

New Mexico Tourism Department 2015 Annual Report



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INTRODUCTION

The New Mexico Tourism Department's (NMTD) marketing strategy is thoroughly research based, utilizing the highest quality data sources and analysis. The purpose of the NMTD Annual Report is to document and measure the state of New Mexico's tourism industry and NMTD's efforts to grow New Mexico's economy by growing the tourism industry in New Mexico. NMTD seeks to measure its impact by utilizing a variety of tourism indicators and vendor supplied datasets – such as Longwoods Travel USA® data and Tourism Economics' Tourism Impact studies.

The annual report is constantly evolving, and in order to provide a more comprehensive overview of NMTD research findings, the executive summary is now divided into three sections:

1. **Annual Performance Highlights**
2. **2014 Performance Commentary**
3. **Overview of NMTD Research Findings: 2010 through 2015** which provides a review of some of NMTD's most significant and best documented research findings from 2011 to 2015.

Further detailed information can be found in the five sections after the Executive Report, as shown in the index on page 3.

This report contains data that was available as of September 30th, 2015.

With regard to terms used in this report, "Yoy" means year over year, and New Mexico's "competitive set of states" includes Arizona, Colorado and Utah.

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

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EXECUTIVE SUMMARY

The executive summary is composed of three sections.

- The **Annual Performance Highlights** section presents a quick overview of the major data highlights since the last annual report. *Much of the data in this section comes from “The Economic Impact of Tourism in New Mexico: 2014 Analysis”* which was released in September 2015. The full 2014 Economic Impact of Tourism report is available in the research section at <http://nmtourism.org> and includes comprehensive economic impact information statewide and for the 33 counties in New Mexico. Due to a more comprehensive and/or inclusive methodology and the addition of international visitation numbers, NMTD gives preference in this Annual report to the Visitation, Spending, and Employment numbers derived from Tourism Economics 2014 Economic Impact of Tourism study, instead of previously reported Visitation and Spending data from Longwoods International, and Leisure and Hospitality job numbers from the U.S. Bureau of Labor Statistics. Tourism Economics generated Personal Income and Tax information (which is not available from other sources), are also reported in this section.
- The **2014 Performance Commentary** section presents a summary and commentary on other key metrics not already presented in the **Annual Performance Highlights** section. This section is organized under the following categories: New Mexico Brand Performance; NMTD Visitor Relationships; New Mexico Visitor Profile; and Visit Characteristics.
- Finally, the **Overview of NMTD Research Findings: 2011 through 2015** provides a review of NMTD’s most significant research findings over the last 4+ years.

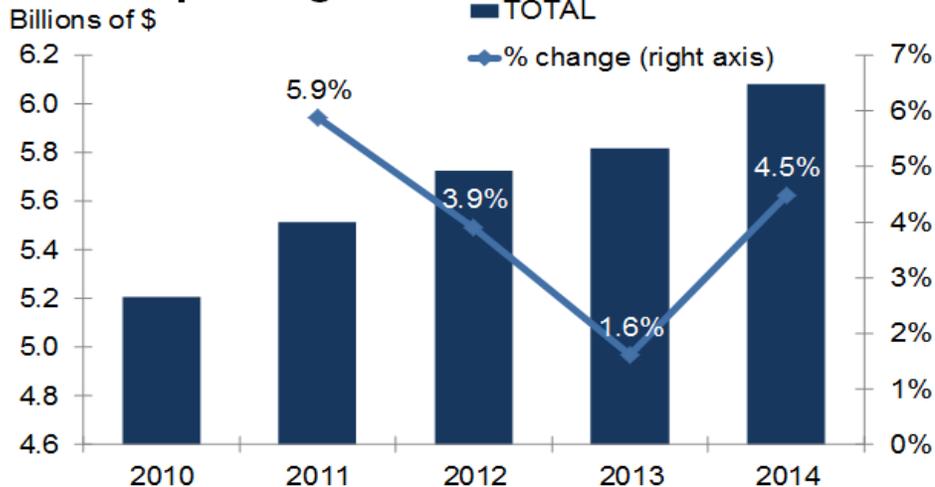
Annual Performance Highlights

Over the last year, performance of the tourism sector has been strong.

Tourism Spending Continues to Increase: As seen below, Tourism Economics data shows that in 2014 direct visitor spending **increased 4.5%** from 2013 to \$6.08 billion, which is an all-time high. This represents a **\$261 million increase** over 2013, and is **10.3% higher** than in 2011.

Visitor Spending by Sector (US\$ Million)						
Sector	2010	2011	2012	2013	2014	% Change
Lodging	\$1,068	\$1,097	\$1,128	\$1,152	\$1,238	7.4%
Food & bev.	\$1,253	\$1,308	\$1,328	\$1,335	\$1,355	1.5%
Retail	\$865	\$902	\$968	\$994	\$1,075	8.1%
Recreation	\$722	\$744	\$749	\$752	\$756	0.5%
Local Trans.	\$622	\$749	\$803	\$812	\$852	5.0%
Air	\$174	\$183	\$175	\$165	\$159	-4.0%
2nd Homes	\$503	\$530	\$575	\$609	\$645	6.0%
TOTAL	\$5,207	\$5,512	\$5,727	\$5,819	\$6,080	4.5%
%Change		5.9%	3.9%	1.6%	4.5%	

Visitor Spending



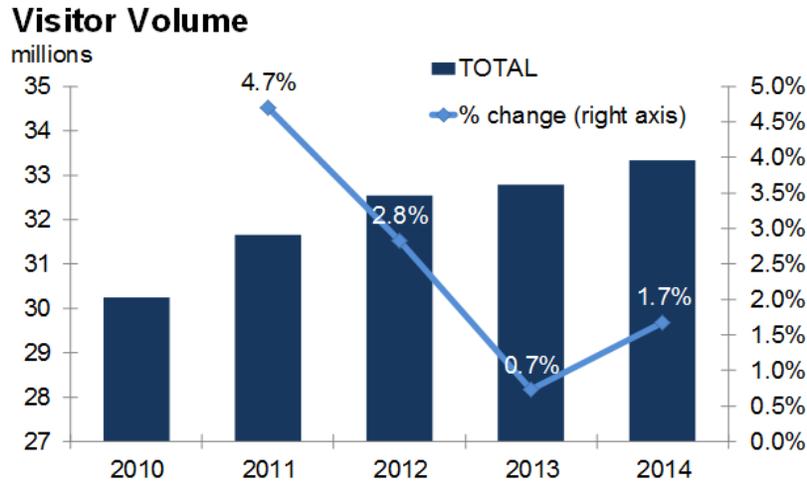
Source: Longwoods, Tourism Economics

New Mexico Visitor Spending (US\$ Million)					
Sector	2010	2011	2012	2013	2014
TOTAL	\$5,207	\$5,512	\$5,727	\$5,819	\$6,080
%Change		5.9%	3.9%	1.6%	4.5%

Other indicators of tourism-related spending also increased in 2014. Compared to 2013, taxable gross accommodation receipts **increased 5.4%** yoy (year over year), gross receipts accommodation taxes **grew 5.6%**, and New Mexico Rocky Mountain Lodging Report Accommodation Total Receipts **increased 5.7%** and in the first half of 2015 continued to **grow 3.9%** yoy (see pages 22 & 23). As of 9/29/15, GRT data was not available

for the first half of 2015. (Sources: New Mexico Taxation and Revenue Department and the Rocky Mountain Lodging Report)

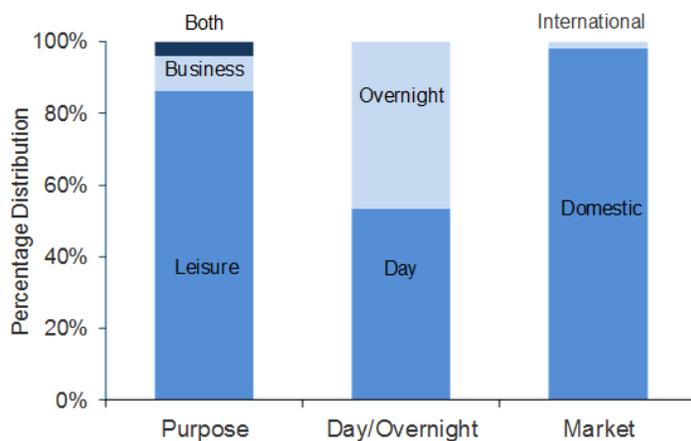
2014 Visitation Increased: Tourism Economics adds international visitation estimates to Longwoods International domestic visitation numbers as seen in the following charts and table, and the total number of visitors (overnight and day-trips) **increased by 1.7% or 550,000 to 33.34 million** for these combined visits. Of course these domestic and international visitation numbers are higher than the domestic visitation numbers NMTD reported earlier this year. Domestic marketable overnight trips (other than business trips or trips to visit friends and family), which are the primary focus of the New Mexico True marketing plan, were **up 2.1%** from 2013.



Source: Longwoods, Tourism Economics

New Mexico Visitation					
Millions of Person-Trips					
Sector	2010	2011	2012	2013	2014
TOTAL	30.24	31.66	32.55	32.79	33.34
% Change		4.7%	2.8%	0.7%	1.7%

Visitors by Market



Note: visitors are counted on a person-trip basis. International figures have been revised since Tourism Economics' 2011 analysis based on new data from Statistics Canada and the National Travel & Tourism Office.

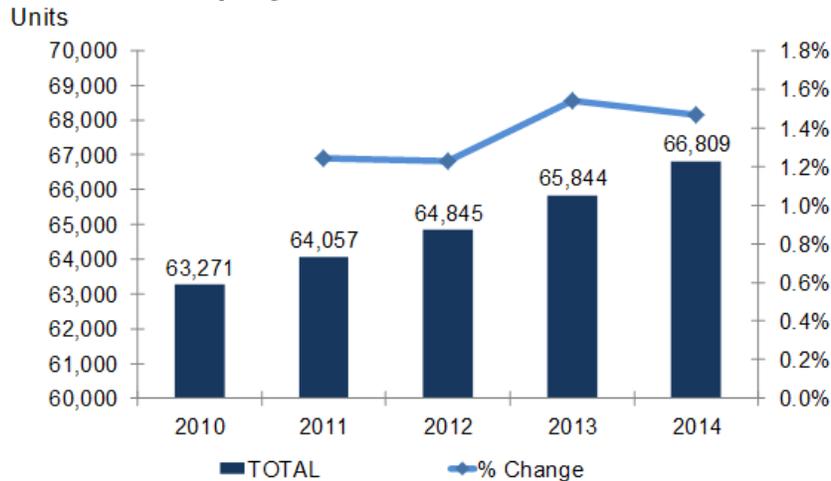
Visitors By Market		
	Visitors	% of total
Purpose	33.3	
Leisure	28.8	86.2%
Business	3.3	9.9%
Both	1.3	3.8%
Stay (Day/Overnight)	33.3	
Day	17.8	53.5%
Overnight	15.5	46.5%
Market	33.3	
Domestic	32.7	98.1%
International*	0.6	1.9%
* International Volume Estimates		
Canada	141,002	
Mexico	334,430	
Overseas	165,476	
Total	640,909	

Tourism Jobs Continue to Grow: Tourism employment has been one of the best performing sectors in the New Mexico economy. As seen in the following charts and tables, Tourism Economics data shows **4.3% growth** in direct tourism employment since 2011 (or **2,752 additional jobs**). Direct, Indirect and Induced employment totaled **88,938, or 8.2%** of all jobs in New Mexico (**up from 8.0%** in 2011) – refer to the 2011 and 2014 Economic Impact of Tourism reports, available at <http://nmtourism.org> under the research section.

Important: Note that Tourism Economics analysis of employment provides a more precise and different accounting of tourism jobs than what NMTD has reported the past several years, in which we have reported Leisure and Hospitality employment numbers from the U.S. Bureau of Labor Statistics. Tourism Economics apportions tourism jobs in various job sectors or industries based on proportions that can be attributed to tourism activity as determined by research studies. So for example, on page 18 of the “The Economic Impact of Tourism in New Mexico: 2014 Analysis,” 51.9% of jobs in the Recreation employment sector are considered to be supported by visitor spending. In the Bureau of Labor Statistics Leisure and Hospitality category, 100% of recreation jobs are counted. This is true for other employment categories, and there are some sectors, such as retail, that are included in Tourism Economics Tourism job numbers but are not included in the Leisure and Hospitality sector.

Therefore, NMTD gives preference to Tourism Economics' employment data, although in the Economic Impact of Tourism in New Mexico section found later in this Annual report, we also report on Leisure and Hospitality employment for the sake of continuity with past reports.

Tourism Employment



Source: Tourism Economics

Direct Tourism Employment

Sector	2010	2011	2012	2013	2014
TOTAL	63,271	64,057	64,845	65,844	66,809
%Change		1.2%	1.2%	1.5%	1.5%

Tourism Employment

	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	41	41	83
Construction and Utilities	-	431	135	566
Manufacturing	-	138	61	198
Wholesale Trade	-	215	341	556
Air Transport	643	9	15	668
Other Transport	3,509	566	200	4,275
Retail Trade	6,179	88	1,926	8,194
Gasoline Stations	1,310	10	143	1,463
Communications	-	603	196	798
Finance, Insurance and Real Estate	5,633	2,013	1,626	9,273
Business Services	-	3,151	847	3,998
Education and Health Care	-	49	3,028	3,077
Recreation and Entertainment	12,486	497	511	13,494
Lodging	15,993	24	14	16,031
Food & Beverage	21,054	1,140	1,894	24,088
Personal Services	-	514	1,009	1,523
Government	-	473	180	653
TOTAL	66,809	9,962	12,167	88,938
Growth since 2011	4.3%	1.1%	2.6%	3.7%

Personal Income Continues to Grow: Direct and Total tourism labor income stood at \$1.509 and \$2.3303 billion in 2014, a **10.7%** and **9.1%** increase respectively, from 2011.

Tourism Labor Income (Compensation)				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	1.4	2.8	4.2
Construction and Utilities	-	28.4	8.5	36.9
Manufacturing	-	5.7	2.6	8.4
Wholesale Trade	-	12.6	20.0	32.6
Air Transport	36.6	0.5	0.9	38.0
Other Transport	111.9	27.7	8.9	148.5
Retail Trade	156.7	2.9	59.1	218.7
Gasoline Stations	36.8	0.3	4.0	41.0
Communications	-	27.8	9.3	37.1
Finance, Insurance and Real Estate	74.7	56.6	51.8	183.1
Business Services	-	123.2	34.3	157.5
Education and Health Care	-	1.2	140.2	141.4
Recreation and Entertainment	273.9	5.3	6.9	286.1
Lodging	387.1	0.6	0.3	388.0
Food & Beverage	431.4	23.3	42.8	497.5
Personal Services	-	26.2	36.4	62.6
Government	-	36.7	11.9	48.6
TOTAL	1,509.0	380.5	440.8	2,330.3
Growth since 2011	10.7%	4.6%	7.6%	9.1%

Tourism-generated taxes increased: State taxes grew by 8.5% (or \$32.4 million) between 2011 and 2014 (to \$414.3 million) and Local taxes increased by 6.6% (or \$12 million to \$195.1 million). Visitor-driven state and local tax proceeds of \$609 million helped offset the average household tax burden by \$810 per household. That is, visitors add tax value worth **\$810** to every New Mexico household, **up from \$747** in 2011.

2014 Performance Commentary

The **2014 Performance Commentary** section presents a summary of the results for categories not already covered in the preceding section (Visitation, Spending, and Employment), focusing on New Mexico Brand Performance; NMTD Visitor Relationships; New Mexico Visitor Profile; and Visit Characteristics. Please refer to these sections, beginning on page 19 for more information.

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

Tourism-Generated Taxes			
Millions of \$			
	2011	2014	% Change
Federal Taxes	613.6	666.1	8.5%
Corporate	157.5	171.4	8.8%
Indirect Business	112.6	120.0	6.6%
Personal Income	59.8	65.3	9.1%
Social Security	283.7	309.5	9.1%
State Taxes	381.9	414.3	8.5%
Corporate	25.6	27.9	8.8%
Personal Income	23.2	25.3	9.1%
Sales	199.6	218.7	9.6%
State Unemployment	6.8	7.4	9.1%
Other Taxes/fees	126.7	135.1	6.6%
Local Taxes	183.1	195.1	6.6%
Sales	10.5	11.5	9.6%
Personal Income	4.1	4.5	9.1%
Lodging	40.8	41.6	2.0%
Excise and Fees	11.3	12.3	9.6%
Property	74.2	79.2	6.6%
Other taxes and fees	42.2	46.1	9.1%
Total	1,178.6	1,275.6	8.2%

NEW MEXICO BRAND PERFORMANCE

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

Marketable trips are defined as travel that is influenced by marketing efforts and do not include visitors whose main purpose in taking a trip is to visit friends and family or for 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. (In 2014, 84% of visitor spending in New Mexico was by out of state visitors). 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.

Note that the marketable data that follows is for domestic visitation only.

In 2014, domestic marketable overnight visitation **increased 2.1%** and out of state visitation also **increased 2.1%**. 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 more readily influenced by advertising. The fact that marketable trips have **increased over 40%** since 2010 is quite remarkable, and a strong indicator that NMTD's True advertising is having an impact. An additional bonus of marketable trips is that people who take these trips spend more on food, lodging, and in all spending categories than the average visitor, thus bringing more money into New Mexico's economy.

Although New Mexico's share of domestic adult overnight marketable trips in the U.S. has changed little from 2011 to 2014, Longwoods International has provided data that shows New Mexico's overnight market share ranking has increased since 2012:

2010 – 36th, 2011 – 36th, 2012 – 36th, 2013 – 33rd, 2014 – 32nd

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

Objective: 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.

Three measures (**National Travel Intent, In-State Travel Intent, and the Repeat Visitation Rate**), were selected in 2011 as indicators of key weaknesses in New Mexico's visitor market that NMTD has sought to improve (see page 20). New Mexico has 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).

There was little change in these three measures in 2014 from 2013. For New Mexico, there were slight declines in In-State Travel Intent and the Repeat Visitation Rate and no change in National Travel

Intent. Long term, both New Mexico and our competitive states have seen declines in in-state visitation and intent to return rates. These declines are believed to be related to an improving economy, which encourages more expensive, out of state trips. The **Repeat Visitation Rate** declined in New Mexico, while it increased in our competitive states; however, this is partially explained by New Mexico's greater long term 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 greater travel distance (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 increases. (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 2010-2014 decline in In-State Travel Intent and Repeat Visitation Rates, seen in each state, 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 spend more money on out of state trips.

NMTD VISITOR RELATIONSHIPS

Objectives:

#1: Grow active visitor relationships and interactions.

#2: Increase awareness of New Mexico.

NMTD's Social Media presence and YouTube views showed enormous growth in 2014 and the first half of 2015 (see page 24). The department's Facebook PTAT and total reach have grown very rapidly as more department resources have been devoted to Facebook, with especially strong growth in the first two quarters of CY2015. The number of likes continues to grow strongly, **increasing 48.6%** in 2014 and **surpassing 150,000** in the second quarter of CY2015.

Views of the department's YouTube page were **111% higher** in 2014 compared to 2013, and video views greatly increased during the first two quarters of 2015 (by **78% and 514%** yoy). New Mexico True videos have been very well received by the public and have exposed many more people to NMTD produced videos. In addition, all New Mexico True TV episodes and segments are "housed" in NMTD for future use. These short video segments are well suited for use with other social media channels such as Facebook.

Visits to all department websites **increased 17.5%** in 2014, and **grew 5.5%** yoy in the first half of 2015. Site content and features have been continuously updated and expanded over the last year. Referrals from newmexico.org to New Mexico business partner sites **increased 22.6%** in 2014 and **grew 134%** in both the 1st and 2nd quarters of 2015. These referrals (an average of **310 every day** in 2014) represent a significant source of leads for over 2,000 New Mexico businesses.

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 devices and apps and social media for travel information. The department will continue to monitor vacation guide use and make adjustments accordingly. Visits to the digital guide from web browsers and mobile devices (including the VG apps) **declined 34%** in 2014 while requested mailed vacation guides **decreased 27%**, indicating a continuing shift from requests for the paper and the digital guide to the use of other forms of travel information. (See the Vacation Guides entry (page 26) for further discussion of these results.)

NMTD E-newsletters are sent each month highlighting upcoming events and specific New Mexico attractions. The number of E-newsletters sent **increased 1.9%** to **1.467 million** in 2014. The open rate averaged **15.9%** in 2014, but improved to **over 17%** in the first half of 2015.

Visits to the nine Visitor Information Centers **declined 4.7%** in 2014. *The small decreases seen in 2014 and the first half of 2015 are in line with expectations of a slow decline in VIC visitation over time*, due to traveler's (especially young travelers) increasing preference for web, mobile apps and devices, and social media as their primary sources of travel information. There are now eight NMTD VICs as the Texico VIC was closed in the fall of 2014.

NEW MEXICO VISITOR PROFILE

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.**

In 2014, New Mexico's and the Competitive set's average share of Primary overnight visitors changed little from 2013, although in both years there was a small decrease from 2011 and 2012, in both NM and our competitive set of states. However, longer term (from 2010 to 2014), New Mexico gained on our Competitive set as the gap between New Mexico and our Competitive set of states **narrowed significantly**, from a **16.3** percentage point gap in 2010 to an **11.9** percentage point gap in 2014.¹

The geographic diversity objective and measure (see page 28), was developed because in 2010, New Mexico had a greater geographic concentration of visitors and a smaller fly market than our competitive set. NMTD has since sought to broaden New Mexico's appeal to more markets. New Mexico's percent of visitor trips from its top five states of origin (New Mexico, Texas, Arizona, Colorado and California) **declined 2.5 percentage points** in 2014 while the Competitive set average **declined 1 point**. New Mexico's geographic concentration (top 5 states) is **now lower** than our Competitive set of states, a very significant change in the last four years. The primary reason geographic diversity has increased is due to of an increase in fly market visitors (see on page 29).

The average age of New Mexico's overnight visitors has declined significantly since 2010 while the competitive set average age has changed little. In 2010 New Mexico's visitors were older than the U.S. and Competitive set average (especially for non-primary overnight visitors), however, since then the average age of New Mexico's visitors has declined to **below** the U.S. and Competitive set averages, a significant and positive shift in New Mexico's overnight visitor profile.

The percentage of New Mexico primary overnight visitors who traveled by air reached **a new high of 23.9%** in 2014. In 2010 and 2011, New Mexico was more reliant on the drive market than our competitive set. Since then, the percent of Primary overnight visitors who travelled by plane has increased to levels closer to our competitive set's average, and between 2010 and 2014, New Mexico's fly market has grown **twice as fast** as our 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

¹ Primary visitors are overnight visitors who spent most of their time in that state.

believed a more balanced fly/drive visit profile (more similar to our competitive set) benefits New Mexico.

New Mexico's rich culture, combined with numerous opportunities for outdoor activities is a unique strength of New Mexico. The **Outdoor and Cultural indexes** (see page 30) are the cumulative totals of the Outdoor and Cultural activities primary overnight visitors to New Mexico and other states engage 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 2014, the percentage of Primary overnight visitors who engaged in Outdoor activities **increased** for New Mexico and our Competitive Set, but decreased slightly in the U.S. Visitor participation in New Mexico Outdoor activities have **increased greatly** since 2010, and in 2014, for the first time, **achieved parity** with our competitive set. New Mexico has **always led in participation** in Cultural activities, and in 2014 further improved its score to **90, a new high** and well above our Competitive set or U.S. averages. This indicates NMTD has made great progress in growing outdoor activity participation while increasing already high cultural activity participation levels.

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.

There was a **3.7% decrease** in passenger volume through the Albuquerque International Airport (Sunport) in 2014 from 2013 and a **5.75% yoy decrease** in the first half of 2015. This continues a pattern of declining passenger volume since at least 2009. These declines have been attributed by Sunport spokesman to airlines cutting back flights at medium size non-hub 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. Longwoods International's TravelUSA data shows that business travel has declined each year since the recession, and discussions with Sunport administrators suggest that there has been a trend towards New Mexicans renting cars to drive to vacation destinations instead of flying from the Sunport. Longwoods International TravelUSA data shows more out of state visitors are flying to New Mexico (see page 29); however, this has apparently not been enough to offset in-state declines and fewer business trips.

National Park visits were **down 0.2%** in 2014 compared to 2013, but **up 14.9%** yoy in the first six months of 2015 (page 32). Visitation would have increased in 2014 except for a **50% decline** at El Malpais national monument, caused by access restrictions related to the white nose syndrome affecting bat colonies (although El Malpais visitation recovered in 2015). The two largest parks were up in 2014: White Sands National Monument was **up 2.7%** yoy and Carlsbad National Park was **up 2.3%**. White Sands and Carlsbad have continue to gain market share, accounting for **59.7%** of all visits to New Mexico's 13 National Parks and Monuments in 2014, compared to just **53.2%** in 2011.

State parks visits **increased 9.1%** in 2014, and **9.7%** in the first half of 2015 (see page 33). 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. Visitation has recovered, partly from easing drought conditions that resulted in low water levels (low enough to interfere with recreation activities) and intermittent park closures brought on by wildfire hazards.

Overview of NMTD Research Findings: 2011-2015

The following is a brief outline of seven key, foundational research findings for which the Tourism Department has multiple sources of supporting evidence. Please contact James Orr (James.Orr@state.nm.us) for more information about these findings.

- 1) ***Often, the American public either does not have a clear idea, or has misperceptions of what New Mexico has to offer and what it is like as a destination.***

Supporting studies: 2011 multi-state focus groups, which demonstrated a lack of knowledge of and/or misperceptions of New Mexico among in-state and out of state participants
2011 & 2014 Longwoods International multi-state Image studies
2015 Longwoods International ROI study & Longwoods International multi-state Halo Effect study of out of state residents. There was a very high increase (lift) in favorable ratings for New Mexico's tourism & socioeconomic related attributes among those who were exposed to NM True advertising or who recently visited New Mexico (see charts on page 15). These results suggest unfamiliarity with New Mexico, and a highly favorable response when exposed to New Mexico's attributes.

- 2) ***New Mexico has a higher overnight pass through rate and lower intent to return than our competitive set of states.*** From 2012 through 2014, New Mexico's pass through rate (pass-through overnight visitors are those who spent at least one night in a state, but indicated that the state was not their primary destination) has averaged 30% of all overnight visitors, while the C.S. average is 18%. New Mexico's intent to repeat an overnight trip within 12 months rate is around 30% compared to a 45% average for our Competitive set of states. There are several reasons for these disparities, including a lower visiting friends and family (VFR) rate for New Mexico (those who visit friends and family have a higher intent to return rate). However, it is also hypothesized that one of the more significant factors is related to the geographic distribution and lower quantity of New Mexico's tourist attractions. An analysis of the geographic distribution of TripAdvisor's "things to do" listings for New Mexico and our three competitive states (Arizona, Colorado and Utah), shows that the attractions in our competitive states are more widely distributed within each state as compared to New Mexico. 74% of New Mexico's "things to do" occur within the Albuquerque to Taos corridor (broadly defined), and this corridor coincides with where the majority of New Mexicans live. This geographic concentration of attractions and New Mexico residents likely suppresses in-state overnight trips, and favors day trips. The geographic concentration and overall number of New Mexico attractions also suggests out of state visitors would be less likely to return within 12 months, despite having highly favorable opinions of New Mexico (see #3 below).

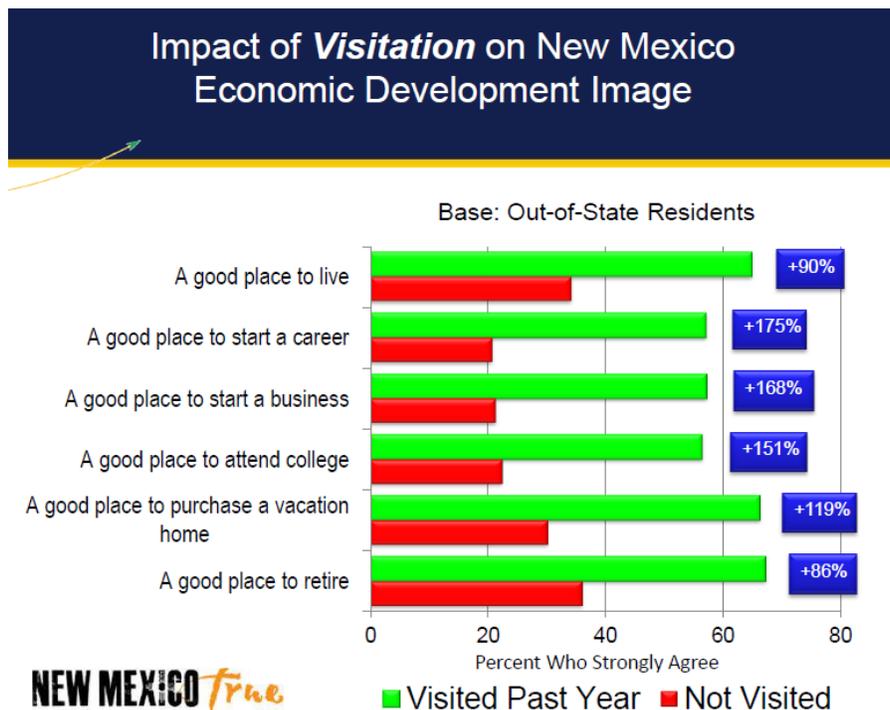
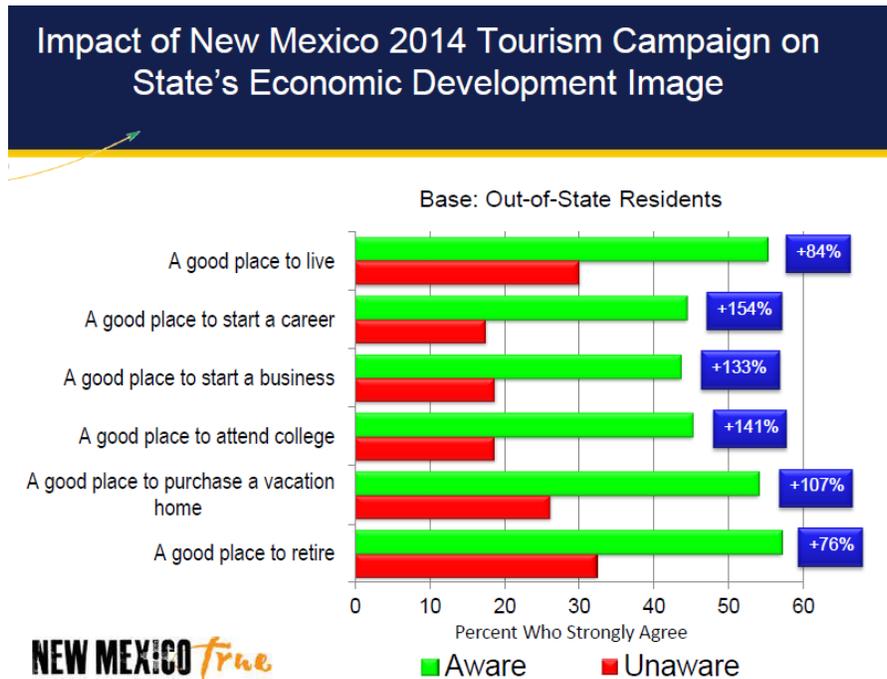
Supporting studies: 2010 through 2014 Longwoods TravelUSA® data
TripAdvisor 2015 analysis of "Things to do" listings by state

- 3) ***Exposure to NM True advertising and/or visiting New Mexico greatly improves New Mexico's image, for both tourism related and socio-economic attributes.*** New Mexico does not have an image problem among out of state visitors who are exposed to what our state has to offer. Exposure to NM True advertising and/or visiting New Mexico is associated with much higher tourism and socioeconomic related attribute ratings.

Supporting studies: The 2011 Longwoods International Image Study and the 2015 ROI study demonstrated a lift in Tourism related attributes for those who visited NM.

The 2015 Longwoods International ROI study & Longwoods multi-state Halo Effect study of out of state residents showed that exposure to NM True advertising and visiting NM had a pronounced lift on opinions regarding six socioeconomic attributes (such as NM is a good place to live or start a business), in fact, NM's overall lift was higher than the 6 other states in the Longwoods study.

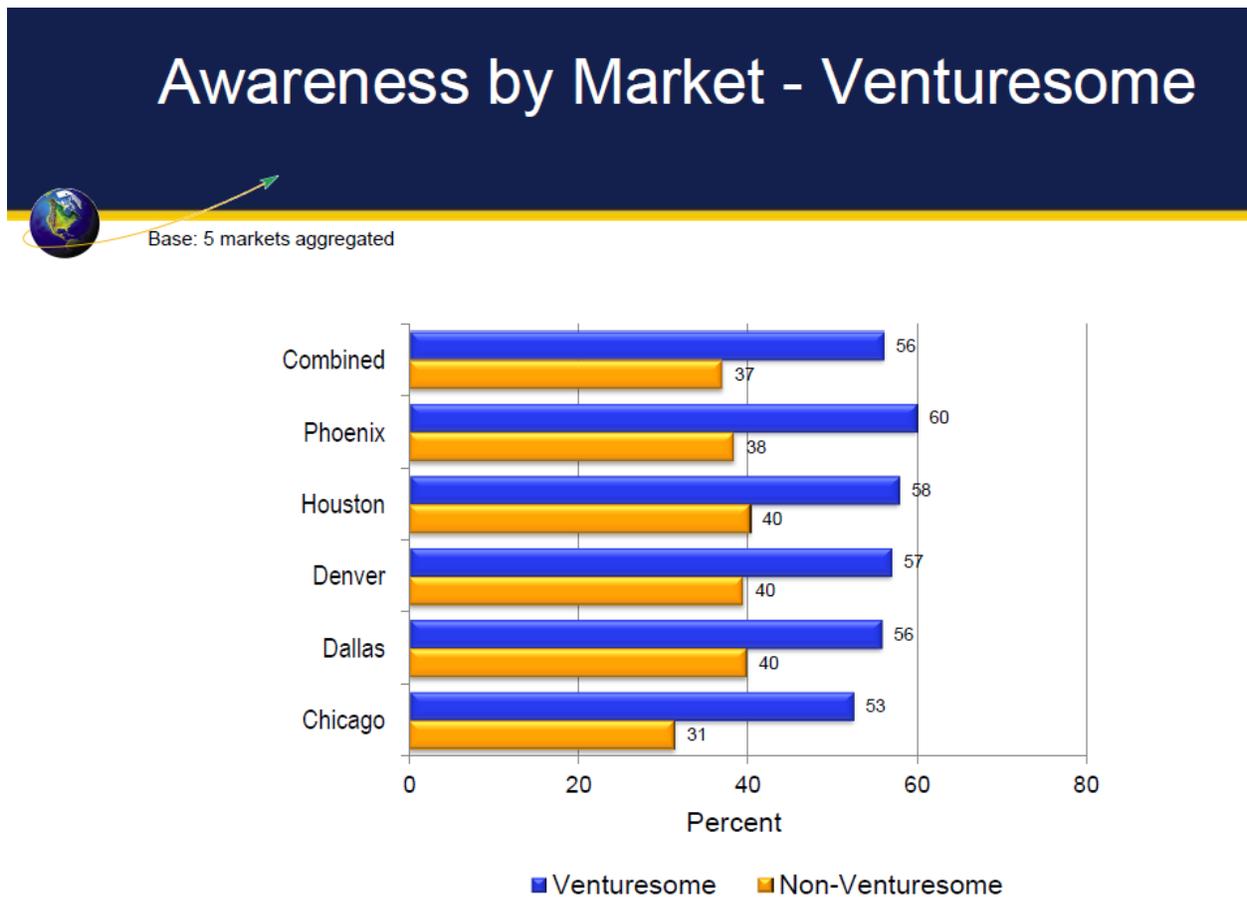
Sample charts from the Longwoods International 2015 ROI study, demonstrating a strong lift in the % who strongly agree New Mexico exhibits the following attributes among those exposed to NM True advertising and among those who visited NM in the past year:



- 4) **Research has allowed NMTD to identify, and successfully target and attract Venturesome travelers, a highly desirable subgroup that is an excellent fit for what New Mexico has to offer** (the Venturesome are defined as those who seek authentic, unusual & adventurous travel experiences, are opinion leaders, have higher than average household income & education and travel more frequently).

Supporting studies: 2011 multi-state focus groups, 2011 TNS data analysis, & Besttripchoices.com state profiles (key sources that helped NMTD identify the Venturesome as NM’s primary target)
2014 Longwoods International Advertising Effectiveness study (the Venturesome were found to be much more likely than the non-Venturesome to have seen NM True advertising and say they intend to visit NM as a result of having seen NM True advertising)
2015 Longwoods International ROI study (the Venturesome were found to be much more likely than the non-Venturesome to visit NM as a result of having seen NM True advertising)

Sample chart from the Longwoods International 2015 ROI study, demonstrating increased awareness of NM True advertising among the Venturesome:



- 5) **NM True advertising is working and Tourism in New Mexico is growing.** Those exposed to NM True advertising are much more likely to subsequently visit New Mexico, in addition, multiple unique data sources show strong growth in the tourism industry.

Supporting studies: 2012 & 2015 Longwoods International ROI studies. In the 2015 study, every \$1 invested in the New Mexico ad campaign in 5 targeted markets generated \$72 in visitor spending and \$7 in tax revenue for the benefit of New Mexico residents. In the 2012 ROI study (over a shorter period and with a smaller budget), the equivalent returns were \$30 in visitor spending and \$3 in tax revenue.

In addition, multiple data sources show strong growth in tourism over time:

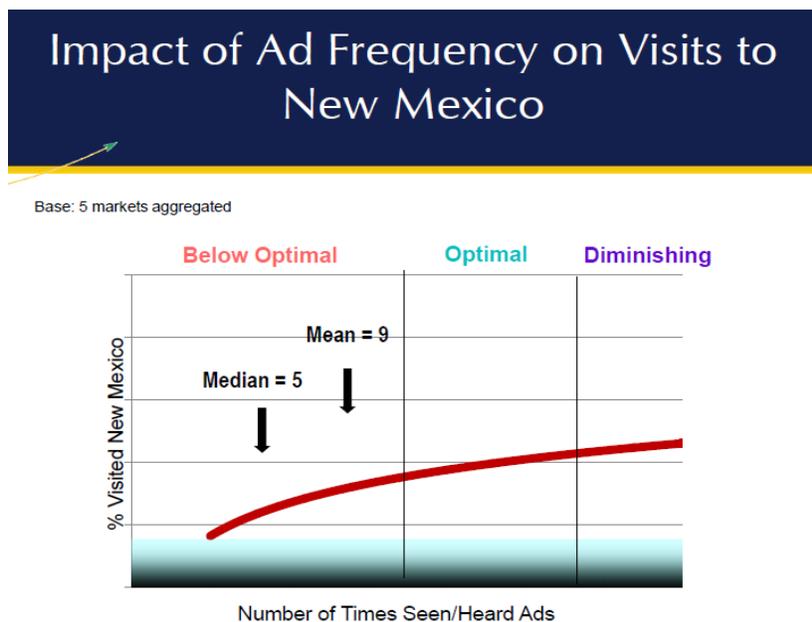
% Annual Change

	CY2010	CY2011	CY2012	CY2013	CY2014	2010 -> 2014
All Domestic Visitors Source: Longwoods International TravelUSA® dataset	1.0%	4.7%	2.6%	0.6%	1.6%	9.7%
Accommodation sector taxable gross receipts Source: NM Tax & Revenue Dept	5.9%	2.3%	3.8%	4.9%	5.4%	17.4%
Accommodation sector gross receipts taxes Source: NM Tax & Revenue Dept	6.6%	4.2%	3.8%	5.7%	5.6%	20.7%
Hotel/Motel Lodging receipts (RMLR) Source: Rocky Mountain Lodging Association Report	0.2%	0.4%	2.6%	5.8%	5.7%	15.3%
Leisure & Hospitality jobs Source: U.S. Bureau of Labor Statistics (seasonally adjusted)	-0.6%	1.1%	1.8%	2.6%	2.5%	8.4%
Tourism Direct Sales in New Mexico Source: Tourism Economics, The Economic Impact of Tourism in New Mexico	NA	5.9%	3.9%	1.6%	4.5%	16.8%

6) **More NM True advertising would result in more visitors.**

Supporting studies: Both the Longwoods International 2014 Advertising Effectiveness study and Longwoods International 2015 ROI study showed that the level of NM True advertising in our target markets is well below saturation levels, and so greater spending would result in significantly more trips to New Mexico.

Sample chart from the 2015 ROI study:



7) ***Tourism is a major contributor to the growth of economic base jobs in New Mexico.***

Supporting studies: Tourism related economic base jobs are jobs that result from new money being brought into and spent in New Mexico by out of state visitors. Analysis of Longwoods TravelUSA® data shows that in 2014, out of state visitors accounted for 84% of all tourism spending in New Mexico (overnight and day trip spending combined). Thus higher levels of tourism spending help grow New Mexico economic base jobs and are an important contributor to New Mexico's wealth creating exports.

NEW MEXICO BRAND PERFORMANCE

Tourism Visits

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

Note that the data on this page is for domestic visitation only. Refer to pages 6 and 7 in this report for domestic and international visitation totals. This data is reported to maintain continuity with previous annual reports.

In 2014, Longwoods International Travel USA data shows that **total domestic visitation increased 1.6%** over 2013 for a combined total of **32.7 million visits**, while Tourism Economics 2014 data showed domestic and international visitation **increased 1.7% to 33.34 million**. Overnight domestic visitation **increased by 2.1%** and day-trip visitation **increased by 1.1%**. Domestic marketable overnight visitation **increased 2.1%** and out of state visitation also **increased 2.1%**. 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 more readily influenced by advertising. The fact that marketable trips have **increased over 40%** since 2010 is quite remarkable, and a strong indicator that NMTD’s True advertising is having an impact. An additional bonus of marketable trips is that people who take these trips spend more on food, lodging, and in all spending categories than the average visitor, thus bringing more money into New Mexico’s economy.

Although New Mexico’s share of adult overnight marketable trips in the U.S. has changed little from 2011 to 2014, Longwoods International has provided us with data showing New Mexico’s overnight market share ranking has increased since 2012:

2010 – 36th, 2011 – 36th, 2012 – 36th, 2013 – 33rd, 2014 – 32nd

This market share rank increase has occurred because some states market share has declined during this period, so New Mexico, by maintaining its market share has moved up.

New Mexico Total Person Visits* & U.S. Market Share (% market share of overnight & day trip visits)					
	CY2010	CY2011	CY2012	CY2013	CY2014
NM All Domestic Visitors	29.8	31.2	32.0	32.2	32.7
<i>Y/Y Change</i>	<i>1.0%</i>	<i>4.7%</i>	<i>2.6%</i>	<i>0.6%</i>	<i>1.6%</i>
NM Overnight Visitors	13.7	14.5	14.5	14.9	15.6
<i>Y/Y Change</i>	<i>-1.4%</i>	<i>5.8%</i>	<i>0.0%</i>	<i>0.7%</i>	<i>2.1%</i>
NM Overnight Marketable Visitors	5.6	6.2	7.0	7.7	7.9
<i>Y/Y Change</i>	<i>NA</i>	<i>11.0%</i>	<i>11.6%</i>	<i>11.2%</i>	<i>2.1%</i>
NM Day Visitors	16.1	16.7	17.5	17.6	17.8
<i>Y/Y Change</i>	<i>3.2%</i>	<i>3.7%</i>	<i>4.8%</i>	<i>0.6%</i>	<i>1.1%</i>
U.S. Share of Adult Overnight Marketable Trips	NA	1.11%	1.15%	1.15%	1.12%

* In Millions

Source: Longwoods International Travel USA® 2010 through 2014 data sets and Tourism Economics 2014 data
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.

There was little change in these three measures in 2014 from 2013. For New Mexico, there were slight declines in two of the measures and no change in one. Long term, both New Mexico and our competitive states have seen declines in in-state visitation and intent to return rates. These declines are believed to be related to an improving economy, which encourages more expensive, out of state trips.

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	CY2014
National Travel Intent	New Mexico	2.0%	1.9%	1.7%	1.9%	1.9%
	Competitive Set Average*	4.5%	4.2%	4.1%	4.5%	4.7%
Percent of State Residents Intending to Take an Overnight Trip within their Own State						
		CY2010	CY2011	CY2012	CY2013	CY2014
In-State Travel Intent	New Mexicans	29.2%	27.7%	24.8%	26.9%	26.3%
	Competitive Set Average*	33.6%	33.1%	32.3%	29.6%	29.9%
Percent of Visitors Intending to Return to the State They Previously Visited and Spent Most of their Time In						
		CY2010	CY2011	CY2012	CY2013	CY2014
Repeat Visitation Rate	New Mexico	40.5%	39.2%	29.8%	30.4%	29.8%
	Competitive Set Average*	51.5%	51.2%	47.8%	45.2%	47.4%

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

Source: Longwoods International Travel USA® 2010 through 2014 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

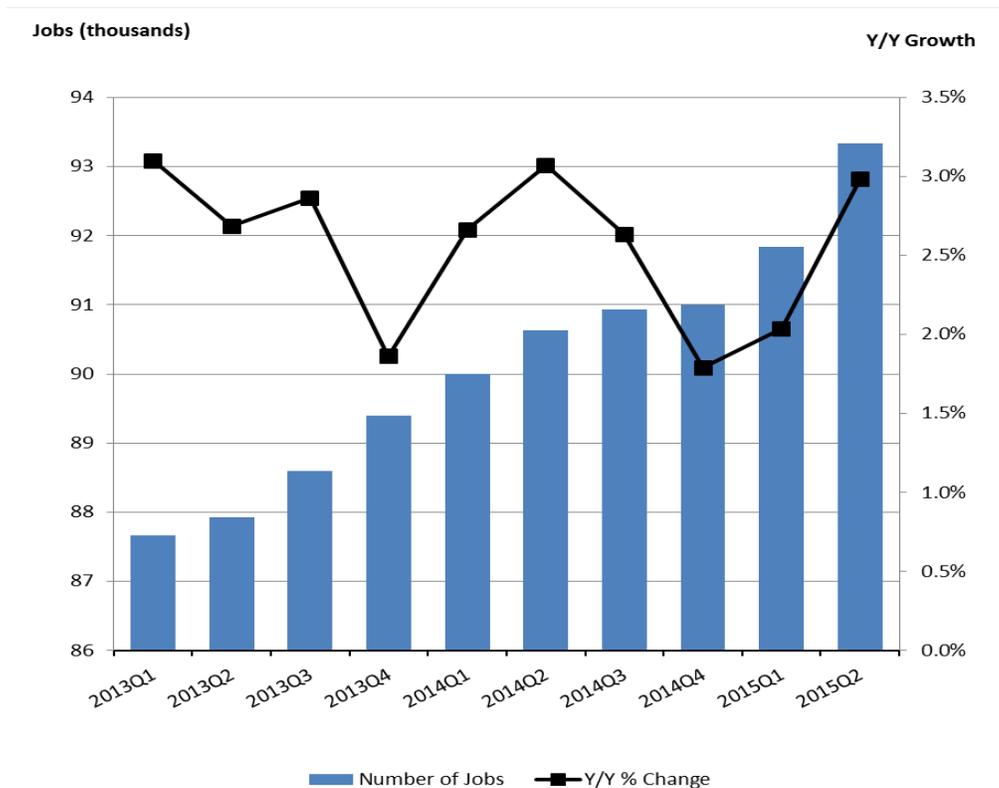
Objective: Increase tourism related employment.

The U.S. Bureau of Labor Statistics Leisure and Hospitality sector is an indicator of tourism-related employment, although not as precise as the tourism employment numbers in Tourism Economics 2014 Economic Impact study (see pages 7 & 8 of this report). Leisure and Hospitality Employment began growing in New Mexico in 2011 and has continued to grow steadily in 2014 and the first two quarters of 2015. L&H employment **grew 2.5%, in 2014** which represented an additional **2,242 jobs over 2013**. Another **2,260 jobs** (2.5% yoy growth) were added in the first 6 months of 2015, over the first 6 months of 2014 (averaged over the two quarters).

Note that in the interest of reporting continuity, L&H employment numbers are reported, however, more comprehensive information about employment, visitor spending and tourism tax revenue can be found in the 2014 Economic Impact of Tourism in New Mexico, available for download under the Resources, Research section at <http://nmtourism.org>.

New Mexico Leisure and Hospitality Employment (in thousands)													
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2010	CY2011	CY2012	CY2013	CY2014
Number of Jobs	88.6	89.4	90.0	90.6	90.9	91.0	91.8	93.3	83.6	84.6	86.1	88.4	90.6
Y/Y # Change	2,500	1,433	2,333	2,700	2,333	1,600	1,833	2,700	-542	958	1,550	2,258	2,242
Y/Y % Change	2.9%	1.6%	2.7%	3.1%	2.6%	1.8%	2.0%	3.0%	-0.6%	1.1%	1.8%	2.6%	2.5%

Source: U.S. Bureau of Labor Statistics - seasonally adjusted job #s



Source: U.S. Bureau of Labor Statistics <http://www.bls.gov/EAG/eag.nm.htm>

Interval of Measurement: Quarterly

New Mexico Hotel & Motel Total Receipts

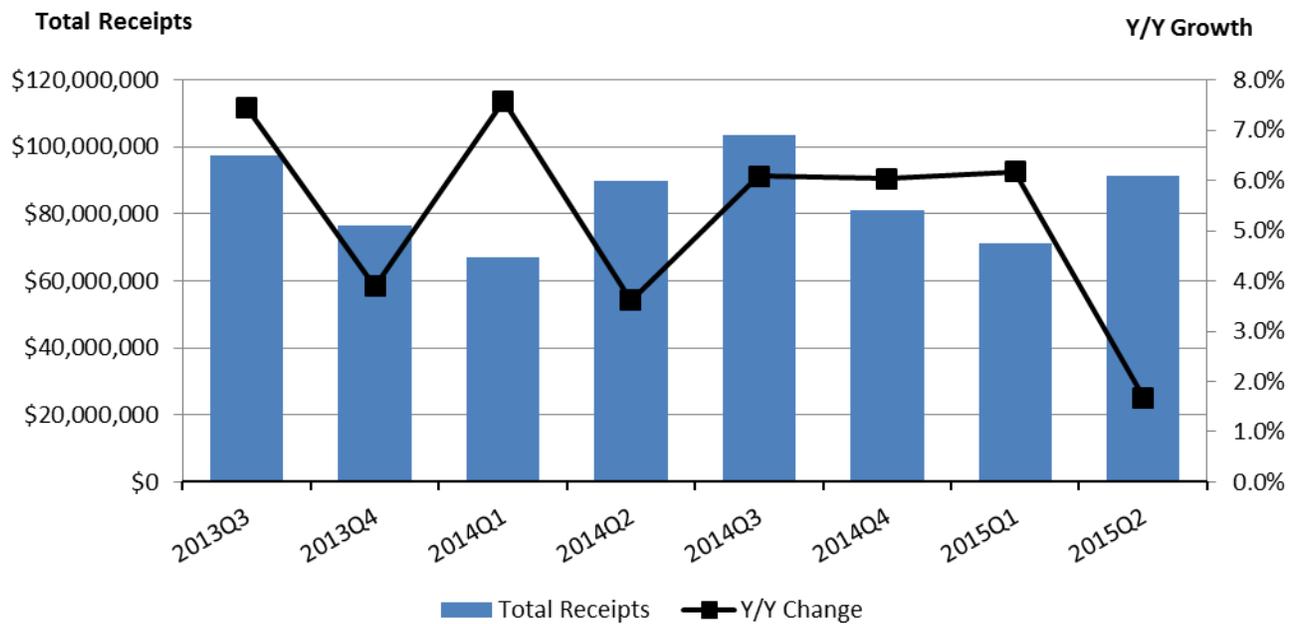
Objective: Increase lodging revenue.

In 2014, accommodation total receipts **increased 5.7%** and the average room rate **increased 3.9%** to **\$100.80** from **\$97** in 2013. The first two quarters of 2015 continued to show growth in total receipts, as they **increased 3.9%** over the first half of 2014.

Lodging Receipts (No. of occupied rooms * Average Room Rate)												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2011	CY2012	CY2013	CY2014
Total Receipts*	\$97.6	\$76.6	\$67.0	\$89.9	\$103.5	\$81.3	\$71.1	\$91.4	\$297.7	\$305.5	\$323.2	\$324.2
Y/Y Change	7.4%	3.9%	7.6%	3.6%	6.1%	6.0%	6.2%	1.7%	0.4%	2.6%	5.8%	5.7%

* in millions \$

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



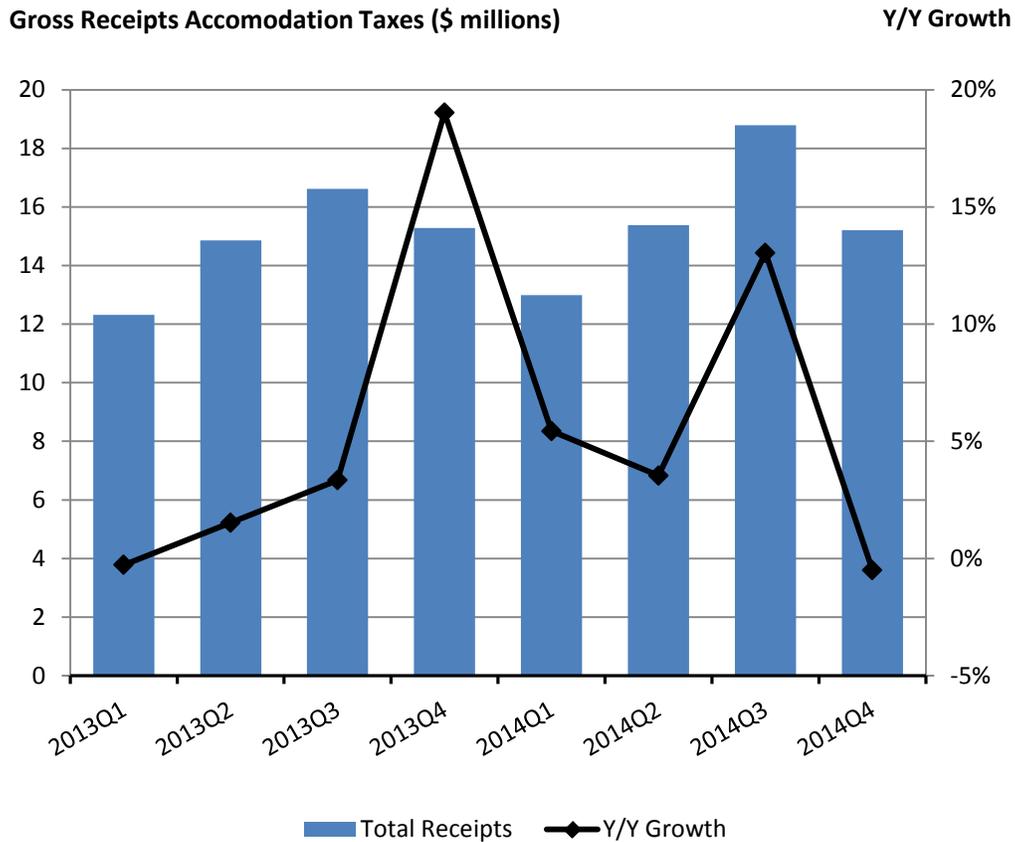
Source: Rocky Mountain Lodging Report
Interval of Measurement: Quarterly

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 5.6%** during calendar year 2014, continuing the steady increases seen since 2011. Total taxable receipts for food & drink and accommodations also continued to grow in 2014, increasing **4.6%** over 2013. (Please note that as of 9-29-15, gross receipts were not available for the first half of 2015)

Gross Receipts Accommodation Taxes and Total New Mexico Food & Drink and Accommodation Taxable Gross Receipts (in millions \$)											
	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	CY2011	CY2012	CY2013	CY2014
Gross Receipts Accommodation Taxes	\$14.855	\$16.621	\$15.282	\$12.987	\$15.380	\$18.788	\$15.206	\$53.834	\$55.905	\$59.075	\$62.361
Y/Y Change	1.5%	3.3%	19.0%	5.4%	3.5%	13.0%	-0.5%	4.2%	3.8%	5.7%	5.6%
Total Receipts	\$905.690	\$972.346	\$898.021	\$886.486	\$950.778	\$1,010.019	\$959.075	\$3,378.871	\$3,486.368	\$3,639.442	\$3,806.358
Y/Y Change	1.6%	6.0%	8.0%	2.7%	5.0%	3.9%	6.8%	4.2%	3.2%	4.4%	4.6%
Food & Drink Receipts*	\$706.264	\$750.816	\$692.290	\$712.560	\$744.555	\$761.427	\$755.384	\$2,653.383	\$2,735.081	\$2,849.293	\$2,973.926
Y/Y Change	1.7%	7.0%	4.9%	1.8%	5.4%	1.4%	9.1%	4.7%	3.1%	4.2%	4.4%
Accommodation Receipts*	\$199.426	\$221.530	\$205.731	\$173.926	\$206.223	\$248.592	\$203.691	\$725.488	\$753.104	\$790.111	\$832.432
Y/Y Change	0.9%	2.7%	19.0%	6.4%	3.4%	12.2%	-1.0%	2.3%	3.8%	4.9%	5.4%



WITHOUT Medical Deduction – as of 9-24-15, the first two quarters of CY2015 were not 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 the available measures. For example, new measures: “PTAT” or **People Talking About This** 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 have grown very rapidly as more department resources have been devoted to Facebook, with especially strong growth in the first two quarters of CY2015. The number of likes continues to grow strongly, **increasing 48.6%** in 2014 and surpassing **150,000** in the second quarter of CY2015.

New Mexico Department of Tourism Facebook Statistics											
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2012	CY2013	CY2014
# of fans of NMTD facebook site (quarterly/avg)	53,119	58,150	66,010	73,072	83,337	91,469	121,863	158,387	41,531	52,809	78,472
Y/Y Change	24.1%	28.6%	35.4%	42.7%	56.9%	57.3%	84.6%	116.8%	18.3%	27.2%	48.6%
NMTD Facebook PTAT (weekly/ave)	3,760	5,429	5,731	4,968	8,212	12,328	13,136	13,788	4,344	4,195	7,810
Y/Y Change	-44%	-21%	18%	82%	118%	127%	129%	178%	NA	-3.4%	86.2%
NMTD Total Reach (weekly/ave)	68,347	119,649	135,048	102,368	126,725	266,182	326,553	527,047	77,765	80,334	157,581
Y/Y Change	-48%	48%	94%	61%	85%	122%	142%	415%	NA	3.3%	96.2%

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 **111% higher** in 2014 compared to 2013, and video views greatly increased during the first two quarters of 2015 (by **78% and 514%** yoy). New Mexico True videos have greatly been very well received by the public and have exposed many more people to NMTD produced videos. In addition, all New Mexico True TV episodes and segments are “housed” in NMTD for future use. These short video segments are well suited for use with other social media channels such as Facebook.

YouTube: # of Views of NMTD Videos												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2011	CY 2012	CY 2013	CY 2014
# of views	32,516	72,368	107,148	73,709	88,172	88,342	190,855	452,895	99,654	124,022	169,342	357,371
Y/Y Change	25.1%	85.5%	261.7%	111.6%	171.2%	22.1%	78.1%	514.4%		24.5%	36.5%	111.0%

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 17.5%** in 2014, and **grew 5.5%** yoy in the first half of 2015. Site content and features have been continuously updated and expanded over the last year.

Department Website Data & Statistics											
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2012	CY 2013	CY 2014
Newmexico.org Visits	209,895	131,417	156,708	248,275	180,868	285,458	270,208	178,901	497,875	741,615	871,309
Y/Y Growth	103.4%	46.0%	-10.8%	10.5%	-13.8%	117.2%	72.4%	-27.9%	-28.8%	49.0%	17.5%
Pages per visit	3.07	2.45	2.54	2.29	2.33	2.00	2.30	2.17	2.84	2.96	2.29
Y/Y Growth	6.7%	-14.0%	-24.4%	-22.1%	-24.1%	-18.5%	-9.4%	-5.5%	-10.3%	4.0%	-22.5%
Ave time on site (minutes)	3.44	2.33	2.47	2.28	2.36	2.19	2.43	2.13	2.35	3.13	2.32
Y/Y Growth	39.1%	-11.6%	-29.5%	-30.0%	-31.4%	-5.9%	-1.8%	-6.3%	2.9%	33.5%	-25.8%
Visits to all Department websites*	277,297	203,753	234,800	323,729	246,657	353,969	343,145	245,005	630,243	940,286	1,159,155
Y/Y Growth	102.2%	64.9%	14.0%	27.8%	-11.0%	73.7%	46.1%	-24.3%	-22.6%	49.2%	23.3%

**Includes visits to NewMexico.org, NMmagazine.com & NMTruestories.com for June-August 2013

*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

Referrals from NewMexico.org to Industry Partners

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

Referrals from newmexico.org to New Mexico business partner sites **increased 22.6%** in 2014 and **grew 134%** in both the 1st and 2nd quarters of 2015. These referrals (an average of **310 each day** in 2014) represent a significant source of leads for many businesses in New Mexico.

Referrals from NewMexico.org to Industry Partners										
	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2012	CY2013	CY2014
# of Referrals	17,575	21,045	23,413	33,787	35,086	49,297	54,813	15,761	92,430	113,331
Y/Y Growth	11.5%	-22.0%	-15.0%	66.4%	99.6%	134.2%	134.1%		486.4%	22.6%

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) **declined 34%** in 2014 while requested mailed vacation guides **decreased 27%**, indicating a continuing move from requests for the paper guide to the use of other forms of travel information.

However, there are two other issues related to the decline in visits to and app downloads in 2014. Beginning in January 2014, we have not received 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 has not offered access to usage data in a format NMD is able to access. Also, the default Apple vacation guide app was initially offered in a very high resolution version that required large amounts of disk space, and took so long to download that people were discouraged from using it. The default guide app was changed to a lower, more standard resolution in June 2014 and some improvements in the number of downloads resulted, although visits to the Apple version of the digital guide are still not counted.

Digital & Mailed Vacation Guides												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2011	CY 2012	CY 2013	CY 2014
Visits to Digital Guide	46,585	34,460	32,222	30,144	27,471	24,633	30,459	20,581	69,061	108,139	174,108	114,470
<i>Y/Y Change</i>	15.7%	6.4%	-26.6%	-38.7%	-41.0%	-28.5%	-5.5%	-31.7%	-12.3%	56.6%	61.0%	-34.3%
Downloads of Digital Guide or App	1,335	888	1,096	898	1,131	678	1,021	843	2,850	3,333	5,353	3,803
<i>Y/Y Change</i>	54.7%	-15.9%	-20.8%	-48.6%	-15.3%	-23.6%	-6.8%	-6.1%	-11.2%	16.9%	60.6%	-29.0%
Requested Mailed Vacation Guides	8,851	5,896	10,272	12,944	8,681	6,288	12,968	10,734	70,470	52,225	52,469	38,185
<i>Y/Y Change</i>	11.6%	-22.8%	-59.0%	2.4%	-1.9%	6.6%	26.2%	-17.1%	-37.1%	-25.9%	0.5%	-27.2%

Sources: Digimag beginning June, 2012 (for online data); Apple Computer, & 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 1.9%** to 1.467 million in 2014. The open rate averaged **15.9%** in 2014, but improved to over **17%** in the first half of 2015.

The E-newsletter program was also 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											
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2012	CY 2013	CY 2014
# of e-newsletters sent	355,261	353,689	358,733	364,783	370,745	372,282	373,193	379,349	1,517,467	1,438,767	1,466,543
Y/Y Change	-10.1%	-7.2%	-2.8%	1.2%	4.4%	5.3%	4.0%	4.0%	22.6%	-5.2%	1.9%
% e-newsletter open rate (average)	15.0%	16.9%	18.3%	14.7%	13.9%	16.7%	17.7%	17.2%	18.6%	16.3%	15.9%
Y/Y Change	-17.6%	-2.4%	2.0%	-13.2%	-7.8%	-1.4%	-3.1%	17.0%	6.4%	-12.6%	-2.2%

Source: Mailchimp

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 **declined 4.7%** in 2014. Visits were up in 2013 in rebound from 2012, when the Manuelito (Gallup) VIC was shut down part of the year. The small decreases seen in 2014 and the first half of 2015 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 their primary sources of travel information. There are now eight NMTD VICs as the Texico VIC was closed in the fall of 2014.

Total Visits to NMTD's Visitor Information Centers												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY 2011	CY 2012	CY 2013	CY 2014
Total Visits	292,750	226,363	196,657	284,050	284,606	204,351	187,734	272,479	1,182,732	900,494	1,017,758	969,664
Y/Y Growth	13.1%	1.4%	-3.5%	-3.7%	-2.8%	-9.7%	-4.5%	-4.1%	-7.5%	-23.9%	13.0%	-4.7%

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 2013, and both years showed a small **decrease** from 2011 and 2012, as did our competitive set of states. However, longer term (from 2010 to 2014), the gap between New Mexico and our Competitive set of states narrowed significantly, from a **16.3** percentage point gap in 2010 to a **11.9** percentage point gap in 2014.

% of Primary* Overnight Visitors					
	CY2010	CY2011	CY2012	CY2013	CY2014
New Mexico	68.0%	72.0%	70.7%	70.3%	70.2%
Competitive Set Average**	84.3%	83.9%	82.7%	82.6%	82.1%
* 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 2014** while the Competitive set average **declined 1 point**. New Mexico’s geographic concentration (top 5 states) is now lower than our Competitive set of states, a very significant change in the last four years. This measure was introduced in 2011 because New Mexico’s narrower geographic concentration of visitors and smaller fly market created dependence on a geographically limited group of visitors. The primary reason geographic diversity has increased is believed to be due to of an increase in fly market visitors (as seen on page 29). 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	CY2014
New Mexico	78.2%	77.3%	68.0%	65.5%	62.6%
Competitive Set Average**	67.8%	66.9%	66.9%	65.5%	64.5%
* 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 2014 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 has **declined significantly** since 2010 while the competitive set average age has changed little. In 2010 New Mexico's visitors were older than the U.S. and Competitive set average (especially for non-primary overnight visitors), however, since then the average age of New Mexico's visitors has declined to below the U.S. and Competitive set averages, a significant and positive shift in New Mexico's overnight visitor profile.

Average Age of Overnight Visitors						
		CY2010	CY2011	CY2012	CY2013	CY2014
Primary Overnight Visitors*	New Mexico	46.4	45.0	42.6	42.4	42.7
	Competitive Set**	45.4	45.5	43.5	43.5	45.1
All Overnight Visitors	New Mexico	48.1	46.3	42.2	42.6	42.8
	Competitive Set**	45.7	45.8	43.1	44.1	45.5
	U.S.	45.7	45.2	42.7	43.1	44.2

* 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.

The percentage of New Mexico primary overnight visitors who traveled by air reached a **new high of 23.9%** in 2014. New Mexico was more reliant on the drive market than our competitive set in 2010 and 2011. Since then, the percent of Primary overnight visitors who travelled by plane **increased to levels closer** to our competitive set's average, and between 2010 and 2014, New Mexico's fly market has grown twice as fast as our 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	CY2014
New Mexico	14.9%	16.7%	22.4%	20.7%	23.9%
Competitive set weighted average*	23.8%	23.7%	24.9%	27.3%	30.3%

* Competitive set is Arizona, Colorado, Utah

Source for both tables on this page: Longwoods International Travel USA® 2010 through 2014 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 2014, the percentage of Primary overnight visitors who engaged in Outdoor activities **increased for New Mexico and our Competitive Set, but decreased slightly in the U.S.** Visitor participation in New Mexico Outdoor activities have increased greatly since 2010, and in 2014, for the first time, achieved parity with our competitive set. New Mexico has always led in participation in Cultural activities, and in 2014 further **improved its score to 90**, a new high and 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	CY2014
Outdoor Activities Index*	New Mexico	33.6	34.6	52.9	51.9	62.0
	Competitive Set	44.0	44.4	57.0	54.6	62.0
	U.S.	24.1	24.1	33.4	32.6	32.0
Cultural Activities Index**	New Mexico	60.2	56.7	63.0	68.0	90.0
	Competitive Set	44.2	44.0	50.6	51.2	65.0
	U.S.	39.0	39.2	48.0	49.4	50.0

*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.

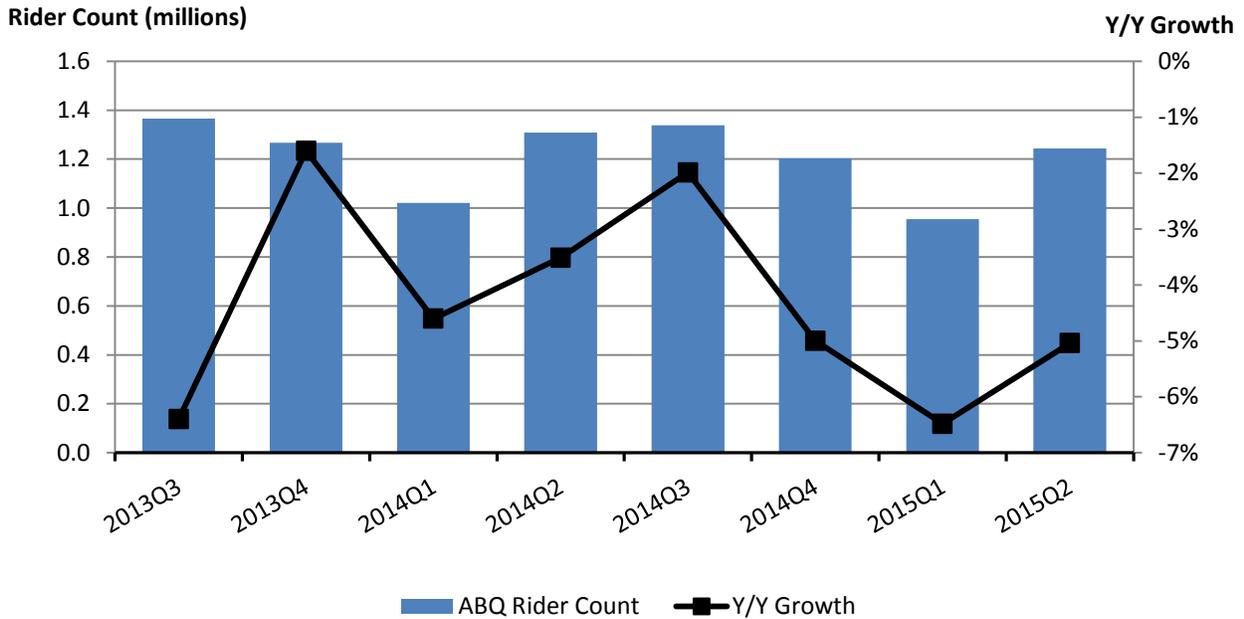
Source: Longwoods International Travel USA® 2010 through 2014 data sets
Interval of Measurement: Annual by Calendar Year

VISIT CHARACTERISTICS

Airport Passenger Volume – Albuquerque International Airport

There was a **3.7% decrease** in passenger volume through the Albuquerque International Airport in 2014 from 2013 and a **5.75% yoy decrease** in the first half of 2015. This continues a pattern of declining passenger volume since at least 2009. These declines have been attributed by SunPort spokesman to airlines cutting back flights at medium size non-hub 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)												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2011	CY2012	CY2013	CY2014
ABQ Rider Count	1.366	1.267	1.021	1.309	1.338	1.204	0.955	1.243	5.698	5.387	5.059	4.872
Y/Y Change	-6.4%	-1.6%	-4.6%	-3.5%	-2.0%	-5.0%	-6.5%	-5.0%	-1.7%	-5.4%	-6.1%	-3.7%



Source: City of Albuquerque Website, Airport Fact and Figures, <http://www.abgsunport.com/about-us/facts-and-figures>
Interval of Measurement: Quarterly

New Mexico National Park and Monuments Visits

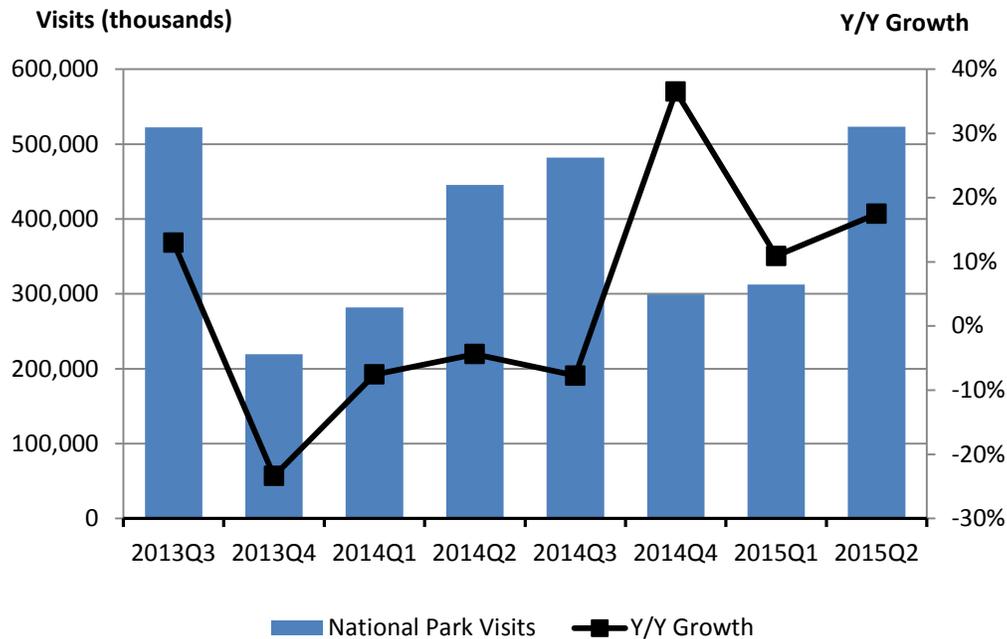
Objective: Grow visitation to New Mexico’s unique natural and cultural attractions.

Visits were **down 0.2%** in 2014 compared to 2013, but **up 14.9%** yoy in the first six months of 2015. Visitation would have increased yoy in 2014 except for a 50% decline at El Malpais national monument, caused by continuing access restrictions related to the white nose syndrome affecting bat colonies (although as noted in the paragraph below, El Malpais visitation recovered in 2015). The two largest parks were up in 2014: White Sands National Monument was **up 2.7%** yoy and Carlsbad National Park was **up 2.3%**. White Sands and Carlsbad have continue to gain market share, accounting for **59.7%** of all visits to New Mexico’s 13 National Parks and Monuments in 2014, compared to just **53.2%** in 2011.

The nearly 15% increase in visitation in the first 6 months of 2015 was partly due to a complete recovery in visitation at El Malpais NM, which saw a **631% increase** (a gain of almost 80,000 visitors) yoy during the first 6 months of 2015. Most other parks also showed **increased visitation** in the first half of 2015, with only Bandalier NM and White Sands NM both showing a small **decrease of 3.5%** each.

National Parks and Monuments include the following: Aztec Ruins NM; Bandalier 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												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2011	CY2012	CY2013	CY2014
NM National Park Visits:	522,517	219,357	281,754	445,433	482,107	299,537	312,485	523,300	1,491,144	1,502,931	1,512,529	1,508,831
Y/Y Change	13.0%	-23.4%	-7.6%	-4.4%	-7.7%	36.6%	10.9%	17.5%	-10.0%	0.8%	0.6%	-0.2%



Source: National Park Service Public Reports, <https://irma.nps.gov/Stats>
Interval of Measurement: Quarterly

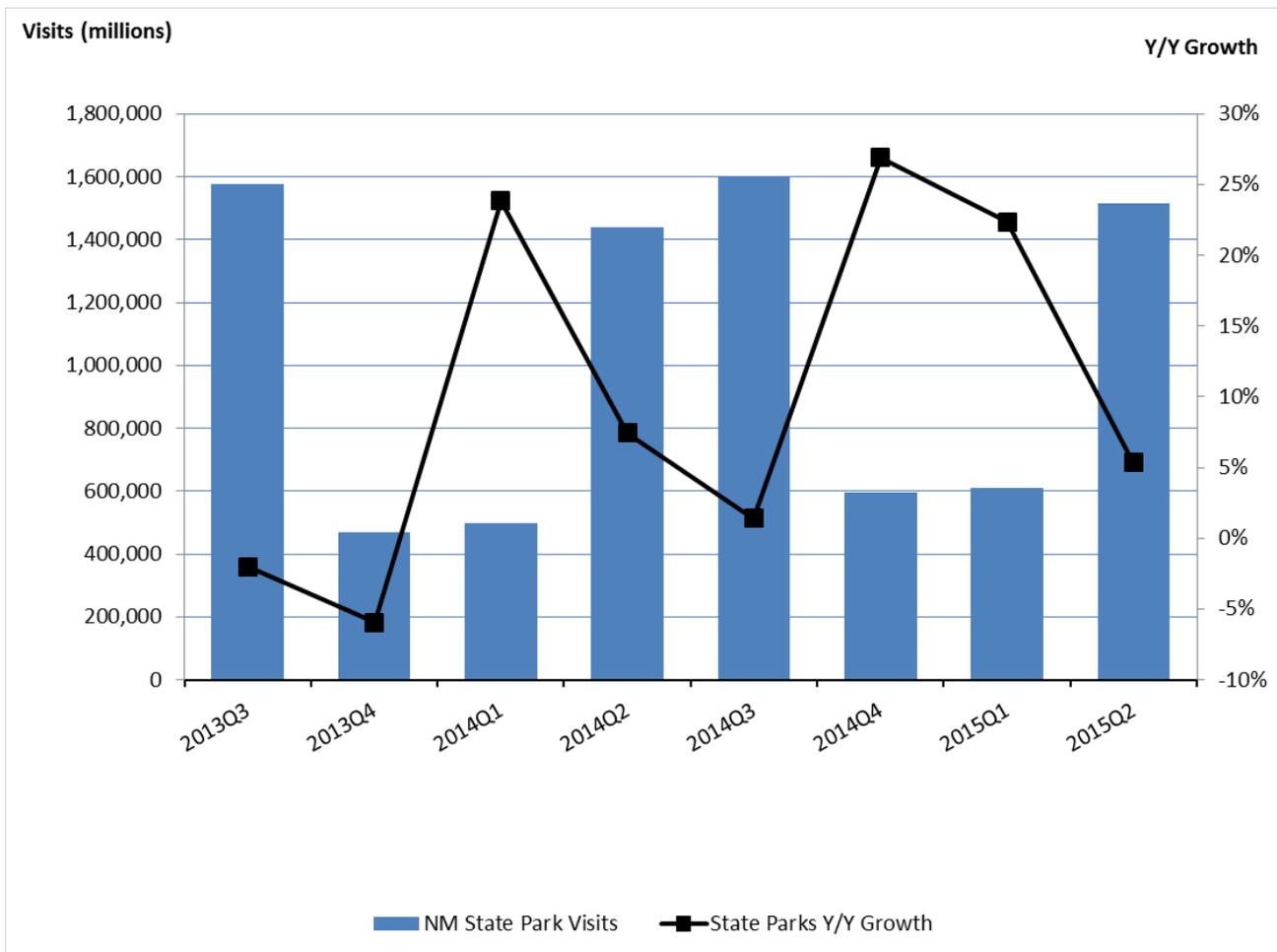
State Parks Visits

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

State parks visits **increased by 9.1%** in 2014, and **by 9.7%** in the first half of 2015. 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 (see chart below for the highly seasonal nature of state park visitation).

Visitation has recovered recently, partly from an easing of drought conditions that resulted in low water levels (low enough to interfere with recreation activities) and occasional park closures brought on by wildfire hazards.

Visits to New Mexico State Parks												
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	CY2011	CY2012	CY2013	CY2014
State Parks Visits	1,575,754	469,989	498,796	1,438,858	1,598,034	596,460	610,401	1,515,962	4,244,739	4,055,455	3,787,803	4,132,148
Y/Y Change	-2.0%	-5.9%	23.8%	7.4%	1.4%	26.9%	22.4%	5.4%	-10.9%	-4.5%	-6.6%	9.1%



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