park	136,352
Gathering of Nations Powwow	130,000
Conchas Lake State Park	125,215
National Hispanic Cultural Center (Albuquerque)	120,637
Bottomless Lakes State Park	118,927
Petroglyph National Monument (Albuquerque)	114,428
New Mexico History Museum/Palace of the Governors	108,838
Cimarron Canyon State Park	105,617
El Malpais National Monument	105,356
Santa Fe Indian Market	100,000

*National Forest visits are for recreational visits and include ticket sales to downhill ski areas within the forests.

Latest available visitation numbers as of May 11, 2012.

Upcoming Tourism Department Research Projects:

- Economic Impact Analysis – May/June 2012
- Marketing ROI study – Oct/Dec 2012

Three Pieces of Data Needed to Measure Marketing ROI:

1. Visitor Profiles (how much visitors spend, their demographics) Source: Longwoods International
(ALREADY HAVE)
2. Economic Impact Analysis (direct and indirect impacts within the context of the entire state economy, tax data, etc.) Source: Tourism Economics Inc. **(JULY 2012)**
3. ROI Study to measure the effects of an ad campaign in creating *incremental* visits from targeted areas **(DECEMBER 2012)**

Measuring ROI

WHAT	Longwoods R.O.EYE Quantitative Research*
WHY	Defensible, benchmarkable ROI for the Department
HOW	Online survey, statistically representative sample of ~1,400 consumers in target markets with forced exposure to NM advertising stimuli (TV, print, radio, web)
KEY LEARNING	<ul style="list-style-type: none">• Awareness of NM advertising• Short-term conversion (trips taken as a direct result of NM's advertising during and immediately following the campaign)• Future intent to visit• <u>ROI calculation</u> based on projection of survey results to population of advertising markets (# aware, # of incremental trips taken and planned), applying visitor spending data from Tourism Economics In. and Travel USA
TIMING	OCT – DEC, 2012

*A certain number of visitors will travel to a destination regardless of whether they have been exposed to advertisements of that destination. The ROI study seeks to determine how many visitors came as a result of the advertising campaign (incremental visits) and to calculate the economic impact of those incremental visits .