

Tempe Tourism Office

Annual Report for FY17/18
&
Marketing Plan for FY 18/19



tempe
Refreshingly
arizona

Welcome

Vision:
To be the most trusted source of travel information for the City of Tempe.

Mission:
To promote the City of Tempe as a desirable leisure and business travel destination.

Dear Friends and Colleagues:

We are pleased to present our Annual Report reflecting the 2017-2018 results and our Marketing Plan for 2018-2019. Our goal is to attract visitors to Tempe and create a positive economic impact for our community.

This past year was an impressive one for Tempe and its visitor industry. Five new hotels opened in 2017 and several new domestic and international flights have been added at Phoenix Sky Harbor International and Phoenix-Mesa Gateway airports. As well, key market indicators reflect continued strong performance in hotel occupancy and average daily rate. Of significant importance was the fact that in 2017, over 117,450 more rooms were rented in Tempe hotels than the prior year - an average of 321 more per day.

Tempe continues to further its reputation as a leading destination for sports. Along with the benefit of premier events like Ironman Arizona, Rock n' Roll Marathon and ½ Marathon and ASU Athletics, Tempe this last year also hosted the USA Swimming Open Water National Championships, the Women's Collegiate Triathlon National Championship and we welcomed the Triathlon Business International Conference as well. And in partnership with other Valley communities, we look forward to again hosting the Super Bowl in 2023 and the NCAA Final Four in 2024.

Tempe's awareness as a desirable visitor destination continued to grow through concerted efforts including:

- Digital strategies that generated over 638,000 social media interactions - a 204% increase over prior year
- Regional and national cooperative marketing initiatives with the Arizona Office of Tourism, Brand USA, City of Chandler, Arizona Mills and MERLIN Entertainments
- Creative communications through the distribution of 5 targeted e-newsletters, development of 11 destination videos and hosting 35 travel writers and seven social media influencers
- Public relations efforts resulting in 48 articles in domestic and international publications with over 10.5 million impressions

As you review our accomplishments from last year and our planned activities for this fiscal year, please feel free to reach out to us and share your thoughts. By working together, we know this will be another terrific year for tourism in Tempe.

Sincerely,

Brian McCartin
President & CEO

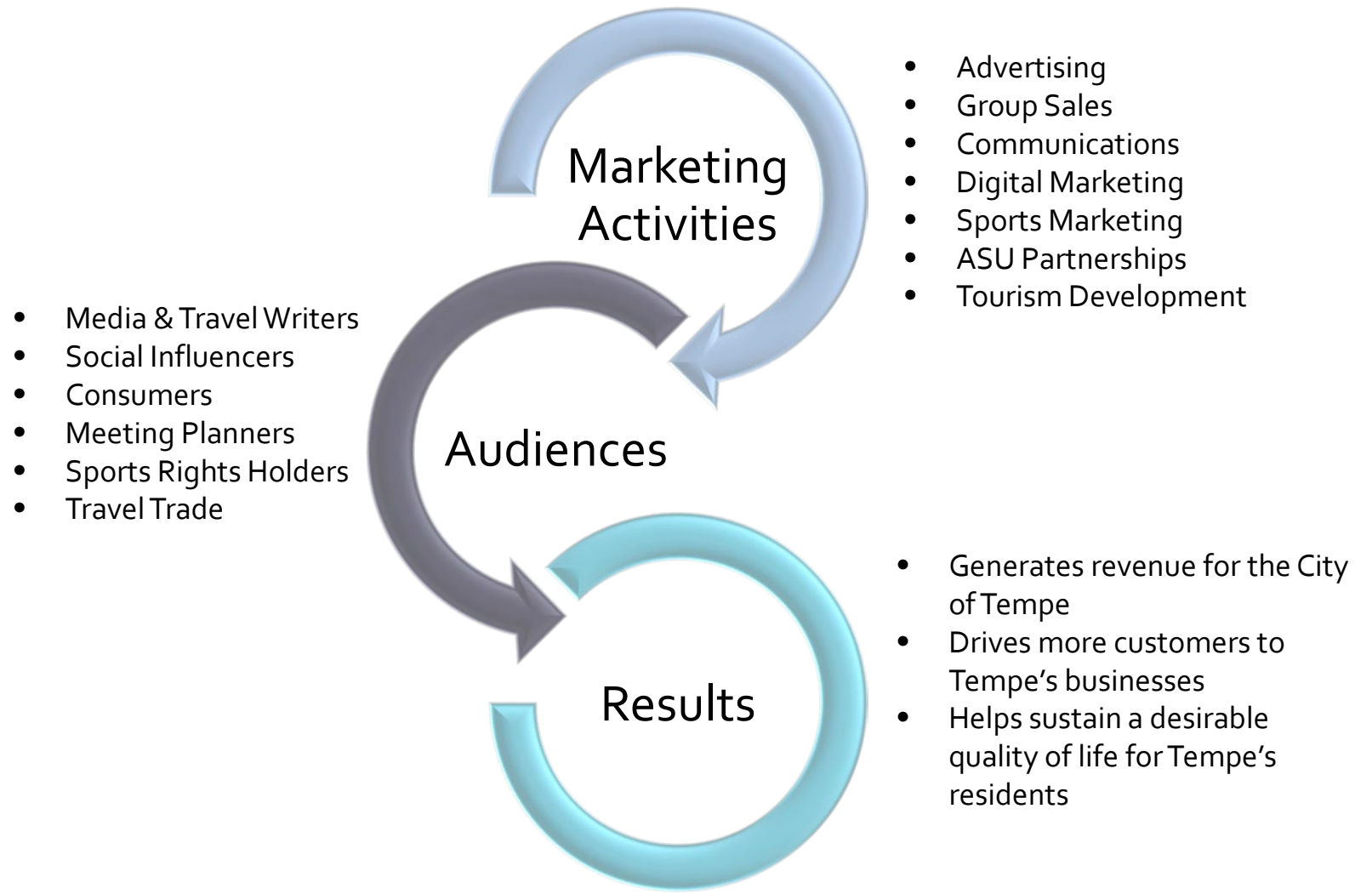


Margaret Dunn
Board Chair



Strategies & Results

The Tempe Tourism Office facilitates the connection between targeted audiences and Tempe's hospitality partners



Staff Members

Connect With Us

222 South Mill Avenue, Suite 120
Tempe, AZ 85281
480-894-8158 / 800-283-6734

TempeTourism.com
contact@tempetourism.com
Facebook.com/tempetourism
YouTube.com/tempetourism
Twitter.com/tempetourism
Pinterest.com/tempetourism
Instagram.com/tempetourism
#OurTempe

Finance & Administration

- Brian McCartin President & CEO
- Ginger Dude Business Manager

Marketing & Communications

- Michael Martin Executive Vice President
- Toni Smith Director of Communications
- Amy Griglak Director of Digital Marketing
- Patrick Sesty Content Strategist
- Nancy Black Tourism Development Manager

Sales & Services

- James Tevault Director of Sales
- Matt Connelly National Sales Manager
- Melora Hathaway National Sales Manager
- Alicia Kentz Communications & Events Coordinator
- Sofia Preston Partnership Development Manager

Visitor Services

- Karen Melching Front Desk Coordinator
- Christina Pucci Front Desk Coordinator

Board of Directors

Executive Committee

| | |
|------------|--|
| Chair | Margaret Dunn Dunn Transportation |
| Vice Chair | Judi Yates Yates Enterprises, Inc. |
| Treasurer | Eric Sather Tempe Mission Palms |
| Past Chair | Michael Reed ASU Gammage |
| Ex-Officio | Brian McCartin Tempe Tourism Office |

Directors

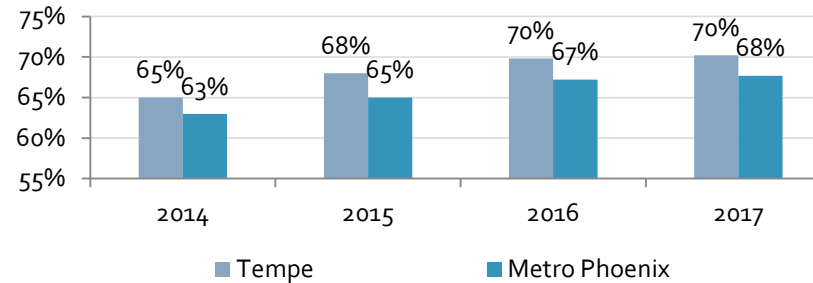
| | |
|----------------------------|--|
| • Emilie Andrews | Vestar / Tempe Marketplace |
| • Robin Arredondo Savage | Arredondo & Arredondo Insurance |
| • Mary Bertrand | NPR Phoenix – KJZZ/K-BACH |
| • Kate Borders | Downtown Tempe Authority |
| • Rob Cox | Arizona State University |
| • Daryl Crawford | Papago Golf Course |
| • Anne Gill | Tempe Chamber of Commerce |
| • Eric Gudiño | Arizona Department of Transportation |
| • Shelley Hearn | City of Tempe |
| • Patti Hunt | AC Hotel Phoenix Tempe/Downtown |
| • John Kane | Architekton |
| • Bill Kennedy | ASU Department of Intercollegiate Athletics |
| • Blessing McAnlis-Vasquez | Discover Salt River & Talking Stick Entertainment District |
| • Jim O'Meara | Courtyard by Marriott Tempe Downtown |
| • J. Brian O'Neill | Phoenix-Mesa Gateway Airport Authority |
| • Deborah Ostreicher | Phoenix Sky Harbor International Airport |
| • Ralph Remington | City of Tempe |
| • Greg Ross | Four Peaks Brewing Company |
| • Munira Smith | Arizona Mills |
| • Al Taylor | Special Moments |
| • Dana Terrazas | Desert Botanical Garden |
| • Peggy Traister | Rustler's Rooste |
| • Robin Trick | House of Tricks |

Tempe Lodging Market

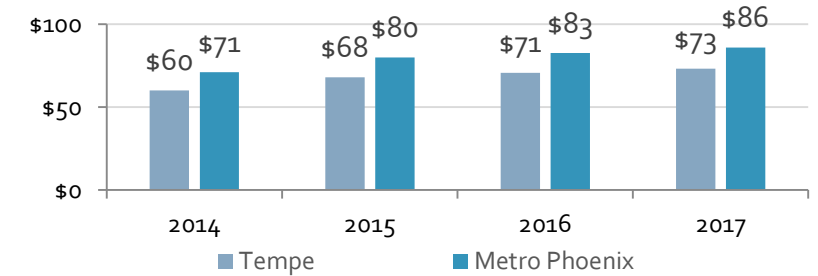
Tempe and Metro Phoenix experienced flat occupancy and modest gains in both RevPAR and ADR year-over-year. And while Tempe experienced an increase in hotel inventory of 7.6%, the strength in new demand enabled our Tempe properties to successfully absorb that new supply and resulted in an 11.3% y-o-y increase in room revenue and over 117,00 more rooms sold than in 2016. Tempe's new hotel properties in 2017 included 2 Hilton Garden Inns, a Home2Suites, a Hampton Inn & Suites and a Fairfield Inn & Suites.

Tempe hotels/rooms = 51/6,484
Metro Phoenix hotels/rooms = 472/64,949

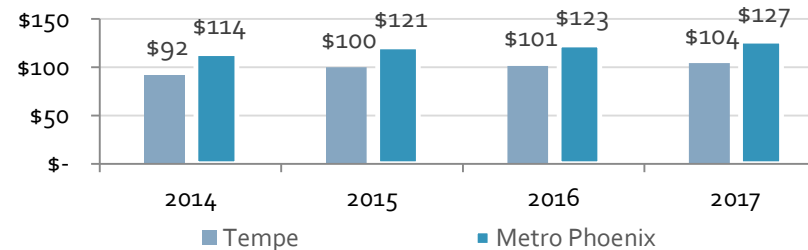
*Occupancy



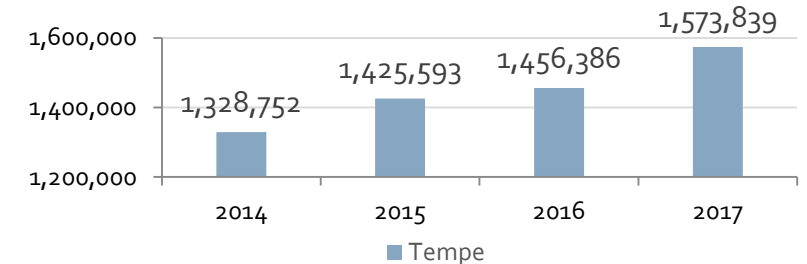
*Revenue Per Available Room



*Average Daily Rate (ADR)



*Demand (Rooms Sold)



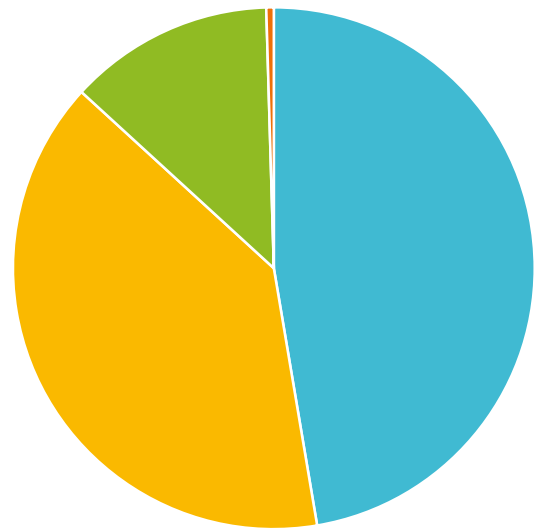
*Source: Smith Travel Research Inc.: Re-publication or other re-use of this data without the express written permission of STR is strictly prohibited.

Revenue & Expenses

*The savings resulting from the positive change in net assets are reflected as cash on our balance sheet.

2017-2018 = \$3,128,889*

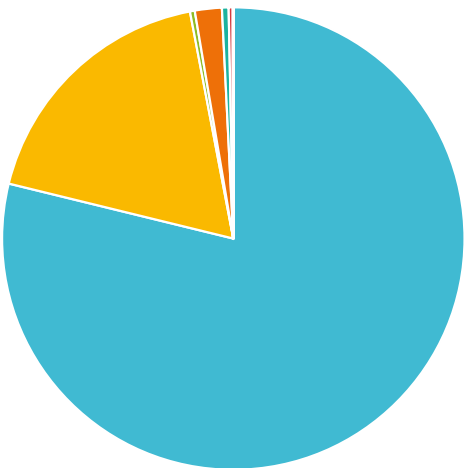
Expenses



| | |
|--------------------|-------------|
| Marketing = | \$1,473,951 |
| Personnel = | \$1,240,235 |
| Operations = | \$400,095 |
| In-Kind Expenses = | \$14,608 |

2017-2018 = \$3,141,012

Revenue



| | |
|-----------------------------|-------------|
| Bed Tax = | \$2,475,800 |
| Prop 302 Funds = | \$570,820 |
| Promotional Participation = | \$10,515 |
| Advertising Income = | \$59,177 |
| In-Kind = | \$14,608 |
| Annual Meeting = | \$9,981 |
| Interest = | \$111 |

Highlights from FY 17/18

Cooperative Marketing

Participated in a co-op with the Arizona Office of Tourism and Brand USA, the national tourism marketing agency for the U.S.

- Developed a dedicated Tempe page on the multi-lingual national travel website: www.VisittheUSA.com
- Participated in the "Road Trip" through Arizona video production to be promoted on the Brand USA site
- Included in a dedicated marketing campaign targeting the Mexican consumer through video and social media
- Received b-roll and photography as part of the overall campaign to be used for our own content development

Sports Marketing

Announced new events which helped to further Tempe's reputation as a leading destination for sports

- Welcomed the Triathlon Business International Conference to the Tempe Mission Palms Hotel in January 2018
- Hosted the USA Swimming Open Water National Championship at Tempe Town Lake in April 2018
- Worked with ASU to bring the Women's Collegiate Triathlon National Championship to Tempe Town Lake in November 2017
- Assisted Phoenix and Arizona in securing another Super Bowl in 2023

Content Development

Produced new blogs, videos and introduced Instagram photos to our website to increase engagement with consumers

- Incorporated CrowdRiff to our website which enables user generated content from Instagram to be posted on our site
- Developed three History of Tempe video series with local "hip historian" Marshall Shore and featured Tempe History 101, ASU Tempe Campus and the historic Eisendrath House
- Added a new booking engine to our website that allows consumers to do a date search for room rates at Tempe hotels
- Completed six "Spotlight On" videos focusing on local business owners and personalities in Tempe

Advertising Placement 2017/2018

Circulation: 7,684,482
Impressions: 50,083,006

Total: 57,767,488

Requests for Information:
FY2015/2016 = 17,798
FY2016/2017 = 18,373
FY2017/2018 = 21,304

| | | | |
|--------------------------------------|--|-----------------------------------|---|
| <i>AAA Home & Away</i> | <i>AAA Living</i> | <i>AAA Live.Play</i> | <i>AAA Midwest Traveler</i> |
| <i>AAA World</i> | Arizona Office of Tourism Seasonal E-Blasts | <i>Arizona Parenting Magazine</i> | AZFamily.com |
| Bell Media Canada | <i>Connect Meetings</i> | Cvent | Cox Media / TubeMogul |
| Entercom Radio | ePro Direct | ESPN | Eye Return Network Canada |
| Expedia | <i>Fashionista</i> | HelmsBriscoe | iHeart Radio |
| <i>MetroNews Canada</i> | MNI Networks | Pandora | <i>Pride Guides</i> |
| <i>Raising Arizona Kids Magazine</i> | Scripps Networks | SMART Meetings | <i>Successful Meetings / M&C Magazine</i> |
| <i>Sunset</i> | TravelGuidesFree | Trip Advisor | <i>Tu Casa Nueva</i> |
| Univision Radio | Viant | Weather.com | <i>Western Living Magazine Canada</i> |

Tourism Development

The Tempe Tourism Office continually seeks new opportunities to reach our audiences and educate them on our destination. Content development is becoming more and more important as we continue to see more consumers seeking information online.

Niche Marketing

Partnered with Pride Guides in AZ, NM, CA, CO and created content for:

24 E-newsletters

25,415 subscribers

31% open rate

4,183 visits to our site

Pride Guides distributed Tempe Visitor's Guides at Pride events in Palm Springs, Tucson and Phoenix

Advocacy Program

Implemented Advocacy program to educate local residents, businesses and community leaders on the impact of the tourism industry in Tempe

Produced:

2,000 Tourism Impact Pocket Guides

PowerPoint presentation to present to professional and social groups

Whiteboard video that demonstrates the impact of tourism utilizing data from our Tourism Impact research

Content Development

Distributed the weekly "Tempe Events" eblast to 387 partners

Developed blog content for our website and Tempe Local News

Blog content included:

Events: 82

Spotlight On: 4

Tempe History: 3

Dining, attractions and summer: 3

Cooperative Tourism Programs

Tourism development programs included our cooperative programs with the Chandler Tourism Office, Arizona Mills and MERLIN Entertainments. Tempe also worked with Phoenix Sky Harbor International Airport, Arizona Office of Tourism and Valley Destination Marketing Organizations to secure a new flight from Phoenix to Frankfurt, Germany on Condor Airlines.

Missions & FAMS

Conducted Sunny Arizona sales mission to Alberta, Canada and met with 63 agents at 14 agencies

Hosted a FAM for AAA and CAA agents from MN, MO, NC, OH, WV, MB and ON

Participated in hosting a German Tour Operator FAM to support new Condor flight

Collateral Distribution

Fulfilled 3,571 requests for information from consumers through the Sunny Arizona campaign

Distributed materials to AAA and CAA agents:
Tempe Visitor's Guides: 3,940

Fall & Spring Brochures: 5,665

Park & Fly: 470

Mexico Marketing

Conducted co-op campaigns with Chandler, Arizona Mills and MERLIN Entertainments

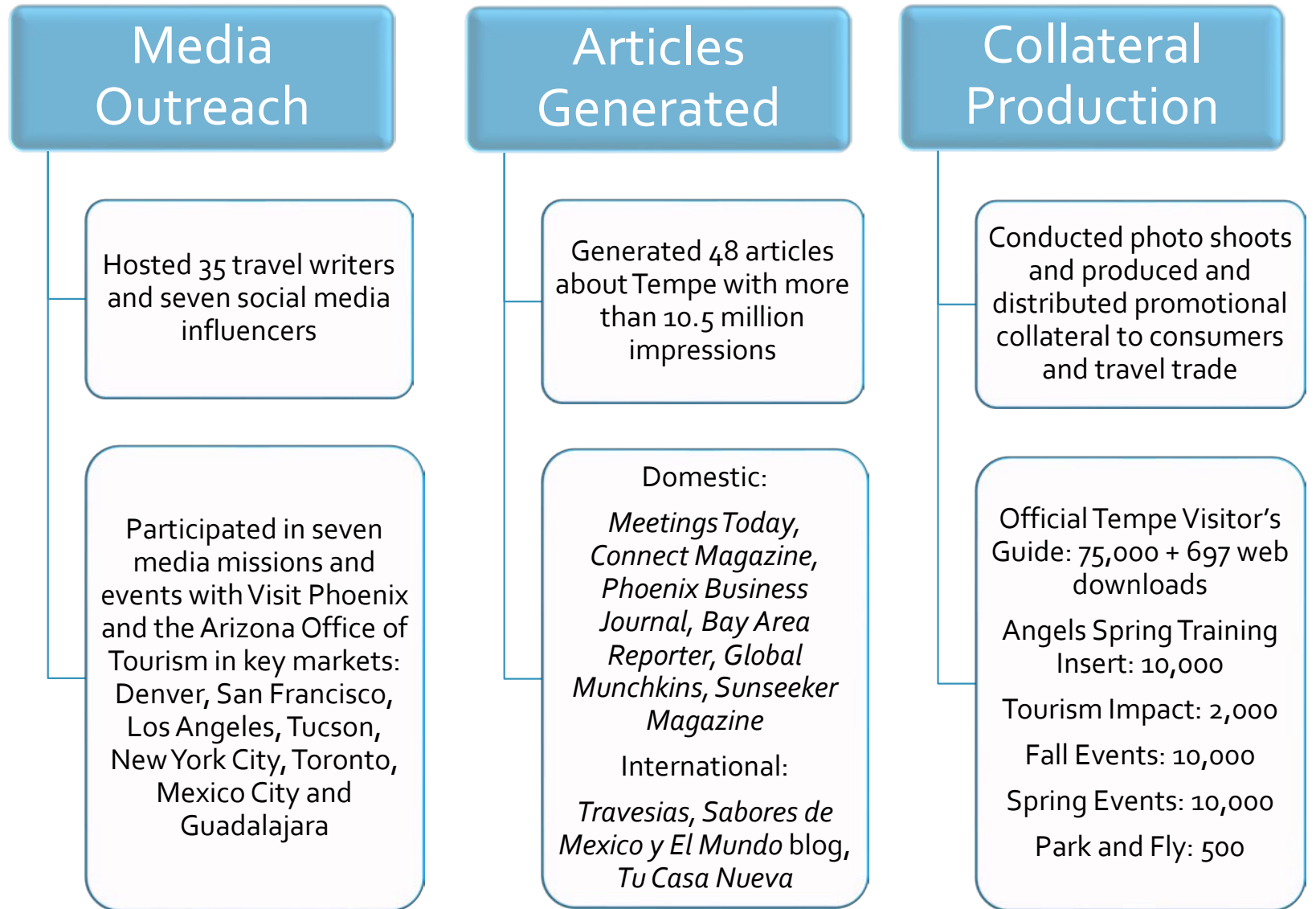
Developed a social media strategy to extend the "Chandler y Tempe" campaign

Attended the AOT Mexico Sales Mission and hosted a FAM for top tour operators from Guadalajara.

Launched a new Spanish language website and Facebook for "Chandler y Tempe"

Communications

Our communications efforts involve collateral production, media outreach and the development of content for our website, blogs, advertorials and social media.



Digital Strategy

It is increasingly more important to be in front of our audiences during the discovery and research of their trip planning. The continued shift to online purchasing dictates that we need to have a well-executed plan for digital and pay-per-click advertising, search engine marketing and social media.

Website Marketing

TempeTourism.com
Visits: 401,386
Page Views: 694,330
Pages Per Visit: 1.73
Average Time: 1:22

SEO resulted in 78.1%
keyword visibility on
Google, Bing & Yahoo

Pay-Per-Click
Clicks/Video Views:
633,375
Impressions: 4,327,181
CTR/View-Thru-Rate:
14.64%
Cost-Per-Click: \$0.12

Social Media

Recorded a total of
638,868 interactions
such as likes, retweets
and video views
reflecting year-over-
year increase of 204%

Followers/Fans:
Facebook: 24,896
Instagram: 2,542
Pinterest: 813
Twitter: 5,082
YouTube: 434

Digital Communications

Developed a Family Fun video,
Pueblo Grande video and a
History of Tempe series with
"hip historian" Marshall Shore
featuring Tempe History, ASU
and the Eisendrath House

Competed six videos in the
"Spotlight On" series focusing
on local personalities and
businesses

Distributed E-Newsletters to
several target audiences.
Target/Distribution/Open Rate
Sports: 323 / 28%
Partners: 361 / 29%
Consumer: 6,869 / 20%
Weekly Events: 388 / 22%
Meeting Planner: 4,634 / 16%

Sports Marketing

The amateur sports market is one of the fastest growing segments in the travel industry. It has been a part of our promotional efforts for more than 15 years. We will continue to seek out new relationships with sports rights holders and event producers to generate new, annual events for Tempe.

Sales Highlights

Redeployed staff with the Director of Sales now responsible for sports and a new Communications & Events Coordinator to assist with sports services and public relations projects

Initiated new Sports eNewsletter targeting sports and event producers

Year-end Results

Leads: 55
Bookings: 40
Room nights: 27,145
Attendees: 25,420
Estimated Economic Impact: \$36 million

Met with 110 Sports Rights Holders at industry tradeshows:
Connect Sports
National Association of Sports Commissions
US Sports Congress
TEAMS

Major Events

Tempe hosted these events in 2017/2018:

Ironman Arizona

- November 2017
- 2,676 attendees
- \$4.1M Economic Impact

Rock N' Roll Arizona

- January 2018
- 2,685 attendees
- \$4.4M Economic Impact

Kajikawa Softball Classic

- February 2018
- 925 attendees
- \$1.4M Economic Impact

USA Swimming Open Water Championship

- April 2018
- 720 attendees
- \$1.1M Economic Impact

Group Sales

The group sales staff promote Tempe as a meetings destination to meeting professionals across the U.S. Tactics include sales missions, trade shows, client events, site inspections and digital communications. We also work with our 3rd party planner partners: Cvent, HelmsBriscoe and Conference Direct.

Leads by Segment

SMERF: 45
Corporate: 126
Government: 6
Space Only: 14
Association: 68
Rooms Only: 23

Y-O-Y Increase from top lead sources:
Cvent: +5%
HelmsBriscoe: +11%
ConferenceDirect: +11%

Year-end Results

Leads: 282
Bookings: 65
Room nights: 10,311
Attendees: 4,264
Estimated Economic Impact: \$3.9M
Service requests: 49

Outreach Programs:
Webinars: 2
Sales training class: 24
LinkedIn: +24% y-o-y
E-news recipients: 4,634

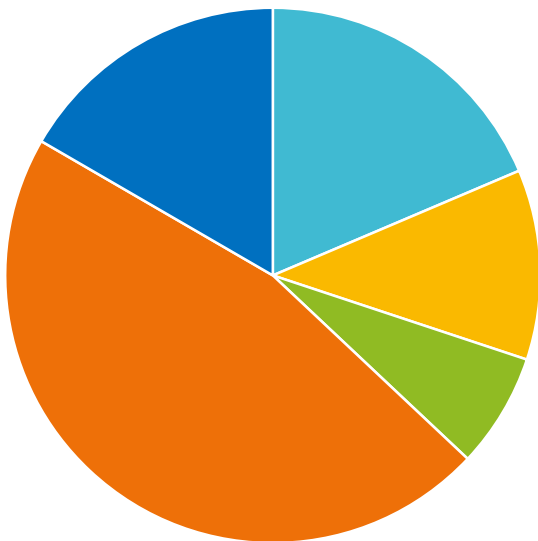
Contacts Generated

Greater Lakes Educations Summit: 29
Connect DC: 20
Connect Pacific NW: 30
Connect Meetings: 96
ConferenceDirect Annual Partner Meeting: 57
HelmsBriscoe Annual Business Conference: 87
HelmsBriscoe Trainings: 16
MPI World Education Conference: 42
Spring Training Event: 35

Estimated Economic Impact

Economic impact data for each segment is derived from third-party tourism research.

Impact By Segment



| | |
|---------------------|--------------|
| ■ Advertising = | \$10,692,050 |
| ■ Website = | \$6,602,168 |
| ■ Group Bookings = | \$3,980,145 |
| ■ Sports Bookings = | \$26,633,810 |
| ■ Super Bowl 2023 = | \$9,562,182 |

\$2,475,800
City of Tempe
Bed Tax Investment

\$57,470,355
Combined Total of
all Economic Impact Figures

Tempe Tourism Office

Marketing Plan for FY 18/19



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Marketing Plan FY 18/19

Goals

- Achieve a 5% increase in bed tax revenue
- Work with our partners to realize an increase in Average Daily Rate, Revenue per Available Room and Demand
- Promote the value of the tourism industry in Tempe
- Create partnerships designed to leverage our budget and generate positive exposure for Tempe
- Explore additional funding sources to assist us in generating more business for Tempe

Objectives

- Develop marketing strategies to drive more overnight stays to Tempe
- Target need periods of business for our hotels such as shoulder season and summer
- Launch an advocacy plan designed to share the value of tourism business in Tempe
- Create opportunities for our partners to leverage their marketing efforts within our program of work
- Generate relevant content and create compelling stories about Tempe

Tactics

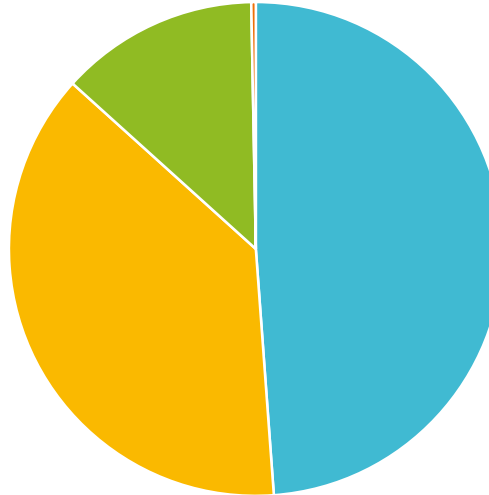
- Execute an advertising campaign to our target markets with an increased emphasis on digital programming
- Work with meeting professionals and sports rights holders to plan events during need periods
- Create partnership packages that allow our partners to market themselves through our social media and website
- Place greater emphasis on video development
- Seek out opportunities to speak to the public on the economic impact of tourism
- Build a new website with an emphasis on site speed, user experience and relevant content

Budget FY 18/19

Funding sources includes a portion of the City of Tempe Bed Tax which is collected for each room night consumed in Tempe. Prop 302 funding is derived from a Maricopa County tax applied to each night consumed within the county. This tax pays for the debt service on the University of Phoenix Stadium, tourism marketing funds for Maricopa County Destination Marketing Organizations, Cactus League facilities improvements and youth sports.

2018-2019 = \$3,364,565

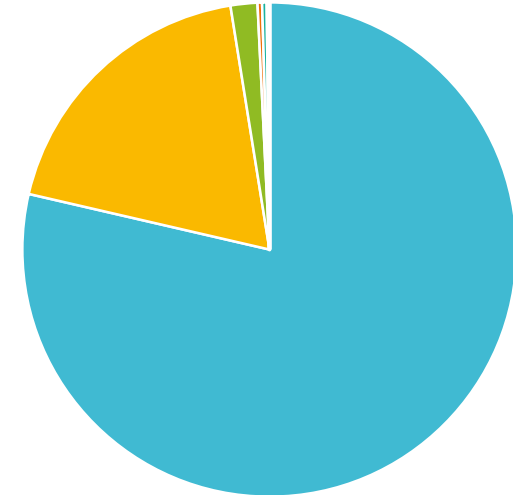
Expenses



| | |
|--------------------|-------------|
| Marketing = | \$1,643,118 |
| Personnel = | \$1,273,508 |
| Operations = | \$437,939 |
| In-Kind Expenses = | \$10,000 |

2018-2019 = \$3,364,565

Revenue



| | |
|-----------------------------|-------------|
| Bed Tax = | \$2,645,026 |
| Prop 302 Funds = | \$634,419 |
| Advertising Income = | \$59,000 |
| In-Kind = | \$10,000 |
| Annual Meeting = | \$10,000 |
| Promotional Participation = | \$6,000 |
| Interest = | \$120 |

Key Initiatives for FY 18/19

Digital Assets

Develop new website and seek out resources for user generated content

- Build a new website that increases site speed, time on site and provides a positive user experience
- Partner with *Bite Magazine* to develop stories about Tempe's culinary scene
- Expand our partnership with CrowdRiff to give us the ability to seek out user-generated photography that can be used across several of our marketing platforms

Advocacy

Educate the public on the importance of tourism

- Present the value of tourism to community groups, city officials and social networks
- Work with the City of Tempe to develop a video that shares the value of tourism from the point-of-view of local residents, business owners and workers
- Reach out to the media to help extend the message on the importance of tourism in Tempe

Events

Seek opportunities for new sports events in Tempe

- Find new events that will fit into Tempe's product offerings
- Seek out new partnerships in the community to assist us in the sponsorship of events
- Work with ASU Public Events to seek out possible new events for the newly renovated Sun Devil Stadium

Advertising Plan FY18/19

The Tempe Tourism Office will work with our advertising agency to develop a comprehensive, multilayered campaign to reach our target markets in the U.S., Canada and Mexico. The media mix will include print, digital, radio, online and social media. We will utilize a new tool, ADARA Impact, to help us define the ROI from our advertising programs.

| Target Markets | Market Segments | Reach |
|-----------------|--------------------|-------------------|
| Arizona | Events | Total Circulation |
| Bay Area | LGBTQ | 32,427,543 |
| Canada | Meetings & Sports | Total Impressions |
| Chicago | Outdoor Recreation | 42,311,171 |
| Denver | Shopping | |
| Los Angeles | Spring Training | Combined |
| Northern Mexico | Summer Staycations | 74,738,714 |
| Seattle | Sun Seekers | |

Advertising Placements FY18/19

| | | | |
|---------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| ADARA | <i>Arizona Parenting Magazine</i> | AZFamily.com | Bell Media Canada |
| <i>Connect Meetings</i> | Cvent Meetings | <i>Daily Hive Canada</i> | Entercom Radio |
| ESPN | Eye Return Network Canada | Expedia | <i>Fashionista</i> |
| HelmsBriscoe | iHeart Radio | <i>MetroNews Canada</i> | Pandora |
| <i>Pride Guides AZ/CA/CO/NM</i> | Radio Amor / Radio Disney Mexico | <i>Raising Arizona Kids Magazine</i> | <i>SportsTravel (TEAMS)</i> |
| <i>Sunset</i> | Televisa – Canal 12 Mexico | TravelGuidesFree | Trip Advisor |
| <i>Tu Casa Nueva</i> | Univision Radio | Viant | Weather.com |

Collateral Development

The Tempe Tourism Office produces collateral pieces for distribution through the fulfillment of our requests for information, statewide visitor centers, travel trade mailings, kiosks and at tradeshow.



Tempe Visitors Guide

- 75,000 printed annually
- Primary fulfillment piece
- Listings for hotels, restaurants, attractions and other visitor services
- a digital version can be viewed on our website



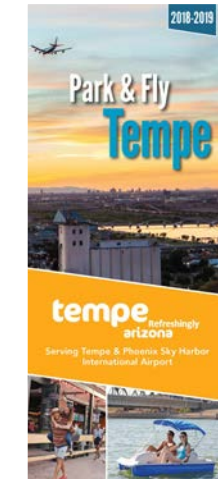
Angels Ticket Insert

- 10,000 printed
- Distributed in January to Angels' season ticket holders throughout Southern California
- Promotes Tempe as the home of Angels Spring Training



Seasonal Brochures

- 10,000 copies each in fall and spring
- Current calendar of events listings
- ASU Football and Angels Spring Training
- Included in fulfillment requests
- Mailed to 2,000+ travel agents



Park & Fly Tempe

- 500 printed
- Features hotels offering room and parking packages for travelers in and out of Phoenix Sky Harbor International Airport
- Distributed to travel agents statewide

Program of Work FY18/19

Our staff will promote Tempe through sales missions, tradeshow, media missions, familiarization tours, social influencer programs and cooperative activities.

Fall 2018 & Spring 2019

COMMUNICATIONS

| | | |
|---|---------------------|-------------------------|
| •Media Mission w/ Visit Phoenix | New York City, NY | Aug 2018 |
| •TBEX North America | Finger Lakes, NY | Sept 11-13, 2018 |
| •Arizona Office of Tourism Call Center Training | Tucson, AZ | Sept 2018 |
| •Arizona Office of Tourism Call Center FAM | Tempe, AZ | Oct 2018 |
| •Arizona Media Marketplace | Scottsdale, AZ | Nov 29, 2018 |
| •Community Marketing LGBTQ Marketing Forum | Fort Lauderdale, FL | Dec 2-4, 2018 |
| •Arizona Office of Tourism Media Mission | Central Mexico | March 2019 |
| •Visit Phoenix Media Luncheon | Phoenix, AZ | May 2019 |
| •PRSA Travel & Tourism Conference | TBD | June 2019 |
| •Familiarization Tours: Family, LGBTQ | Tempe, AZ | Fall 2018 / Spring 2019 |
| •Social Influencers & Travel Bloggers | Tempe, AZ | Fall 2018 / Spring 2019 |

GROUP & SPORT SALES

| | | |
|---|----------------------|-----------------|
| •Connect Meetings & Sports | Salt Lake City, UT | Aug 23-25, 2018 |
| •TEAMS 2018 | Louisville, KY | Oct 1-4, 2018 |
| •Connect Medical / Tech | Las Vegas, NV | Oct 14-15, 2018 |
| •Connect Faith | Ontario, CA | Nov 12-14, 2018 |
| •Conference Direct Forum 2018 | Huntington Beach, CA | Nov 27-30, 2018 |
| •American Express InterAction | TBD | Dec 2018 |
| •AMI Network Global Procurement Day | Fort Lauderdale, FL | Dec 2018 |
| •Green Biz Sustainability 2019 | Scottsdale, AZ | Feb 26-28, 2019 |
| •Conference Direct AMP 2019 | Atlanta, GA | Mar 3-7, 2019 |
| •HelmsBriscoe Annual Conference | TBD | April 2019 |
| •National Association of Sports Commissioners Symposium | Knoxville, TN | May 6-9, 2019 |
| •United States Olympic Committee Sales Mission | Colorado Springs, CO | June 2019 |