



**Sedona Chamber of Commerce Tourism Bureau
Report to City of Sedona
April 2011**

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The following results represent: January – March 2011

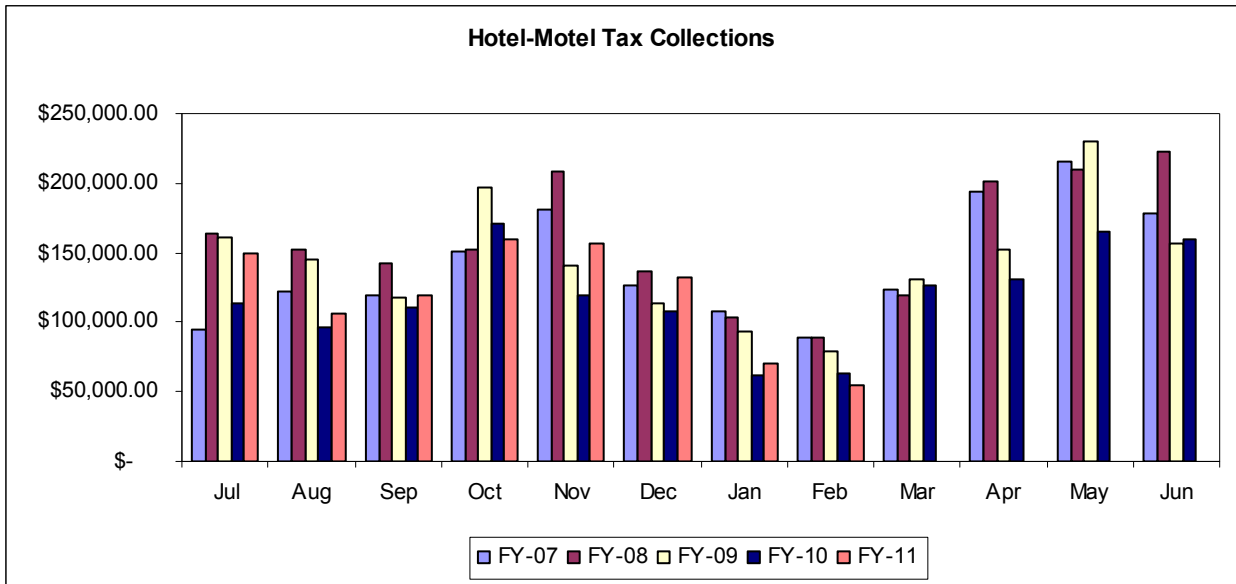
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Please note: All figures represent data through March 2011 unless otherwise indicated.

I. External Performance Indicators YTD

A. Hotel Occupancy Tax Revenue Collections (3% hotel tax)

	FY-08	FY-09	Monthly change 08 vs 09	FY-10	Monthly change 09 vs 10	FY-11	Monthly change 10 vs 11
Jul	\$ 163,160.88	\$ 161,091.87	-1.3%	\$ 112,888.02	-29.9%	\$ 150,105.76	24.8%
Aug	\$ 152,134.89	\$ 144,475.33	-5.0%	\$ 96,164.69	-33.4%	\$ 106,759.77	9.9%
Sep	\$ 141,835.00	\$ 117,739.50	-17.0%	\$ 110,387.38	-6.2%	\$ 118,808.29	7.1%
Oct	\$ 152,308.10	\$ 196,878.27	29.3%	\$ 171,488.23	-12.9%	\$ 158,875.61	-7.9%
Nov	\$ 208,043.90	\$ 140,391.95	-32.5%	\$ 119,658.98	-14.8%	\$ 156,499.92	23.5%
Dec	\$ 136,371.88	\$ 114,128.64	-16.3%	\$ 107,967.39	-5.4%	\$ 131,844.66	18.1%
Jan	\$ 103,361.48	\$ 93,594.61	-9.4%	\$ 61,849.33	-33.9%	\$ 70,685.59	12.5%
Feb	\$ 88,676.95	\$ 79,273.82	-10.6%	\$ 62,786.07	-20.8%	\$ 55,129.82	-13.9%
Mar	\$ 119,818.85	\$ 131,245.67	9.5%	\$ 125,859.63	-4.1%		
Apr	\$ 201,339.18	\$ 151,590.85	-24.7%	\$ 131,418.42	-13.3%		
May	\$ 210,327.28	\$ 229,699.07	9.2%	\$ 165,833.66	-27.8%		
Jun	\$ 222,060.73	\$ 156,947.55	-29.3%	\$ 159,938.80	1.9%		
YTD	\$ 1,145,893.08	\$ 1,047,573.99	-8.6%	\$ 843,190.09	-19.5%	\$ 948,709.42	11.1%
Total	\$ 1,899,439.12	\$ 1,717,057.13	-9.6%	\$1,426,240.60	-16.9%		

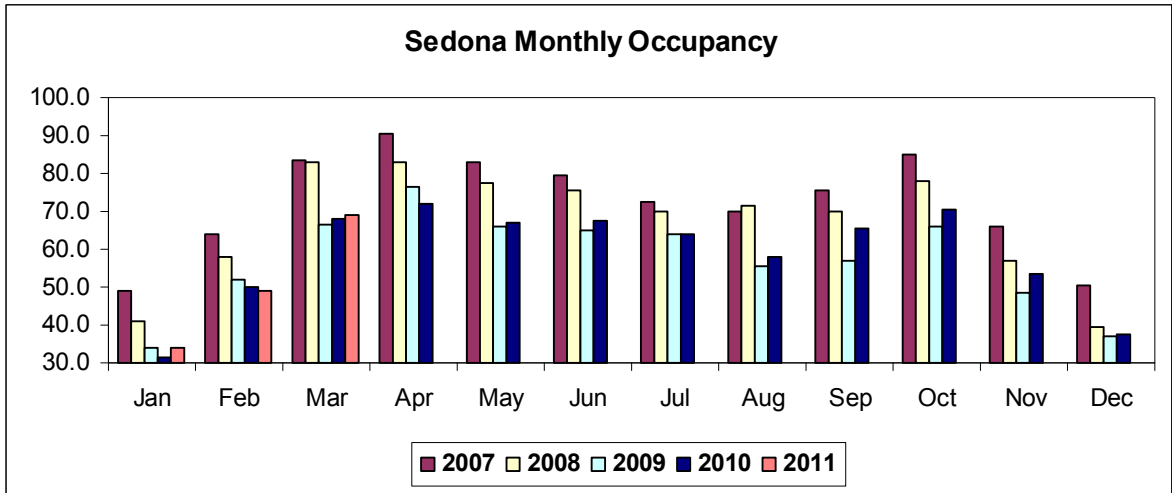


Analysis – Hotel occupancy tax revenue is up 11% YTD for FY-11 (July - February) vs. FY-10. As you can see from the graph above, November and December outperformed the previous year's collections which may indicate a slight turn-around in the Sedona economy.

The above collections represent the previous month's performance.

Note: September 2008 (FY-09) & April 2009 (FY-09) tax collections were under-reported; therefore October 2008 (FY-09) & May 2009 (FY-09) are over-reported as anticipated.

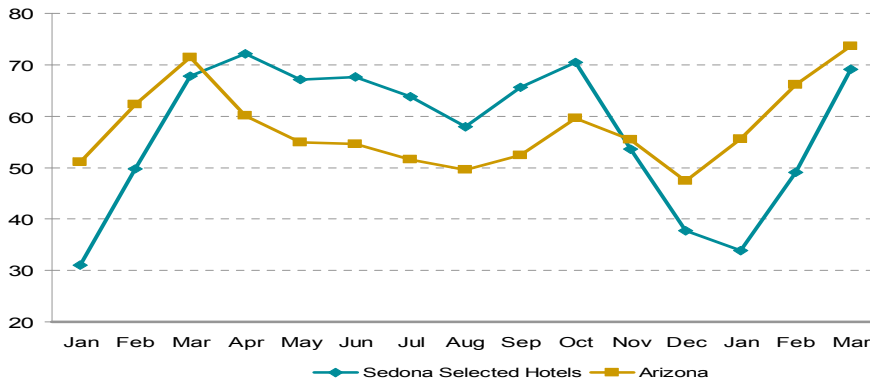
B. Smith Travel Research: A monthly report that is standard throughout the tourism industry to provide a snapshot of the hotel industry. The Tourism Bureau uses this report to gauge the occupancy percentages and average daily rate (ADR) on a monthly basis. This report reflects 10 average-sized properties within the '86336' zip code and represents properties that report to Smith Travel Research.



Comparative Cities – Occupancy YTD (Jan - Mar 2010 vs Jan - Mar 2011)

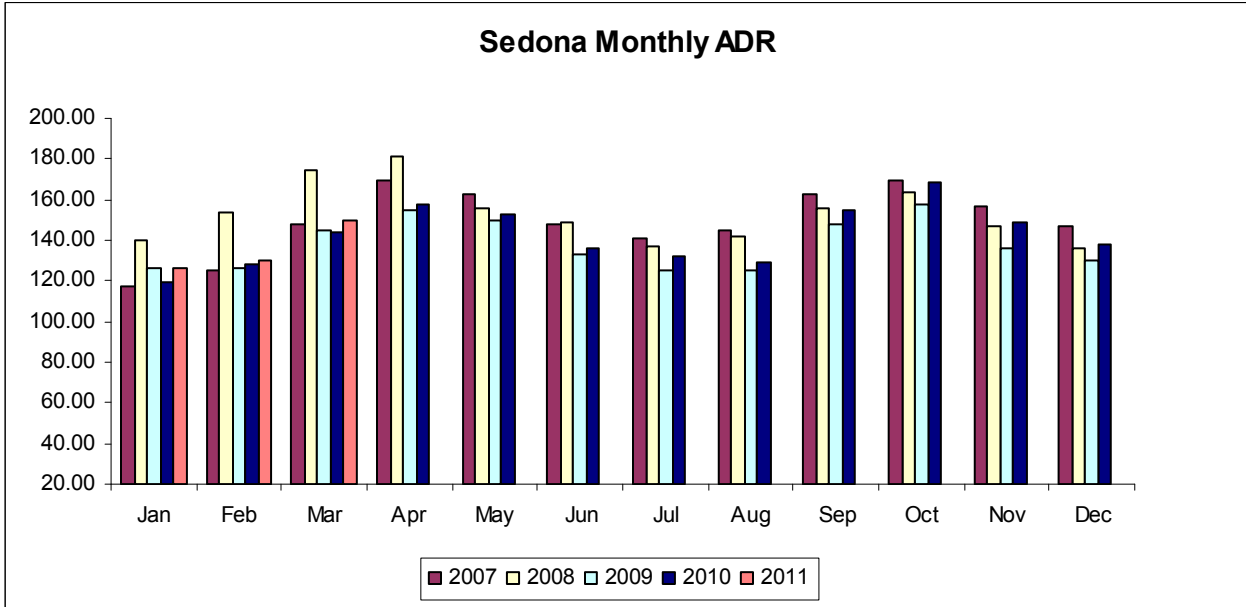
	2010	2011	Change
Santa Fe, NM	46.2%	44.0%	-4.8%
Summit County, UT (Park City)	55.1%	62.1%	12.7%
Santa Barbara Co., CA	55.0%	60.0%	9.0%
Teton County, WY (Jackson Hole)	41.7%	44.8%	7.3%
Scottsdale, AZ	74.5%	75.9%	1.9%
Sonoma County, CA	46.5%	52.3%	12.4%
Napa County, CA	45.0%	49.2%	9.3%
Monterey County, CA	44.9%	47.5%	5.7%
Yavapai County, AZ	45.4%	47.4%	4.2%
Coconino County, AZ	45.6%	44.0%	-3.7%
Sedona, AZ	49.6%	50.7%	2.4%
State of AZ	61.6%	65.2%	5.8%

Occupancy Comparison



Analysis – Sedona hotel occupancy is up 2.4% YTD 2010 vs 2011 (January – March) indicating an improvement in Sedona tourism. Park City has seen the largest increase in occupancy due to their peak Winter seasonality. Sonoma County is seeing an increase in occupancy even beyond their peak months (September and October) which could indicate their participation in the continuing marketing trend of packaging room nights with value-added amenities, plus they only slightly raised their room rates (see page 4.) As shown above, it appears that Sedona is not performing as well as our competitors, but ADR is seeing a positive variance and a greater percentage increase comparatively (see page 4.)

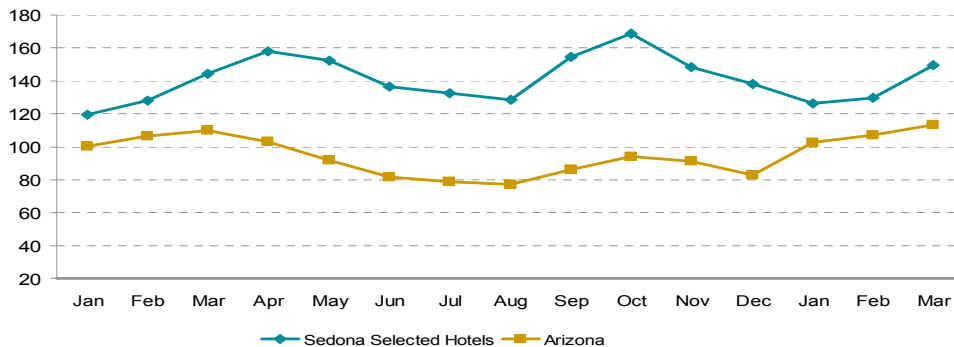
Sedona Average Daily Rate (ADR)



Comparative Cities – ADR YTD (Jan – Mar 2010 vs Jan - Mar 2011)

	2010	2011	% Change
Santa Fe, NM	89.10	90.45	1.5%
Summit County, UT (Park City)	317.80	348.17	9.6%
Santa Barbara Co., CA	125.16	125.81	0.5%
Teton County, WY (Jackson Hole)	175.27	173.47	-1.0%
Scottsdale, AZ	172.08	181.04	5.2%
Sonoma County, CA	89.15	90.47	1.5%
Napa County, CA	152.99	165.90	8.4%
Monterey County, CA	132.06	132.03	0.0%
Yavapai County, AZ	106.57	107.60	1.0%
Coconino County, AZ	66.99	68.34	2.0%
Sedona	133.90	138.30	3.3%
State of AZ	106.00	108.14	2.0%

ADR Comparison



Analysis – The Average Daily Rate (ADR) in Sedona has increased from \$133.90 in YTD 2010 to \$138.30 in YTD 2011, a 3.3% increase. The state also saw an increase in ADR of 2.0%. For the first time in a while, Scottsdale was able to increase their ADR (5.2%) and still manage to also increase occupancy. This was likely due to their strong “snowbird” season.

C. Ad Value Editorial Generated

Ad-Value Editorial = represents what the true value of media exposure would cost through paid advertising. Ad-value is measured by a national clipping service which reports circulation, number of impressions, ad-value (without a multiplier) and general publication information. Ad-value editorial is the most effective way to measure the Return on Investment (ROI) on media relations expenditures.

From January 1, 2011 – March 31, 2011 the Sedona Chamber of Commerce has generated the following:

	Print	Online/Blog/TV	Totals, including International
Ad Value	\$553,921	\$1,972,892	\$2,526,813
Circulation	5,903,519	16,045,216	21,948,735

Social media and online media positioning has completely changed the way public relations is achieved and valued. The Sedona Chamber of Commerce actively markets via Twitter, Facebook, Flickr, and You Tube.

Facebook Notes:

- There are 550 million active Facebook users worldwide
- The fastest growing age group of Facebook users is 35 and older.
- 50% of Facebook users use Facebook on their mobile device.

II. Internal Performance Indicators

A. Leads Generated and Distributed: *Leads generated = The number of qualified referrals distributed to member businesses.* One measurement of success for the Tourism Bureau is leads generated. Leads are broken out into three sectors of the tourism industry: Media Leads; Travel Leads; Meeting/Group Leads.

The following results are based on YTD comparisons (January – March.)

Media Leads

	Jan-Mar 2010	Jan-Mar 2011
Media Hosted	13	18
Media Assisted	47	92
Media Leads Sent	17	24
Press Releases Produced	6	5
Press Release Impressions	6,096	17,394

Travel/ Meeting/ Group Leads

	Jan-Mar 2010	Jan-Mar 2011
Tradeshows/Sales Missions Attended	2	2
Hotel & Non-Hotel Inquiries (Trade)	18	23
Hotel & Non-Hotel Leads (Group)	7	9
Travel Professionals Receiving Services	124	112
Meeting/Event Planners Receiving Services	27	28

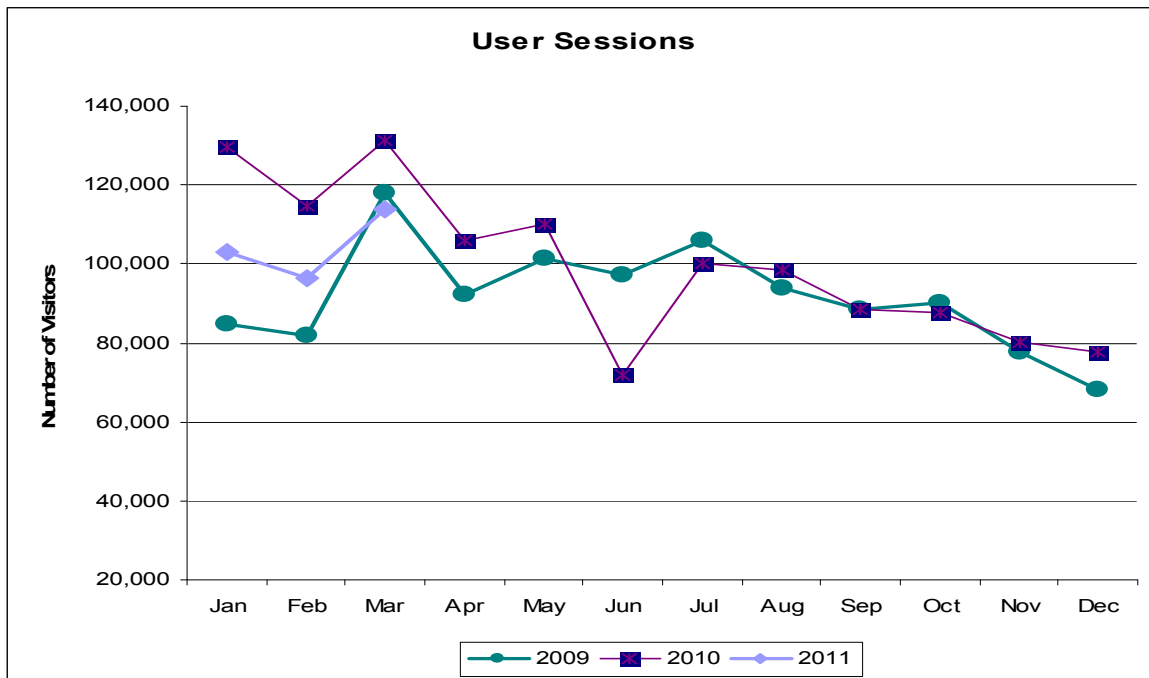
Examples of some of the group leads and the planners assisted include:

- American Chamber of Commerce Executives
- Jewish Community Center
- California Red Tails (flying club)
- Lake Shore Ski Club
- Breath of Love
- Defenders of Wildlife
- Corporate Communications
- The McCabe Institute
- US China Business Institute
- The Environmental Information Association-AZ Chapter
- Electrical Apparatus Service Association
- ATHA
- Trilogy Vistancia

B. Internet Statistics: Internet Statistics are measured by user sessions and page views. User Sessions = Number of visitors to the website. Page Views = Number of pages that the visitor viewed.

VisitSedona.com Website Statistics

	Total User Sessions				Total Page Views			
	2009	2010	2011	Change 10 vs 11	2009	2010	2011	Change 10 vs 11
Jan	84,730	129,756	102,863	-20.7%	466,132	544,574	441,330	-19.0%
Feb	81,708	114,472	96,457	-15.7%	434,196	502,070	415,295	-17.3%
Mar	118,000	131,150	113,692	-13.3%	586,344	617,437	493,124	-20.1%
Apr	92,068	105,867			494,495	487,381		
May	101,585	109,984			479,561	494,958		
Jun	97,282	72,056			465,441	325,044		
Jul	105,966	100,076			497,944	441,790		
Aug	93,712	98,281			453,817	433,538		
Sep	88,652	88,450			418,850	379,230		
Oct	90,153	87,533			419,626	369,475		
Nov	77,784	80,159			339,213	335,073		
Dec	68,114	77,870			301,364	310,319		
YTD	284,438	375,378	313,012	-33.6%	1,486,672	1,664,081	1,349,749	-18.9%
Totals	1,099,754	1,195,654			5,356,983	5,240,889		



Analysis – VisitSedona.com continues to be an important way for visitors to get information about our destination. All of our branding, marketing, and public relations efforts drive the consumer to our website. Our User Sessions and Page Views are down for the first three months of 2011 due to the fact that we had implemented an aggressive Internet marketing campaign during those same months in 2010 (approximately \$30,000 spent.) Accordingly, you can see that our Winter Campaign in 2010 increased Sedona web visitation by more than 30%.

While there is a growing trend that more visitors are looking to agents and tour operators for in-depth travel information (see Exhibit A – 2011 Travel Trends), consumers are still using the Internet for preliminary research and to book travel. In this particular economy, we continue to see that our Deals & Discounts section of our site is consistently receiving high traffic volume.

C. Fulfillment

Mail Fulfillment = The number of Experience Sedona Guides (ESGs) mailed to consumers requesting information about Sedona. They can request information via our website, toll-free phone number, and reader service cards (reader service cards are included with paid advertising in travel publications.)

	2009	2010	2011	Change 10 vs 11
Jan	9,365	5,011	1,165	-76.8%
Feb	4,474	5,516	668	-87.9%
Mar	6,604	3,966	396	-90.0%
Apr	3,659	3,942		
May	2,157	2,810		
Jun	2,946	4,153		
Jul	5,088	2,159		
Aug	3,188	4,191		
Sep	1,415	3,326		
Oct	2,931	2,007		
Nov	2,068	1,491		
Dec	1,702	1,173		
YTD	20,443	14,493	2,229	-84.6%
Total	40,509	35,074		

Fulfillment – Other

Information is also distributed at various locations in the Valley such as hotels/resorts, car rental agencies, AAA offices, as well as both Sky Harbor airport and the Tucson airport.

ESG Distribution	2009 YTD	2010 YTD	2011 YTD	Change 10 vs 11
Online ESG	3,006	2,086	6,376	205.7%
ESGs to various locations	37,122	51,240	65,230	27.3%

Analysis

We fulfill requests for information by mailing/distributing hardcopies of the Experience Sedona Guide ("ESG"), or by providing an option to view the ESG online. Mail fulfillment has seen a sharp decrease in 2011. The Sedona Chamber of Commerce has implemented a nominal shipping and handling charge per guide to offset the exorbitant cost of mailing approximately 35,000 ESGs for free each year. In every communication regarding this fee, we also provide the consumer with an option to view the ESG online. The online ESG has already been seeing consistent increases due to the growing trend of consumers going "green", and now the opportunity to view the ESG online is even more well-received for the consumer who wishes to save on the shipping/handling charge.

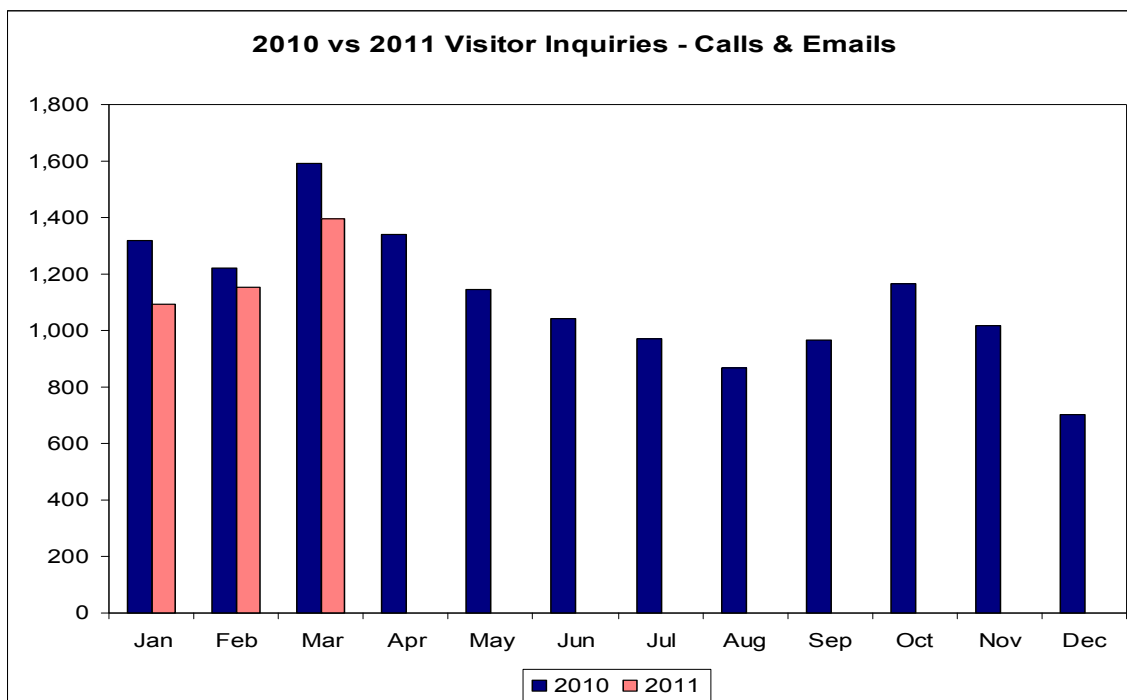
The top five countries viewing the online guide are the U.S., Canada, U.K., Germany, and the Netherlands. The top five cities viewing the online guide are Phoenix, Chicago, Los Angeles, Minneapolis, and New York.

E. Visitor Statistics

The following Visitor Statistics represent three ways that the visitor is serviced by the Sedona Chamber of Commerce: 1) through inquiries via phone calls; 2) through inquiries via email; and, 3) at our Uptown Visitor Center once they arrive in Sedona.

Phone Call & Email Inquiries – 2010 vs 2011

	2010 Calls	2011 Calls	Change 10 vs 11		2010 Emails	2011 Emails	Change 10 vs 11
Jan	936	807	-13.8%	Jan	383	288	-24.8%
Feb	892	953	6.8%	Feb	331	202	-39.0%
Mar	1,188	1,181	-0.6%	Mar	402	216	-46.3%
Apr	952			Apr	387		
May	861			May	283		
Jun	796			Jun	245		
Jul	752			Jul	217		
Aug	703			Aug	163		
Sep	792			Sep	172		
Oct	1,018			Oct	150		
Nov	852			Nov	165		
Dec	571			Dec	131		
YTD	3,016	2,941	-2.5%	YTD	1,116	706	-36.7%

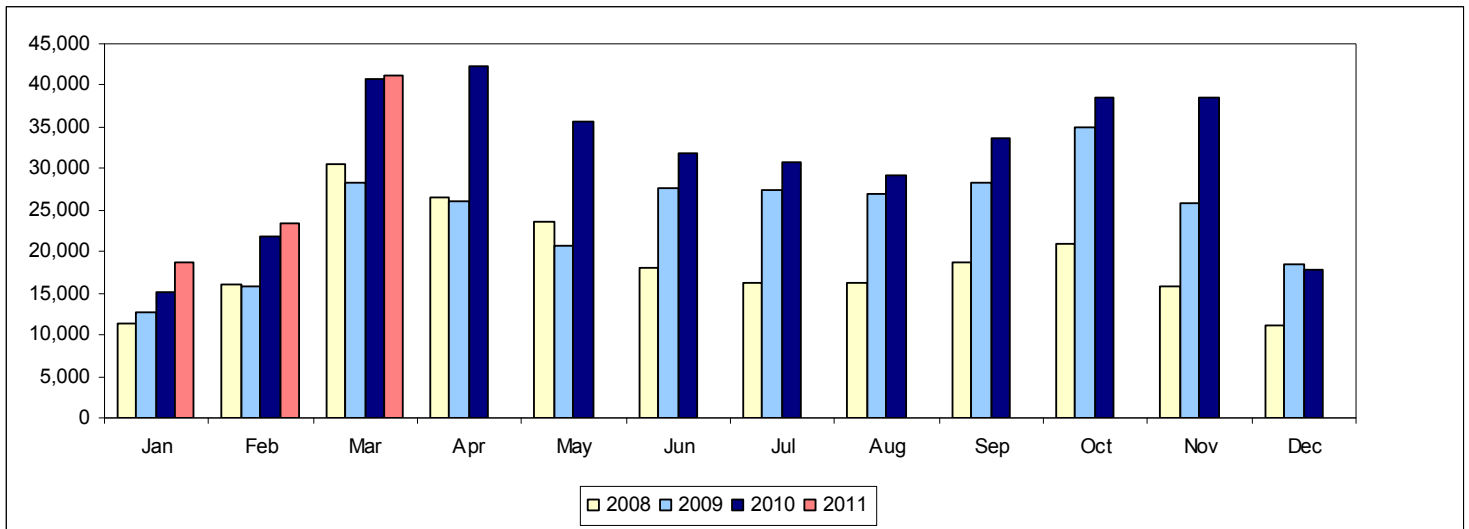


Analysis:

Phone calls and emails are down for the year by 3% and 37% respectively. This downward trend is reflective of our slow Winter season, and also the fact that we are no longer receiving calls to order the ESG since most users are viewing the guide online. It's worth noting that the percentages have "flip-flopped" from year-end 2010, when there were considerably fewer calls and a slight increase in emails. This could be related to a 2011 travel trend that indicates that consumers are using the Internet for preliminary trip research, and ultimately for booking (in order to obtain the most competitive rates), but there is a "return to the expert" - the travel agent and tour operator - for sound travel consultation. Our Call Center, too, is part of this expert pool and will continue to provide excellent customer service and valuable information.

Visitor Center Walk-Ins

	2008	2009	2010	2011	Change 10 vs 11
Jan	11,257	12,614	15,210	18,817	23.7%
Feb	16,092	15,769	21,812	23,345	7.0%
Mar	30,609	28,357	40,656	41,169	1.3%
Apr	26,450	26,086	42,300		
May	23,577	20,634	35,670		
Jun	18,050	27,524	31,789		
Jul	16,323	27,506	30,776		
Aug	16,240	26,888	29,122		
Sep	18,606	28,382	33,701		
Oct	20,987	34,975	38,633		
Nov	15,717	25,768	38,633		
Dec	11,030	18,408	17,779		
YTD	57,958	56,740	77,678	83,331	7.3%
TOTALS	224,938	292,911	376,081		



Analysis:

Visitor Center walk-ins continue to be on the rise, up 7.3% for the year (January- March.) The Sedona Chamber Visitor Center is the busiest Visitor Center in Arizona, with the highest number of walk-ins yearly. Meanwhile, we have been able to keep the cost-per-visitor to approximately \$1.01.

Trending of visitations remains steady. California, Arizona, and Illinois are our top US states for visitors' origins, with Canada, England and Japan remaining our top non-US countries of origin. While we have experienced an increase in the general length of stays in Sedona, the majority of visitors are staying one, two and four days in Sedona.

II. Sedona Chamber of Commerce Tourism Division Highlights: January – March 2011

1. Brand Campaign: Continuation of the Sedona brand campaign:
 - a. Print: Traditional print advertising continues to be one of the mediums used in branding. While the majority of our print placements are in consumer publications, there is some cross-over to the trade audience.
 - b. 2011 Experience Sedona Guide: Our 2011 Experience Sedona Guide was branded accordingly and acted as our primary fulfillment piece. Our 2011 ESG has also been created for online use with innovative turn-page technology. It has also been created as an application for use on all iDevices and is located in the iTunes store.
 - c. Lure Brochures: Our rack-sized "lure" brochure served to peak interest in Sedona with potential visitors. It had been redesigned to comply with our Sedona brand. We also printed German, French and Japanese versions of this brochure to help in marketing to these international audiences.
 - d. Brand Banner Ads: Created as a way for our members to embrace the Sedona brand, the Sedona Brand Banners were marketed to our members via the weekly E-Flash. We asked our members to place these professionally-designed banner ads on their sites with link back to VisitSedona.com.
 - e. Brand Postcards: We designed Sedona brand postcards that are blank on the back for guests to write on and mail. These postcards are available for our members to use as they wish.
 - f. Various Projects: All of our projects (collateral, print ads, email blasts, e-newsletters) take the established Sedona Brand into consideration. Sometimes this means using our main photographic image, brand colors, and fonts. Other times we use an inspirational tone in the writing of our content.

Note: The evolution of our Sedona Brand Image is under development this year and will be launched in 2012.

2. Direct Marketing & Sales: Direct marketing efforts provided an additional opportunity to speak to our audience with tactical messaging that was directed to them. Additionally, co-op advertising allowed us to leverage our dollars. Following are a few programs that were implemented.
 - a. Interest-Based Emails: Opted-in subscribers to VisitSedona.com who have specifically requested information on specific subjects. The Sedona Chamber of Commerce Tourism Bureau sent four email blasts to these qualified audiences. Businesses submitted 75 words or less with photo/logo that was included in the Chamber's email blast and landing page.

Results include:

- 14% click thru rate for the January "Renew Your Spirit" blast *
- 29% click thru rate for the March "Spirit of Adventure" blast *

* Direct Marketing Association's industry standard for click thru rates is 6%.

- b. Arizona Republic Wrap: Custom newspaper wrap delivered to 7,400 Arizona Republic non-subscribers in highly-targeted Phoenix zipcodes (85045, 85085, 85086, 85253, 85255, 85262, 85284, 85297, 85310, 85331, 85383.) Wrap pushes all users to VisitSedona.com/Deals to track responses. The latest wrap included cutting-edge QR Code technology where smartphone users can simply scan the code with their phone to be taken directly to the VisitSedona.com/Deals landing page.

Results include:

- 11% response rate *

* Direct marketing industry standard response rates between 1-3%.

- c. Los Angeles Times Travel & Adventure Show: Sedona was promoted to over 20,000 travel enthusiasts at the March 2011 Los Angeles Times Travel & Adventure Show in Los Angeles.

- d. Football Bowl Marketing: In addition to advertising in the Fiesta Bowl Entertainment Guide, we also marketed via Facebook marketing directed to school alumni, and a letter and call campaign to the Athletic Directors.

3. Internet Marketing: Trends and statistics continue to indicate that consumers do their research largely online before taking a trip. As our consumer is responding more and more to online communications, we continued to put our focus towards Internet marketing in 2011.

- a. LATimes.com email blast: Sedona was a featured destination in this email blast sponsored by the Arizona Office of Tourism in January. Custom email sent to 24,000 within the database target demographic.
- b. ChicagoTribune.com email blast: Sedona was a featured destination in this email blast, also, sponsored by the Arizona Office of Tourism in January. Custom email sent to 50,000 within the database target demographic.
- c. Go-Arizona.com advertising: Garners an average of 150 leads per week.
- d. Search engine optimization on VisitSedona.com
- e. Consumer e-Newsletter: Distributed monthly to over 70,000 VisitSedona.com subscribers.
- f. Spring Training Pay Per Click campaign: Campaign designed to promote Sedona to those visitors coming to Phoenix area for Spring Training.

Additional information for VisitSedona.com:

- Number of Deals & Discounts = 97
- Most popular Deals & Discounts categories: Accommodations+, and Spa/Spiritual & Personal Enrichment
- New event-oriented categories are added as relevant, ie, Sedona International Film Festival
- Monthly-themed categories are created based on PR calendar to create additional marketing synergy, i.e., Renew Your Spirit was the theme for January and February

4. Regional Marketing: The Chambers of Commerce of Camp Verde, Clarkdale, Cottonwood, Jerome and Sedona continue to work under the Sedona Verde Valley Tourism Council (SVVTC). SVVTC has developed a collection of current tourism promotions aimed at:
 - SedonaVerdeValley.org website enhancements
 - Meeting attendees of conferences in the Greater Phoenix metro area

All targets for the proposed projects are segments of the Leisure Travel Market and represent a healthy mix of viable sources to prospect for increased tourism revenue. The ultimate goal is to create more awareness resulting in higher visitation of the region in order to boost economic impact.

5. Concierge: Continuing efforts to reach our primary concierge audience in Phoenix and Tucson include the following:
 - a. Monthly e-newsletter to Phoenix concierge contacts: Concierge opt-in database of over 400 professional concierge contacts.
6. Public Relations: Ongoing public relations continue to promote Sedona, and include:
 - a. Media Newsletter- themed newsletter: Distributed the first week of each month.
 - b. Pitched story ideas based on themes and high impact insertions.
 - c. Social Media Tools
 - Twitter- We currently have 2,057 followers, examples of followers: LA Times, National Geographic Travel Writer, Chicago Sun Times, Fodor's Food & Wine Editor, TravelingMamas- voted in top 99 travel blogs in the world
 - Facebook- We currently have 4,487 Facebook fans. This site allows us to post photos, video testimonials, links to events, and event listings, fans can post comments about Sedona and we follow up
 - YouTube- Videos posted, currently over 2,000 video views
 - Flickr- Post photos of Sedona, also allows fans to post their own Sedona photos
7. Shop in Sedona: The Sedona Chamber of Commerce, the Sedona Main Street Program and the City of Sedona created a Shop Sedona local promotion to encourage residents to shop locally.
 - a. Business Participation

We continue to encourage all area businesses to participate with an *incentive* program for local residents. A Shop Sedona window sticker/decal identifies participating businesses, and these businesses are currently featured on www.ShopInSedona.com. There are over 70 deals currently posted on this site. A listing of the deals are shown in Exhibit B.
 - b. Residential Marketing Promotion

Promoting the Shop Sedona program to local residents is imperative to the success of the campaign. Each Sedona area resident (including VOC and Oak Creek Canyon) received a postcard with a VIP Loyal Sedona Shopper Card. This "VIP card" identifies each carrier as a local resident who is eligible for the incentive.

This is an ongoing campaign which will be promoted through email newsletters, print advertising, radio, and through the Sedona Chamber, the Sedona Main Street Program and the City of Sedona's publications and events. There are 630 residents signed up for the contest.

8. Partnerships & Sponsorships:

- a. Event Sponsorships – Promotion assistance for Sedona Events included:
 - Banner ad placement on SedonaChamber.com and VisitSedona.com
 - Inclusions in weekly E-Flash and B-Flash
 - Inclusions in monthly Consumer e-Newsletter and Concierge e-Newsletter
 - Included in Social Media as warranted
 - Sedona Events Alliance Flyer developed and distributed to members, through e-Newsletters and to area hotels/concierge
 - Special categories created for VisitSedona.com Deals & Discounts section
- b. Scottsdale & Sedona Partnership – Short Drive, Sweet Diversions
 - Site developed. www.scottsdale-sedona.com, includes Scottsdale & Sedona itineraries, calendar of events, links to each DMO's site
 - Scottsdale and Sedona brochure developed and part of ongoing collateral distribution
 - Partnership is being reviewed for additional enhancements and opportunities.
- c. Barrett Jackson: Sponsorship of this affluent automotive auction event. Sponsorship included Sedona promotion on two bidder email blasts and official sponsorship mention on all marketing materials.
- d. 56th Annual Scottsdale Arabian Horseshow: Sponsorship of high-end equestrian event. Sponsorship included full page program ad, patron bag stuffers, exhibitor bag stuffers, Sedona event banners, Sedona email blast to exhibitors, closed circuit TV ads, and TV ads in the Invitational Cup.

9. Travel Trade Industry:

- a. Tradeshaw & Sales Mission Participation 2011 YTD:

Go West Summit

- Target: international & receptive & domestic operators
- 26 travel/trade meetings and appointments
 - 9 international (35%)
 - 12 receptives (46%)
 - 4 domestic (15%)
 - 1 others – US Commercial Services (4%)
- 10 qualified inquiries
- 4 media meetings and appointments

Las Vegas Sales Mission

- Target: Japanese receptives & Las Vegas area receptives
 - 56 participants
 - Destination Training/Sales Calls to Bonotel Exclusive Travel, AlliedTPro, Vegaru Inc., Tourico Holidays, Allegiant Travel Company, LT Tours, Nevada Kanko Service & JTB International
- b. Continual attention towards U.S. domestic tour operators and U.S. Receptive Incoming Operators
 - c. International tour operators with focus on Canada, the UK, Germany and Japan

III. Travel Outlook for 2011 – Tourism Statistics and Trends

The Arizona Office of Tourism just announced this week that Arizona's statewide lodging performance is up for the month of March. According to the latest Smith Travel Research performance data: 1) Occupancy is at 73.7 percent – a 3.0 percent change over 2010, and 2) ADR is at \$113.03 – a 3.1 percent change over 2010.

Additionally, according to the Arizona Workforce Informer, the Leisure and Hospitality sector had an incredibly strong showing in March, adding 6,700 jobs to Arizona's economy. March is typically a good month for Leisure and Hospitality in Arizona and this 2.6% job gain is better than the ten-year ('01 – '10) average of 1.8%.

This is great news for our industry and our state! The positive statewide lodging performance and the positive job growth directly related to our industry are fantastic indicators that Arizona's economy is heading in the right direction.

And the same can be said for the local Sedona economic landscape. As shown in prior pages, both occupancy and ADR are up in year-to-date comparisons.

There are still some aspects of the current economy that will affect travel this year. One in particular is the rise of gas prices. Some North American travelers are cancelling vacations and re-thinking summer travel plans. On the other hand, the cost of gas could spur in-state travel, particularly useful for Sedona where the majority of our visitation comes from Phoenix.

According to a special summer edition of the "HomeAway Vacation Rental Marketplace Report," 81 percent of respondents report they will take a vacation this summer. Of those who typically take a summer vacation each year, 38 percent will not change their vacation plans, saying increased gasoline prices and airfares will not affect their travel. The rest of those surveyed will alter travel plans in some way to counteract rising costs, including:

- Vacationing closer to home (27 percent)
- Cutting back on other travel expenses such as lodging, entertainment and dining out (20 percent)
- Vacationing for fewer days (13 percent)
- Making other changes to their travel plans (3 percent)

Along the lines of economic recovery, a marketing tactic that is always considered at the Sedona Chamber of Commerce Tourism Bureau is the promotion of "Deals". We will be leveraging our member's deals, particularly during our upcoming Summer Internet Marketing Campaign.

In addition, and throughout 2011, we will continue our branding (TV and print) and co-operative marketing; we'll continue marketing to our Concierge and Travel Trade audiences; and we'll move our Verde Valley Regional Marketing Programs forward. We'll launch aggressive Internet marketing campaigns during our slower seasons of Summer and Winter that include social networking sites, SMS text marketing, email, and Google Pay Per Click marketing. We will focus much of these efforts towards our drive markets of Phoenix and Southern California, with an expansion towards Illinois, New York, Texas and Florida. We're also marketing towards a slightly younger demographic (much of which will be accomplished with Internet marketing) and a higher-income demographic (through specialty niche publications and high-end event sponsorships.)