New Mexico Tourism Department 2013 Annual Report

September 2013

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INTRODUCTION

The purpose of the New Mexico Tourism Department's Annual Report is to document the state of New Mexico's tourism industry and the department's efforts to promote tourism by monitoring a variety of tourism indicators. This report contains data from Longwoods Travel USA® annual 2010 through 2012 data sets along with a wide variety of other sources.

This is the first annual New Mexico Tourism Department (NMTD) report. NMTD previously released both large quarterly reports and smaller monthly reports. However, nearly half of the data in the quarterly reports was on an annual release schedule and most of the rest of the data was already reported each month in the existing monthly reports. Therefore, it seemed prudent to produce reports based on data availability and so NMTD will now release a large annual report in October of each year, and continue to release monthly reports approximately 30 days after the close of each month.

While the format of the annual report is based on the 2012 quarterly reports, there have been a number of changes from the old quarterly reports as detailed below:

In the **New Mexico Visitor Relationships section**, under **Website interaction**, a new metric is used to measure website visits. Visits now refer to the number of visits that *last more than 10 seconds*. This metric is believed to more accurately measure both web visits and bounce rates. Please see the note at the bottom of page 13 for more information.

In the **Visit Characteristics section** State Museums and Monuments Visits was dropped as recent data has not been available.

In the **Economic Impact of Tourism in New Mexico** section, under **Self Reported Spend**, basic, but not detailed expenditures from the Longwoods International data set will be reported since Tourism Economics "Economic Impact of Tourism in New Mexico" reports (first released with CY2010 and CY2011 data in the fall of 2012) provide much more detailed tourism spending information. NMTD will update the Economic Impact of Tourism study in the future. Also, **New Mexico Lodgers Tax Receipts** have been dropped from this report due to recent erratic data at the state level.

This report contains data that was available as of September 30th, 2013.

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

Contents

EXECUTIVE SUMMARY

At the **National level**, United States Travel Association (USTA) data (on pages 9 and 10) have been moderately positive over the last year. Employment gains have been fairly steady, while consumer confidence has increased since early 2013. The Travel Sentiment Index and the TE Leading Travel Indicator have also shown modest gains yoy (year over year). The Travel Price index increased in 2013 after falling throughout much of 2012, indicating higher demand.

Lodging performance increased modestly although the Mountain state region (which includes New Mexico), showed slightly smaller than average gains. The Rural Arterial Vehicle miles driven (as shown in the Transportation chart) have grown little over the past year and U.S. gas prices have been fairly stable, trading within a range from $3.22 to almost $4/gallon for the last two years (gas prices are a concern for New Mexico as New Mexico visitation is heavily dependent on the drive market).

According to the Longwoods International TravelUSA® survey, there was a marked change in the national visitor profile in 2012. Greater numbers of younger people traveled in 2012, and that drove other changes such as: an increase in overall activity participation levels; the types of activities engaged in: such as a greater percentage of visits to bars/nightclubs and zoos, combined with higher engagement in outdoor activities; an increased percentage of travelers who had children in their household; and a decrease in average household income. In New Mexico, there was evidence of this national demographic change in the lower average age of New Mexico overnight visitors (page 18) and a lower intent to return rate (page 11), but especially in participation in outdoor activities, as the outdoor activity index showed a large increase, while the cultural activity index increased to a lesser degree (see page 19). (Surveys show that younger people engage in outdoor activities at higher rates than older visitors, while cultural activities are engaged in at similar rates by all age groups).

At the **State level**, New Mexico **total domestic visitation set an all-time high** in 2012 according to Longwoods International Travel USA® data (page 11). There were 32 million domestic overnight and day visitors in 2012, a gain of 2.6% from 31.2 million visits in 2011 (2008 was the previous high with 31.4 million domestic visits)[1]. Although New Mexico's 2012 overnight visits were flat at 14.5 million, marketable overnight trips were up 11.3% to 6.9 million. (Nationally, Marketable trips were up 9%, while business trips declined.) However, New Mexico's non-marketable overnight trips (business trips and trips to visit friends and family) were lower, resulting in the flat overall number.

New Mexico Tourism related **spending set an all-time high** in 2012. Longwoods International Travel USA® data showed New Mexico's 2012 domestic tourism spending increased by 7.5% (the average per person spend increased 4.9% for overnight trips and 12.9% for day trips). Based on these numbers, New Mexico's 2012 total direct Tourism spend is estimated to have increased to a record $5.9 billion from $5.5 billion in 2011. This is on top of 2011's 5.9% spending increase as detailed in the 2011 Economic Impact of Tourism in New Mexico study, in which it was stated that 2011 was the first year Tourism spending surpassed 2008's pre-recession levels.

Tourism related **jobs also set an all-time high** in 2013. In June 2013, the U.S. Bureau of Labor and Statistics reported that New Mexico Leisure and Hospitality employment surpassed pre-recession levels. The change in New Mexico Leisure and Hospitality yoy (year over year) employment has now been positive every quarter for 2½ years (as of July 1, 2013), and the rate of job growth has

[1] While total domestic trips and day trips have reached new highs, overnight visits are still below 2008's 15.0 million visits

accelerated during 2013. For example during the summer of 2013 (June, July and August), Leisure and Hospitality employment increased 5.5% (or 4,767 jobs) over the summer of 2012.

COMPARATIVE PERFORMANCE

There were improvements in four of the six comparative[2] indexes that measure New Mexico against our competitive set of states (Colorado, Arizona and Utah). The Regional Concentration of trips, Fly market (travel by air), Average Age of visitors, and Outdoor and Cultural activities indexes all improved in 2012 relative to the competitive set. Increasing the Proportion of Primary Overnight visits was basically unchanged, and the Repeat Visitation Rate was the only comparative index to move substantially lower. In 2012 the following changes occurred in these indexes:

- The three **Intent to Travel measures (**National Recognition, In-State Regard, and Repeat Visitation Rate) are on page 11. National recognition closely correlates with the size of a state's tourism market, and all three states in our competitive set (especially Arizona and Colorado) have larger tourism markets than New Mexico. What is interesting is the lower *trend* for all locations for both National Recognition and In-State regard. Nationally, Longwoods data indicates that as the economy has begun to recover and people are more financially secure, intent to travel is focusing somewhat more on trips to more distant and more expensive fly market destinations, such as California, New York and Florida. However, the most problematic of these three measures for New Mexico has been the **Repeat Visitation Rate (or more precisely, the *intent* to return rate)**. This index measures the percentage of visitors who intend to return to the state they had previously visited *and* spent most of their time in. Although the competitive set average fell 3.4 percentage points to 47.8%, New Mexico's rate fell even more to 29.8%. Analysis of the data indicates there were ***three primary reasons for this change***. ***First***, even though visitation from California increased both in New Mexico and among our competitive set of states, it increased to an even greater degree in New Mexico (Californians made up over 11% of all New Mexico primary visits in 2012, up from 5.9% in 2011). However, increased California visitation lowered New Mexico's overall return rate because California visitor's intent to return to New Mexico was low, around 16%. (In general, the farther a visitor has to travel to reach a destination, the lower their intent to return to that destination in the next 12 months). ***Second,*** there was an increase in younger travelers both nationally and in New Mexico. In 2012, New Mexico primary overnight visitors under 45 made up 60% of all visitors (the 2010/2011 average was 47.5%). New Mexico's intent to return rate for younger visitors has been significantly lower than the competitive set average (NM 27% vs. 46% for our competitive set in the 18-34 age group average).[3] This is a substantially lower intent to return rate than among older visitors and so a larger proportion of younger visitors acts to disproportionately lower New Mexico's overall intent to return rate. ***Third***, even though New Mexicans intent to return rates for in-state visits has improved over the last three years (40.5% in 2010, 44.5% in 2011, and 49.4% in 2012), it is still lower than our competitive set's in-state intent to return rate average (59%), plus, New Mexicans were a

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[2] Comparative measures allow us to better understand and measure New Mexico's competitive position now and in the future.

[3] Age category return rates are 3 year (2010-2012) averages. New Mexico is more competitive the older the visitor. NM's most competitive age related intent to return rates are for the 55 and over age group (46% vs. 55%).

little less likely to choose New Mexico for an overnight primary trip in 2012 (37% in 2011 vs. 35% in 2012). Overall, however, the fact that over the last three years the intent to return rate for New Mexico has been consistently lower than the competitive set average indicates this is not an anomaly, but points to a different dynamic in visitor's experiences in, or perceptions of each state. The department's long term goal is to increase New Mexico's return rate so it is in greater alignment with our competitive set.

- Increasing the proportion of **Primary Overnight** visits (page 17, in the NEW MEXICO VISITOR PROFILE section) is an important goal since, compared with our competitive set, New Mexico has a significantly smaller percentage of primary visitors. In 2012 there was little change in this metric as New Mexico decreased by 1 percentage point from 72% to 71%, as did the competitive set average (from 84% to 83%).
- Another long term objective is to reduce the **Regional Concentration of Visitor Trips** (page 17). In 2012, New Mexico's regional concentration fell to close to the average of our competitive set of states (Colorado, Arizona and Utah). A major reason was an increase in New Mexico's fly market. In contrast to the drive market, fly market visitors are far less likely to be from New Mexico's adjoining states. For example, in 2012, 78% of fly market trips were from states outside New Mexico's immediate geographic vicinity (states other than New Mexico, Arizona, Colorado, Utah, Oklahoma and Texas), while this was true for just 27% of drive market trips.
- Another goal is to increase **Fly market** visits to New Mexico. Previous surveys showed New Mexico was more heavily reliant on the drive market than our competitive set (page 18). 2012 analysis of fly market visitors shows they spend almost double what drive market visitors spend in almost all spending categories. Therefore, a more balanced fly/drive visit profile (more similar to our competitive set) would be beneficial**.** Good progress has been made in increasing the fly market since 2010. In 2012, building on an increase seen in 2011, the percentage of New Mexico Primary overnight visitors who travelled by air **increased from 16.7% to 22.4%** bringing New Mexico closer to the competitive set average of 24.9%**.**
- The department seeks to align the **Average Age of Visitors** with our competitive set (page 18). In 2012, the **average age of both Primary and all overnight visitors declined** even more than national and competitive set averages, so that New Mexico's average age profile is now very similar to national and competitive set averages.
- Results for the **Outdoor and Cultural activities** indexes are on page 19. New Mexico's rich and diverse culture, combined with numerous opportunities for outdoor activities is a unique strength of New Mexico. The Outdoor and Cultural Activities index (constructed from the set of activities listed on page 19) allows comparisons to be made to regional and national averages. In 2010 and 2011, New Mexico had very high scores for Cultural activities, but lagged compared to our competitive set for Outdoor activities. However, in 2012, New Mexico's Outdoor Activity score **increased by 19.3 percentage points** while the Culture index **increased by 6.3 points**. While the Culture index scores changed little nationally or for our competitive set, the Outdoor Activity index increased for all locations (partly reflecting a younger overall visitor population). However, New Mexico's Outdoor Activity Index increased at an even greater rate, which brought New Mexico's score closer to the Competitive set average (52.9 vs. 57).

NEW MEXICO SPECIFIC PERFORMANCE

Over the past year, the following New Mexico measures **increased**: New Mexico Leisure and Hospitality Employment, Social Media (Facebook likes); Website interaction, YouTube views, Visits to the digital vacation guide, the number of Downloads of the Vacation Guide app, Santa Fe airport passenger volume, National Park and Monument visits (up CY2012, down in the first half of 2013), New Mexico Hotel & Motel Total Receipts, and New Mexico Food, Drink and Accommodation Gross Receipts.

The following **decreased**: the number of mailed paper vacation guides, E-newsletter Performance, visitor information center visits, state parks visits and Albuquerque International airport passenger volume.

However, of all these measures, arguably the most important are those that measure the economic impact of tourism, and all economic impact measures were positive over the past year. Year over year (from 2012Q2 to 2013Q2), Tourism related employment; gross receipts taxes and Hotel and motel receipts **increased from 1.6% to 6.6%**.

The following summarizes performance for each measure:

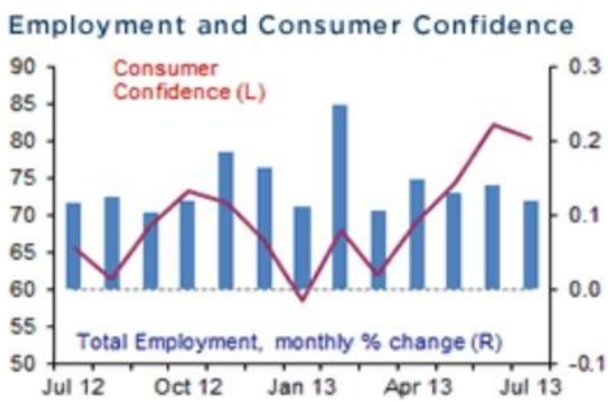
- Yoy (year over year) gains from the second quarter 2012 to the second quarter 2013 were **3.2%** for **New Mexico Leisure and Hospitality Employment;**. **6.6%** for **Hotel/motel receipts** (the number of occupied rooms multiplied by the average room rate); and **1.6%** for **total Gross receipts taxes** for Food, Drink and Accommodations (pages 24, 27 & 28).
- **Passenger volume through the Albuquerque International airport decreased 5.5%** from 2012Q2 to 2013Q2 although **Passenger volume through the Santa Fe airport increased by 15.5%** (pages 20 & 21).
- Visits to all department **Websites increased 54.1%** from 2012Q3 to 2013Q3 (page 13). The increase in visits followed a slow start (as expected) when NMTD launched a completely new website with new streamlined content in 2012Q2. The chart on page 13 shows how visits, pages/visit and the average time on site increased as more content and features are continuously added to NMTD websites.
- The **Social Media presence** metrics were mixed. The number of Facebook likes **increased 28.3%** in 2013Q2 from 2012Q2 and surpassed 50,000. **PTAT** or “People Talking About” was **down 17%** and weekly reach was **down 22%** after seeing huge gains earlier in the past year. As of September 30, 2013 NMTD has a new digital media employee as of September, 2013 who will focus especially on social media (see page 12 for a more thorough description of PTAT and weekly total reach.)
- The number of **YouTube** views on the department’s YouTube sites **increased 14.7%** from 2012Q3 to 2013Q3. Video views were also **up 18.9%** in CY2012 (page 12).
- The number of department **E-Newsletters** sent **decreased 7.2%** and the open rate **declined 10%** from 2012Q3 to 2013Q3 (pages 15) reflecting recent decreases after strong increases in CY2012.

- **National and state parks visits decreased 4% and 12.7%** respectively from 2012Q3 to 2013Q3. However, in the case of the National parks, CY2012 was up 3.3% as recent declines were mostly in 2013Q2 (pages 22 and 23). State park visitation was down primarily due to continuing low water levels at some of the parks. Most state park visitation is associated with warm weather water-related recreation and so state park visitation is particularly sensitive to drought conditions.
- Visits to the department's nine **Visitor Information Centers increased 53.5%** from 2012Q3 to 2013Q3 (page 16). However, this increase was mostly due to bounce back from the closure of the Manuelito VIC during part of 2012Q2 and Q3 (page 16). The Manuelito closing is also reflected in the 23.9% decline in CY2012 visitation. In other states, VIC visitation has seen some decline as travelers increasing rely on mobile devices for navigation and gathering information about destinations. We expect this same dynamic has and will occur in New Mexico.
- There was a sharp rise in **Digital Vacation Guide visits (256.9%)**, **Downloads of the Vacation Guide App (295.5%)** and a continued decline in **Mailed Vacation guides (21.4%)** from 2012Q3 to 2013Q3 (page 14). The Apple IPad Vacation Guide app became available in June 2012 and an Android version of the app became available near the end of 2012. The traditional paper Vacation guide format has been in decline since 2001 as consumers increasingly turn to travel websites, user content generated travel websites (such as Tripadvisor.com), mobile applications and social media for travel information.

U.S. TRAVEL SECTOR PERFORMANCE AND TRENDS

National indicators* from the United States Travel Association were moderately favorable over the past year. Employment gains have been fairly steady, while consumer confidence has increased since early 2013. The Travel Sentiment Index and the TE Leading Travel Indicator have shown modest gains yoy. Travel Price index has grown in 2013 after falling throughout much of 2012, indicating higher demand.

Lodging performance increased modestly although the Mountain state region which includes New Mexico showed slightly smaller than average gains. The Rural Arterial Vehicle miles driven (as shown in the Transportation chart) have been fairly neutral in growth over the past year and the U.S. gas prices have been fairly stable, trading within a range from $3.22 to almost $4/gallon for nearly two years (gas prices are a serious issue for New Mexico as we are heavily dependent on the drive market).



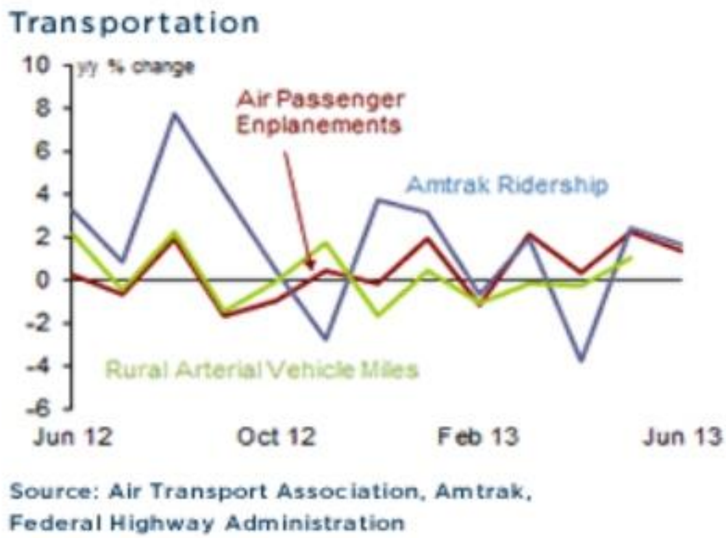
Source: Bureau of Labor Statistics, Conference Board

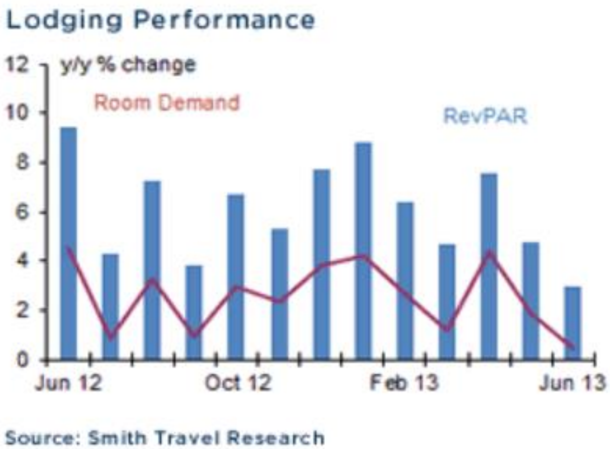
Source: U.S. Travel Association/MMGY Global

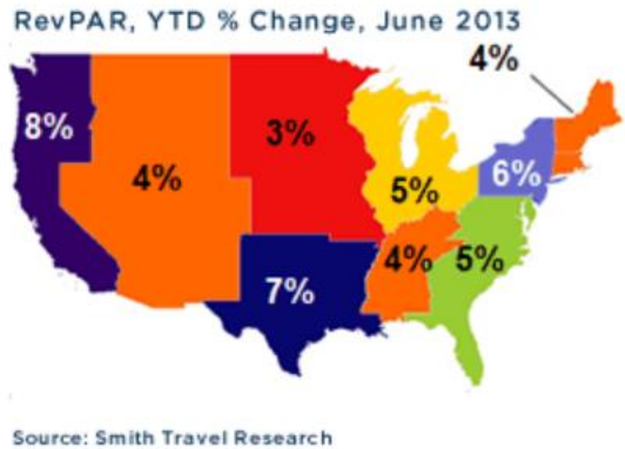
Source: Tourism Economics

Source: Bureau of Labor Statistic, U.S. Travel Association

*All charts on pages 9 and 10 (except for the 24 month Average Retail Gas Price Chart) were reproduced by permission of the United States Travel Association


Transportation
y/y % change
Air Passenger Enplanements
Amtrak Ridership
Rural Arterial Vehicle Miles
10
8
6
4
2
0
-2
-4
-6
Jun 12
Oct 12
Feb 13
Jun 13
Source: Air Transport Association, Amtrak, Federal Highway Administration


Lodging Performance
y/y % change
Room Demand
RevPAR
12
10
8
6
4
2
0
Jun 12
Oct 12
Feb 13
Jun 13
Source: Smith Travel Research


RevPAR, YTD % Change, June 2013
4%
8%
4%
3%
5%
6%
4%
5%
7%
Source: Smith Travel Research


24 Month Average Retail Price Chart
Regular Gas Price (US $/G)
Regular Gas Price (US $/G)
USA Average
3.92
3.85
3.78
3.71
3.64
3.57
3.50
3.43
3.36
3.29
3.22
9/4
9/30
10/25
11/19
12/14
1/9
2/3
2/28
3/24
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6/8
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10/12
11/6
12/1
12/26
1/21
2/15
3/12
4/6
5/1
5/27
6/21
7/16
8/10
9/4
2011
2012
2013
Date (Month/Day)
©2013 GasBuddy.com

NEW MEXICO BRAND PERFORMANCE

Visitation Growth

In 2012, **total visitation increased 2.6%** over 2011 for a combined total of 32 million visits as overnight visits stayed level and day-trip visits increased 6%. New Mexico has maintained a market share of close to 1% for the last five years.

New Mexico Total Person Visits & U.S. Market Share (% market share of overnight & day trip visits)					
	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012
NM All Visits*	**31.4**	**29.5**	**29.7**	**31.2**	**32.0**
Y/Y Growth		*-6.1%*	*0.7%*	*5.1%*	*2.6%*
NM Overnight Visits*	**15.0**	**13.9**	**13.7**	**14.5**	**14.5**
Y/Y Growth	*1.4%*	*-7.3%*	*-1.4%*	*5.8%*	*0.0%*
Overnight U.S. Market Share	1.05%	1.06%	1.00%	1.00%	1.00%
NM Day Visits*	**16.4**	**15.6**	**16.0**	**16.7**	**17.5**
Y/Y Growth		*-4.9%*	*2.2%*	*4.4%*	*4.8%*

* In Millions

Intent to Travel – National Recognition, In-State Regard, 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.

The percentage of New Mexicans who intend to take an overnight trip within New Mexico and the repeat visitation rate (those who previously visited and intend to return in the next 12 months) have been consistently lower than the competitive set average. Increasing these percentages would provide a significant boost to tourism.

Percent of Respondents in the Longwoods Intl. National Sample Intending to Visit New Mexico or Competitive Set* states in the next 12 months				
		CY 2010	CY 2011	CY 2013
National Recognition	**New Mexico**	2.0%	1.9%	1.7%
	Competitive Set Average*	4.5%	4.2%	4.1%
Percent of State Residents Intending to Take an Overnight Trip within their Own State				
		CY 2010	CY 2011	CY 2013
In-State Regard	**New Mexicans**	29.2%	27.7%	24.8%
	Competitive Set Average*	33.6%	33.1%	32.3%
Percent of Visitors Intending to Return to the State They Previously Visited and Spent Most of their Time In				
		CY 2010	CY 2011	CY 2013
Repeat Visitation Rate	**New Mexico**	40.5%	39.2%	29.8%
	Competitive Set Average*	51.5%	51.2%	47.8%

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

For both tables on this page:
Source: Longwoods International 2010, 2011 & 2012 Travel USA® data sets
Interval of Measurement: Annual by Calendar Year

Social Media Presence

Objective: Grow active visitor relationships.

Measurement of the department's Facebook activities began in the 3rd quarter of calendar year 2010, but over time Facebook metrics have changed in response to changes Facebook has made in which measures are available. For example, new measures: "PTAT" or **P**eople **T**alking **A**bout **T**his and Weekly Reach were introduced in August, 2011. PTAT is a comprehensive ***engagement*** metric that measures the overall "health" of a Facebook brand Page. It analyzes the "conversation" happening around a Page across Facebook and provides a numerical score. It includes activities such as liking a page; liking, 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 **increased** greatly beginning in the 2nd quarter of 2012 as more department resources were devoted to Facebook, while showing some decline in the second quarter of 2013. The number of likes continues to grow steadily, **increasing 18.3%** in 2012 and surpassing 50,000 in the second quarter of 2013.

New Mexico Department of Tourism Facebook Statistics										
	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY2011	CY2012
# of fans of NMTD facebook site (monthly/ave)	**36,131**	**37,377**	**38,202**	**39,909**	**42,790**	**45,223**	**48,764**	**51,202**	**35,116**	**41,531**
Y/Y Growth	*24.4%*	*13.3%*	*16.2%*	*17.1%*	*18.4%*	*21.0%*	*27.6%*	*28.3%*	*NA*	*18.3%*
NMTD Facebook PTAT (weekly/ave)	**445**	**291**	**563**	**3,298**	**6,678**	**6,836**	**4,868**	**2,725**	**NA**	**4,344**
Y/Y Growth					1401%	2252%	764%	-17%	NA	NA
NMTD Weekly Reach (weekly/ave)	**20,137**	**11,586**	**17,565**	**81,304**	**131,602**	**80,587**	**69,673**	**63,668**	**NA**	**77,765**
Y/Y Growth					554%	596%	297%	-22%	NA	NA

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

YouTube Views

Views of the department's YouTube page were **24.5% higher** in 2012 compared to 2011, and video views grew during the first half of 2013. (All department videos were sourced exclusively with YouTube beginning July 2012. Before that, videos were played from either YouTube or Flickr, so direct yoy comparisons began in July 2012)

Youtube: # of Views of Videos										
	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY 2011	CY 2012
# of views	**29,230**	**27,427**	**28,670**	**30,358**	**25,989**	**39,005**	**29,626**	**34,832**	**99,654**	**124,022**
Y/Y Growth			155.0%	-4.4%	-11.1%	42.2%	3.3%	14.7%		24.5%

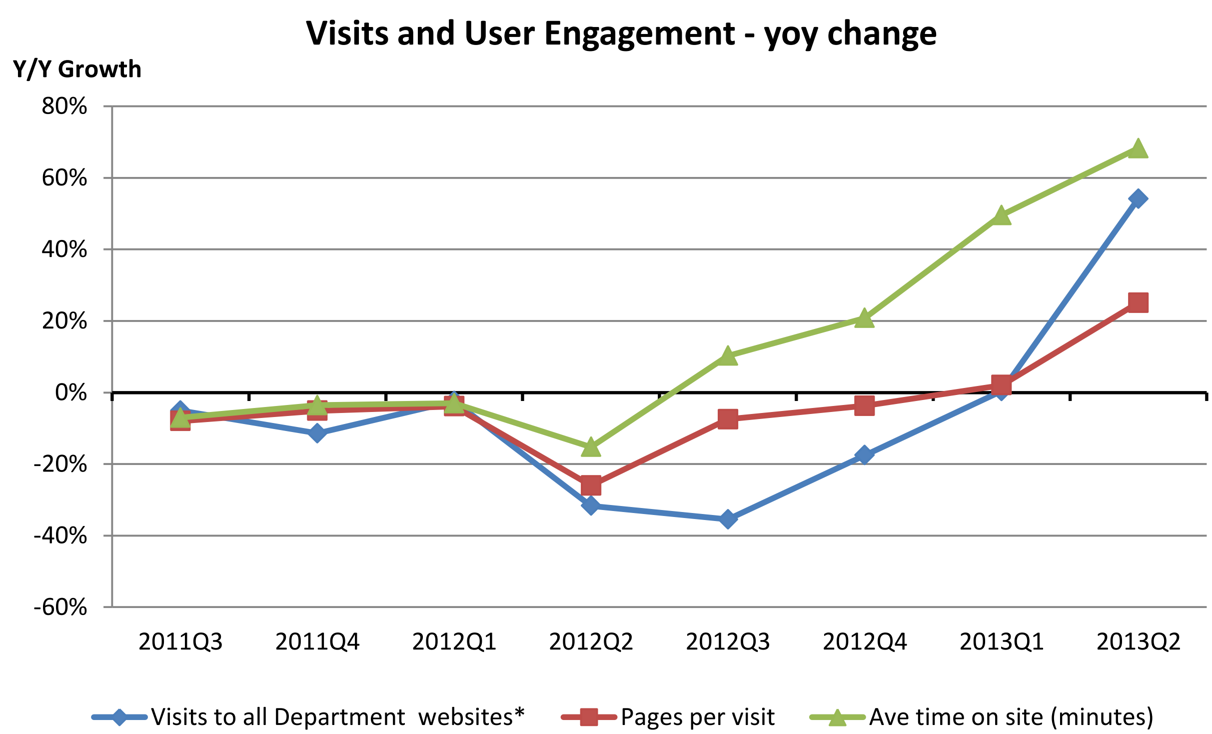
Source: Youtube
Interval of Measurement: Quarterly by Calendar Year

Website Interaction

Visits* to all department websites **decreased 28.8%** in 2012, but began **growing** again in the first half of 2013. The decrease in visits in the second quarter of 2012 was expected as the department launched a completely new website with all-new streamlined content in April 2012. However, these numbers recovered in the first half of 2013 as content and features are continuously updated.

Department Website Data & Statistics										
	2011Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2011**	**CY 2012**
Newmexico.org Visits	**166,075**	**130,973**	**167,721**	**136,923**	**103,201**	**90,030**	**175,621**	**224,682**	**699,151**	**497,875**
Y/Y Growth	*-15.9%*	*-11.0%*	*-10.2%*	*-36.4%*	*-37.9%*	*-31.3%*	*4.7%*	*64.1%*	*-13.1%*	*-28.8%*
Pages per visit	**3.11**	**2.96**	**3.30**	**2.35**	**2.88**	**2.85**	**3.36**	**2.94**	**3.17**	**2.84**
Y/Y Growth	*-8.0%*	*-5.1%*	*-3.9%*	*-26.0%*	*-7.5%*	*-3.7%*	*2.0%*	*25.1%*	*-8.7%*	*-10.3%*
Ave time on site (minutes)	**2.24**	**2.18**	**2.35**	**1.93**	**2.47**	**2.63**	**3.51**	**3.25**	**2.28**	**2.35**
Y/Y Growth	*-7.1%*	*-3.5%*	*-3.0%*	*-15.2%*	*10.3%*	*20.8%*	*49.6%*	*68.3%*	*-6.2%*	*2.9%*
Visits to all Department websites*	**212,600**	**151,140**	**205,204**	**164,339**	**137,172**	**124,621**	**205,976**	**253,260**	**631,336**	**631,337**
Y/Y Growth	*-5.1%*	*-11.4%*	*-2.4%*	*-31.7%*	*-35.5%*	*-17.5%*	*0.4%*	*54.1%*	*-22.5%*	*77.5%*

The chart below shows that user engagement (pages/visit and Average time on site) began to recover and surpass previous engagement levels within months of the new site going live in April 2012. Because of the loss of some links from external sites, visitation took longer to grow, but visits increased strongly in the second quarter of 2013, surpassing visitation levels in the second quarter of 2012 and 2011.



*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 will 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 generally considered to be of poor information dissemination value. There are also issues with the conventional bounce rate metric that the greater than 10 second visitation metric addresses (see http://padicode.com/blog/analytics/the-real-bounce-rate)

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

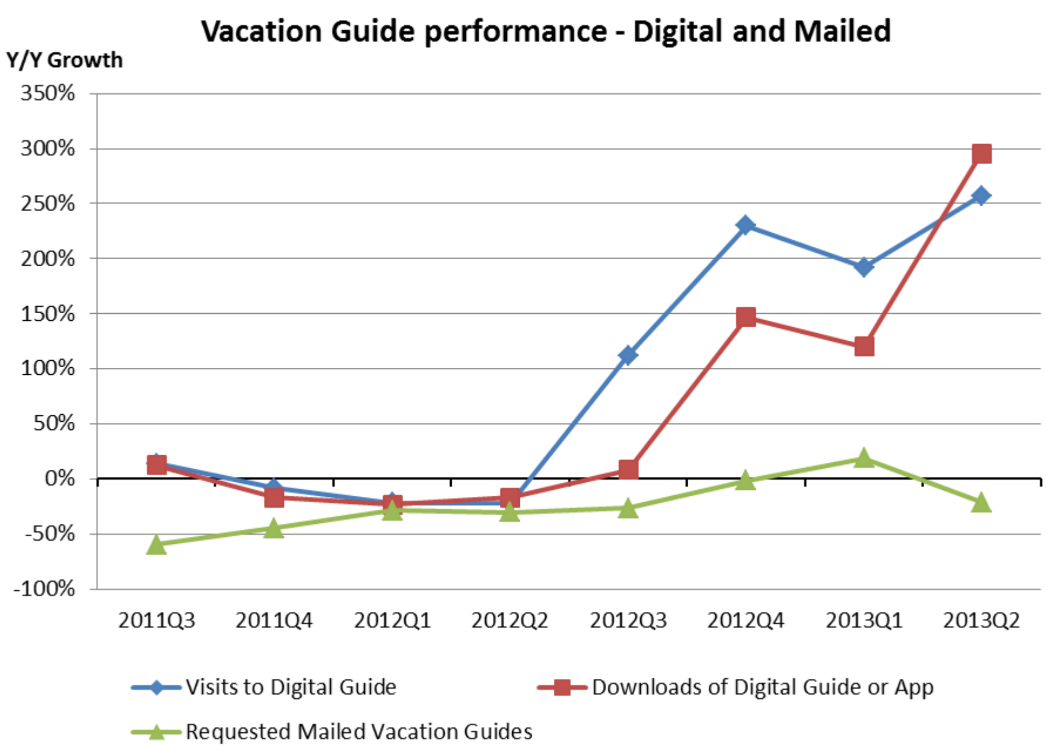
Vacation Guides

The traditional printed vacation guide has been declining 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. Data from the app is included beginning with the 2012Q2 vacation guide numbers under Downloads of Online Guide. Visits to the digital guide from web browsers and mobile devices (including the VG apps) **grew 56.6%** in 2012 and are nearly equal as of mid-2013, indicating the continuing move from traditional web to mobile devices for viewing online content.

Digital & Mailed Vacation Guides

	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY 2011	CY 2012
Visits to Digital Guide	**18,980**	**9,813**	**15,014**	**16,471**	**40,256**	**32,398**	**43,878**	**58,792**	**69,061**	**108,139**
Y/Y Growth	*13.8%*	*-8.7%*	*-21.6%*	-22.0%	112.1%	230.2%	192.2%	256.9%	*-12.3%*	*56.6%*
Downloads of Digital Guide or App	**799**	**406**	**629**	**668**	**863**	**1,001**	**1,383**	**2,642**	**2,850**	**3,361**
Y/Y Growth	*12.5%*	*-16.8%*	*-23.2%*	-17.1%	8.0%	146.6%	119.9%	295.5%	*-11.2%*	*17.9%*
Requested Mailed Vacation Guides	**10,790**	**7,750**	**21,127**	**15,528**	**7,930**	**7,640**	**25,081**	**12,208**	**70,470**	**52,225**
Y/Y Growth	*-59.6%*	*-44.8%*	*-28.8%*	-30.2%	-26.5%	-1.4%	18.7%	-21.4%	*-37.1%*	-25.9%

The chart below shows the explosive growth in use of digital forms of the vacation guide beginning in the fall of 2012 when the digital guide was rebuilt and improved and Vacation Guide apps for Apple (and later Android) mobile devices became available. Requests for the paper guide have continued their decline.



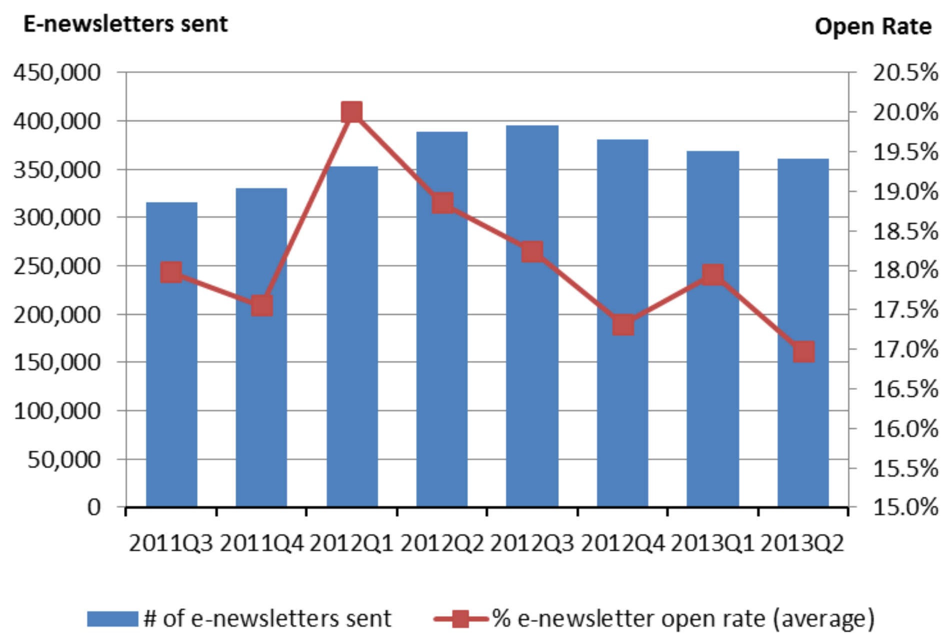
Source: Zmags.com & Digimag beginning June, 2012 (for online data); Adelante Mailing Services (for data on mailed guides).
Interval of Measurement: Quarterly by Calendar Year

E-newsletter Performance

Objective: Grow visitor touch points.

E-newsletter data is only available since August 2010. E-newsletters are sent by the department each month highlighting upcoming events and specific New Mexico attractions. The number of E-newsletters sent has increased each quarter (yoy) up to the second quarter of 2013 and the number of E-newsletters sent **increased 22.6%** in 2012. The open rate has ranged from 17% to 20%.

E-newsletters Sent & Open Rate									
	2011Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2012**
# of e-newsletters sent	315,576	329,733	352,750	388,427	395,187	381,103	369,199	360,618	1,517,467
Y/Y Growth			21.6%	28.7%	25.2%	15.6%	4.7%	-7.2%	22.6%
% e-newsletter open rate (average)	18.0%	17.6%	20.0%	18.8%	18.2%	17.3%	17.9%	17.0%	18.6%
Y/Y Growth			17.6%	8.2%	1.5%	-1.3%	-10.3%	-10.0%	6.4%



Source: Vertical Response through July 2012, Mailchimp since August 2012

Interval of Measurement: Quarterly by Calendar Year

Visitor Information Center Visits

Visits to the nine Visitor Information Centers were **down 23.9%** in 2012. ***However, this was primarily because the Manuelito VIC was closed for repairs from April through July 2012.*** The Manuelito VIC near Gallup is the highest volume VIC. It accounted for almost half (45.3%) of all VIC visits in the first three months of 2012, so when it is closed overall numbers fall dramatically. The 53.5% increase in 2013Q2 is because the Manuelito VIC was closed during the second quarter of 2012.

Total Visits to NMTD's Visitor Information Centers										
	2011Q3	2011Q4	2012Q1	2012Q2*	2012Q3*	2012Q4	2013Q1	2013Q2	CY 2011	CY 2012
Total Visits	375,564	245,616	226,302	192,119	258,809	223,264	203,806	294,839	1,182,732	900,494
Y/Y Growth	*-4.4%*	*-7.6%*	2.8%	-43.7%	-31.1%	-9.1%	-9.9%	53.5%	*-7.5%*	-23.9%

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

New Mexico Magazine Subscribership

New Mexico Magazine circulation numbers **increased 0.7%** in calendar year 2012 compared to 2011, making New Mexico Magazine one of the few regional magazines to increase circulation in 2012. These are BPA Qualified Circulation numbers averaged by month for each calendar year.

New Mexico Magazine Circulation Numbers				
	CY 2009	CY 2010	CY 2011	CY 2012
Magazine Circulation	100,083	93,681	91,815	92,445
Y/Y Growth		*-7.6%*	*-0.7%*	*0.7%*

Source: New Mexico Magazine
Interval of Measurement: 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.

% of Primary* Overnight Visitors			
	CY 2010	CY 2011	CY 2012
New Mexico	68%	72%	71%
Competitive Set**	84%	84%	83%

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

** Competitive set is weighted average of Arizona, Colorado & Utah.

New Mexico and the Competitive set average's share of Primary overnight visitor trips changed little from 2011, both **decreased by 1%** from 2011 to 2012.

Regional Concentration of Visitor Trips
Objective: Broaden New Mexico's visitor market by reducing the percentage of visitor trips from the top 5 states of origin.

New Mexico's percent of visitor trips from the top five states of origin (the top 5 states of origin for primary overnight trips are New Mexico, Texas, Arizona, Colorado and California) **declined 9% in 2012** while the Competitive set average remained constant. The primary reason for the lower percentage of local visitors was an increase in the overnight visitor fly market (see page 17). Fly market visitors are much more likely to come from more distant states.

% of Primary* Overnight Visitors from top 5 states			
	CY 2010	CY 2011	CY 2012
New Mexico	78%	77%	68%
Competitive Set**	68%	67%	67%

* 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 2010, 2011 & 2012 Travel USA® data sets
Interval of Measurement: Annual by Calendar Year

Average Age of Visitors
Objective: Align the average age of overnight visitors to our competitive set.

The average age of New Mexico's overnight visitors has declined each year since 2010. While in 2010 New Mexico's visitors were older than average, especially for non-primary (all Overnight) visitors, by 2011 New Mexico's visitors **were very** similar to the U.S. and Competitive set averages. In 2012, the average age of New Mexico's visitors actually fell slightly below our competitive set and is now virtually the same as the national average. However, ages declined for all locations in 2012.

Average Age of Overnight Visitors				
		CY 2010	CY 2011	CY 2012
Primary Overnight Visitors*	New Mexico	46.4	45.0	42.6
	Competitive Set**	45.4	45.5	43.5
All Overnight Visitors	New Mexico	48.1	46.3	42.2
	Competitive Set**	45.7	45.8	43.1
	U.S.	45.7	45.2	42.7
* Primary visitors are overnight visitors who spent most of their time in that state.				
** Competitive Set is the weighted average of Arizona, Colorado, Utah.				

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

New Mexico is more reliant on the drive market than our competitive set. Analysis of fly market visitors shows they spend about twice as much in nearly all spending categories compared to drive market visitors. Therefore, it is believed a more balanced fly/drive visit profile (more similar to our competitive set) would be beneficial for New Mexico.

In 2012, the percent of Primary overnight visitors who travelled by plane **increased from 16.7% to 22.4%** which is much closer the competitive set average. The competitive set average also increased, but at a lower rate, from 23.7% to 24.9%.

Traveled by Air - Percent of Primary Overnight Visits			
	CY 2010	CY 2011	CY 2012
New Mexico	14.9%	16.7%	22.4%
Competitive set weighted average*	23.8%	23.7%	24.9%
* Competitive set is Arizona, Colorado, Utah			

Source for both tables on this page: Longwoods International 2010, 2011 & 2012 Travel USA® data sets
Interval of Measurement: Annual by Calendar Year

Outdoor & Cultural Activities 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 Outdoor and Cultural activities Primary visitors engaged in during their trips. When New Mexico's scores are compared to regional and national averages, New Mexico has uniformly high activity levels for Cultural activities, but lags 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 New Mexico.)

For 2012, the percentage of Primary overnight visitors who engaged in Outdoor activities **increased from 34.6% to 52.9%** in 2011, while the percentage who engaged in Cultural activities **increased from 56.7% in 2011 to 63%**. There was little change in the Culture index for national and competitive set visitors, although the Outdoor Activity Index increased for all locations.

Outdoor Activity and Culture Indexes (for primary overnight visitors)

		CY 2010	CY 2011	CY 2012
Outdoor Activity Index*	New Mexico	33.6	34.6	52.9
	Competitive Set	44.0	44.4	57.0
	U.S.	24.1	24.1	33.4
Culture Index**	New Mexico	60.2	56.7	63.0
	Competitive Set	44.2	44.0	44.2
	U.S.	39.0	39.2	39.0

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

** Culture Index is cumulative total of % 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.

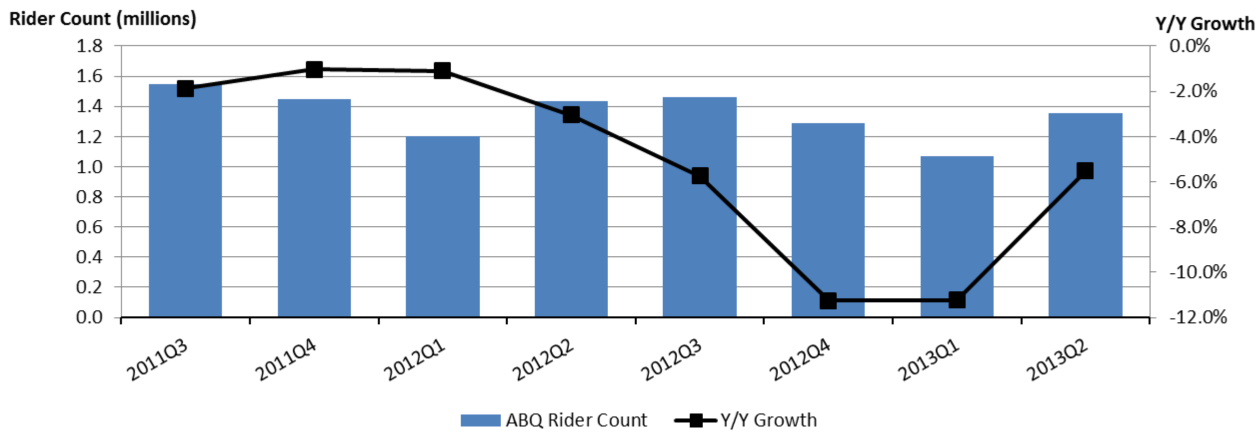
Source: Longwoods International 2010, 2011 &2012 Travel USA® data sets
Interval of Measurement: Annual by Calendar Year

Airport Passenger Volume – Albuquerque International Airport

There was a **5.4% decrease** in passenger volume through the Albuquerque International Airport in 2012. There have been decreases in volume the last three calendar years. These declines have been attributed to Albuquerque's economic performance and because airlines have been cutting back flights at medium size airports like Albuquerque. The 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											
	20211Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2010**	**CY 2011**	**CY 2012**
ABQ Rider Count*	1.548	1.451	1.204	1.436	1.459	1.288	1.069	1.357	5.796	5.698	5.387
Y/Y Growth	*-1.9%*	*-1.0%*	*-1.1%*	*-3.0%*	*-5.7%*	*-11.2%*	-11.2%	-5.5%	*-1.6%*	*-1.7%*	*-5.4%*

* In millions

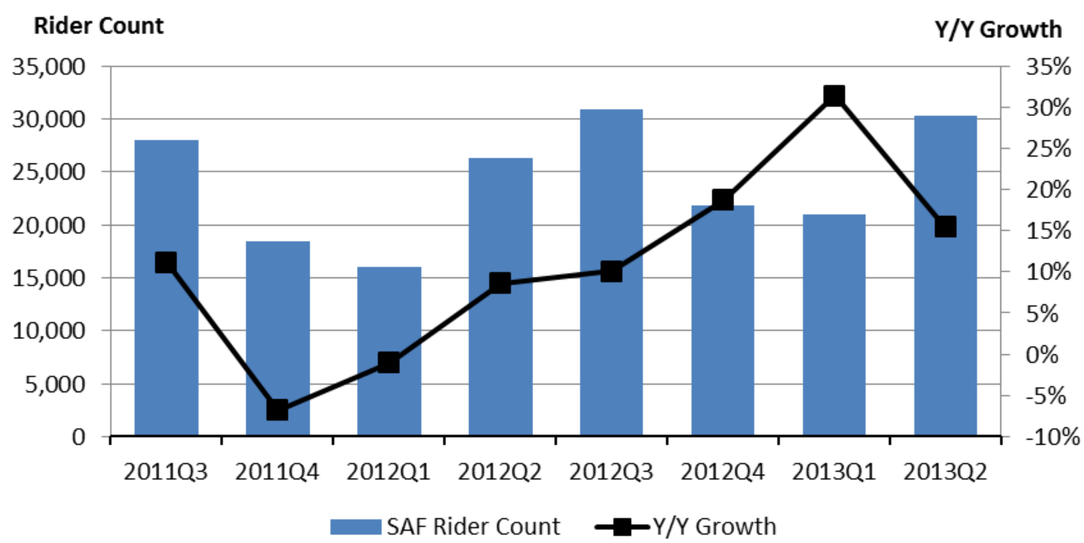


Source: City of Albuquerque Website, Airport Fact and Figures, http://www.cabq.gov/airport/facts-and-figures
Interval of Measurement: Quarterly

Airport Passenger Volume – Santa Fe Municipal Airport

Passenger volume at the Santa Fe Airport **increased 9.4%** during 2012 and volume appears to have accelerated in the first half of 2013. For the first two quarters of 2013, volume is **up 31.4% and 15.5%** (2013Q1 and 2013Q2) over the first two quarters of 2012. Great Lakes began flying out of Santa Fe in December 2012, and United Airlines flights began in May 2013.

Santa Fe Municipal Airport Total Enplaned & Deplaned										
	2011Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2011**	**CY 2012**
SAF Rider Count	28,027	18,431	15,961	26,256	30,859	21,878	20,970	30,324	86,766	94,954
Y/Y Growth	*11.2%*	*-6.8%*	*-1.0%*	*8.6%*	*10.1%*	*18.7%*	31.4%	15.5%	*-0.6%*	*9.4%*
* Service began on June 11, 2009										



Source: Santa Fe Municipal Airport
Interval of Measurement: Quarterly

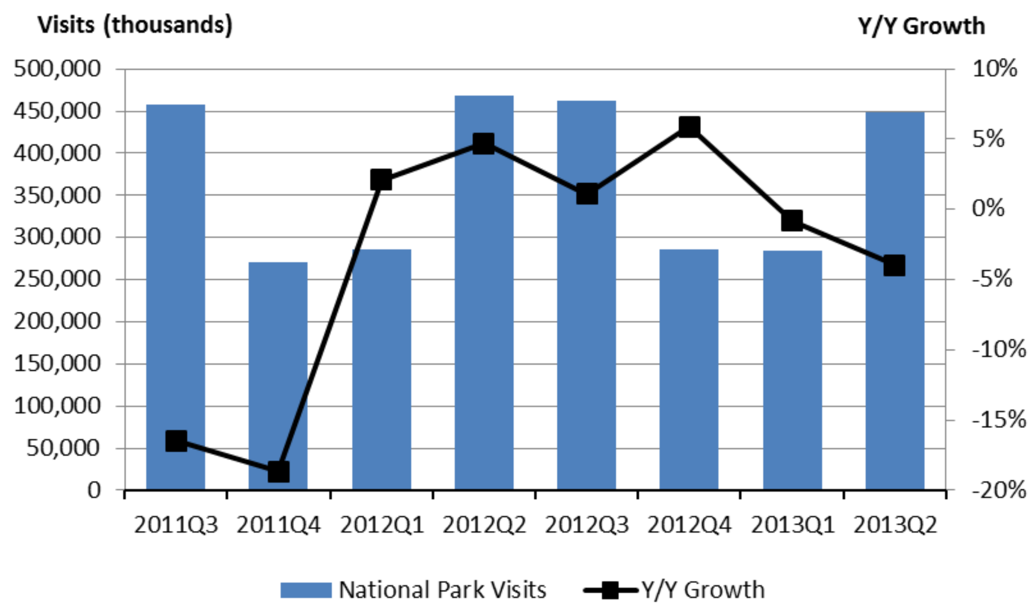
New Mexico National Park and Monuments Visits

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

Visits were **up 3.3%** in 2012 compared to 2011 despite a decline (-17.7%) at Bandalier National Monument (historically the 3rd most visited NP). The Bandalier decline was primarily a result of damage to the Bandalier parking areas caused by the 2011 Las Conchas wildfire. Visitation at Bandalier declined during the summer of 2012 (down -43.6%) when a car shuttle service was instituted and visitors were no longer able to drive their own cars into the monument. However, visits to the two largest parks, White Sands and Carlsbad, were up 5.8% and 3.9% respectively during CY2012.

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

New Mexico National Park & Monument Visits											
	2011Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2010**	**CY 2011**	**CY 2012**
NM National Park Visits	**458,016**	**270,367**	**286,427**	**467,636**	**463,028**	**286,272**	**284,117**	**449,020**	**1,657,550**	**1,455,587**	**1,503,363**
Y/Y Growth	*-16.5%*	*-18.7%*	*2.1%*	*4.7%*	*1.1%*	*5.9%*	*-0.8%*	*-4.0%*	*10.6%*	*-12.2%*	*3.3%*



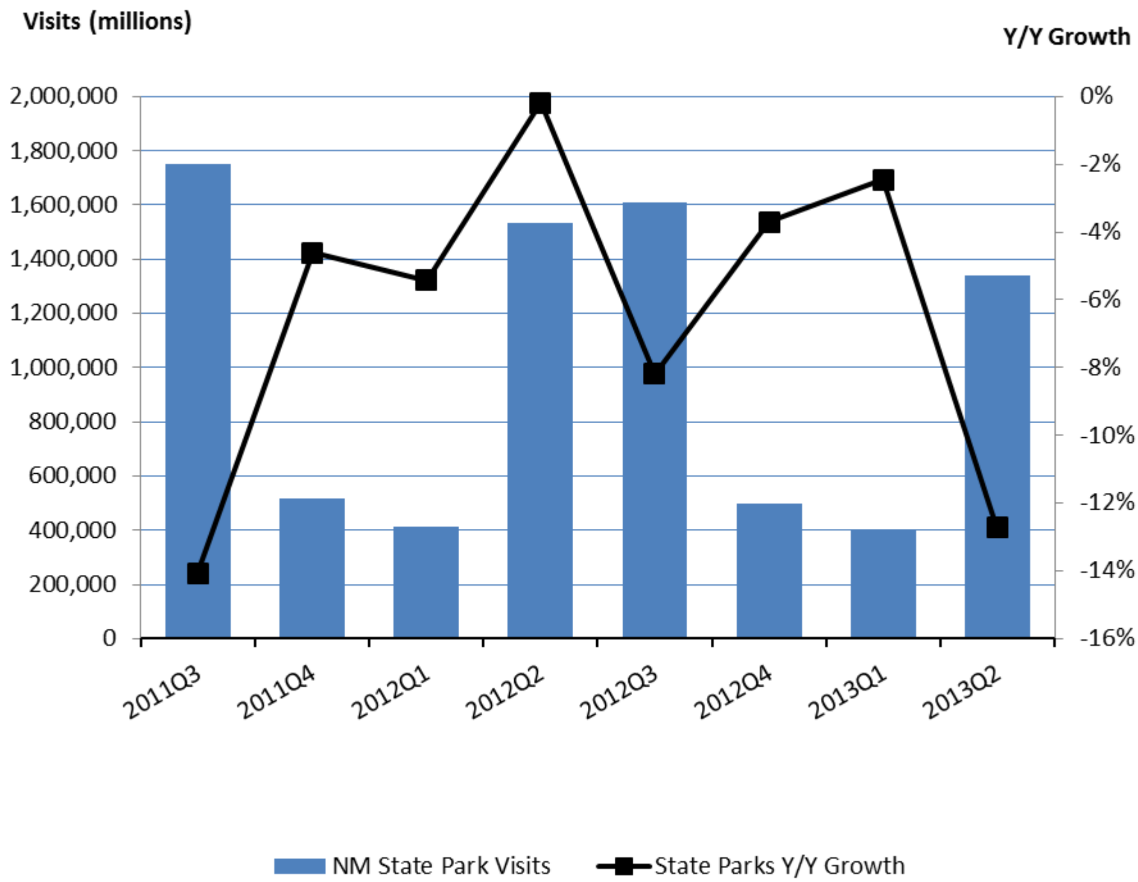
Source: National Park Service Public Reports, http://www.nature.nps.gov/stats

Interval of Measurement: Quarterly

State Parks Visits

State parks visits **decreased by 4.5%** in 2012. The third quarters of 2012 and 2013 were down primarily due to low water levels at some of the parks during those periods. As can be seen in the chart below, state parks visitation is highly seasonal, and most of the visitation is associated with warm weather water recreation.

Visits to New Mexico State Parks										
	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY 2011	CY 2012
State Parks Visits	1,751,768	518,923	412,919	1,534,641	1,608,215	499,680	402,786	1,339,274	4,244,739	4,055,455
Y/Y Growth	*-14.1%*	*-4.6%*	*-5.4%*	*-0.2%*	*-8.2%*	*-3.7%*	*-2.5%*	*-12.7%*	*-10.9%*	*-4.5%*



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

ECONOMIC IMPACT OF TOURISM IN NEW MEXICO

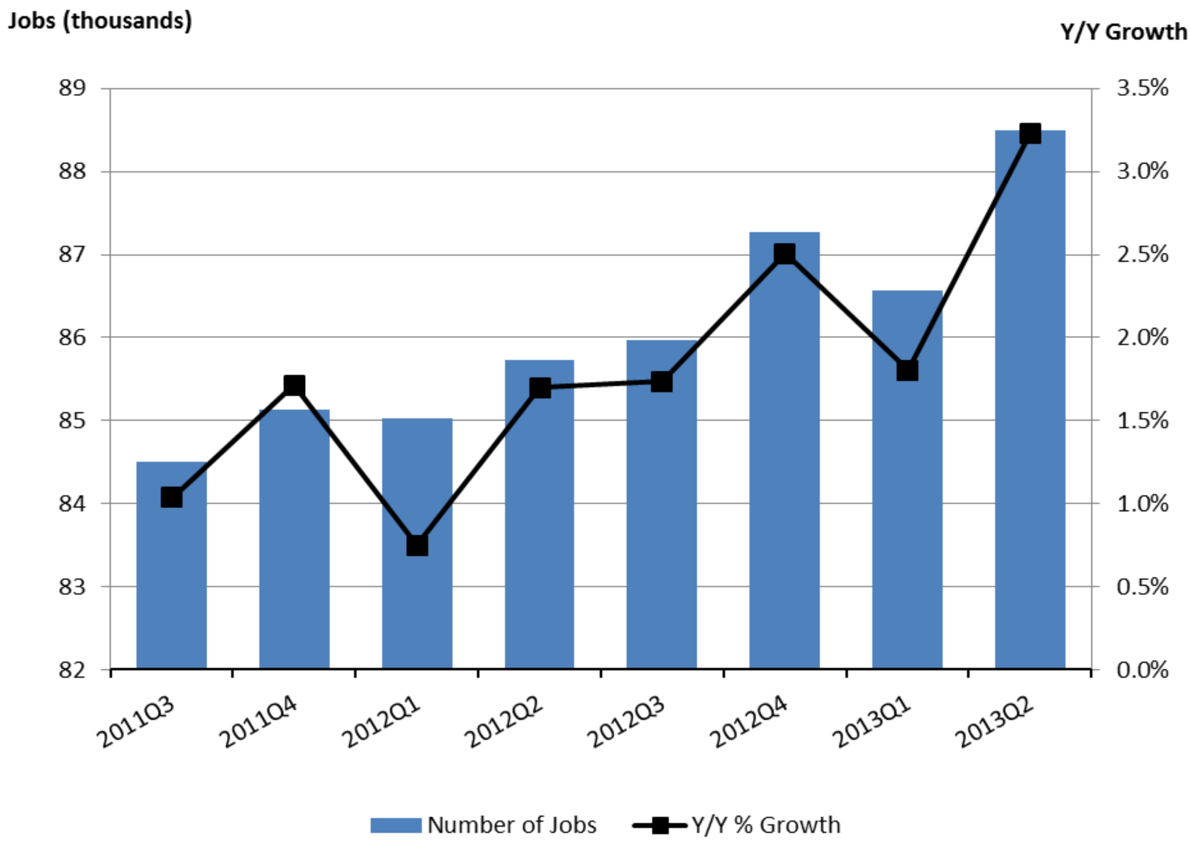
Objective: Make tourism the economic growth engine for New Mexico.

New Mexico Leisure and Hospitality Employment

Objective: Increase Tourism related employment.

The U.S. Bureau of Labor Statistics Leisure and Hospitality sector is an indicator of tourism-related employment. Leisure and Hospitality Employment has been increasing in New Mexico since the second quarter of 2011 and grew substantially in 2012, continuing into the first two quarters of 2013. L&H employment **increased 1.7%, in 2012 which represented an additional 1,417 jobs over 2011.** Early indications of summer 2013 employment are favorable, as L&H employment **grew 3.2%** in 2013Q2, which translates to an **additional 2,676 jobs**.

New Mexico Leisure and Hospitality Employment (in thousands)											
	20211Q3	**2011Q4**	**2012Q1**	**2012Q2**	**2012Q3**	**2012Q4**	**2013Q1**	**2013Q2**	**CY 2010**	**CY 2011**	**CY2012**
Number of Jobs	84.5	85.1	85.0	85.7	86.0	88.0	86.6	88.5	83.7	84.6	86.0
Y/Y # Growth	867	1,433	633	1,433	1,467	2,133	1,533	2,767	-533	967	1,417
Y/Y % Growth	0.8%	1.3%	1.3%	2.6%	1.7%	3.6%	1.8%	3.2%	*-0.6%*	*1.2%*	*1.7%*



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

Interval of Measurement: Quarterly

Self-reported Spend*

Objective: Increase visitor spending.

Day and overnight visitor spending (both for Total trip and Average per person spending), has increased each year since 2010. For example, Average per person overnight trip expenditure has increased from $203 in CY2010 to $215 in CY2012. Average per person day trip expenditure has also increased, from $47 in 2012 to $70 in 2012.

Average $ Spent on New Mexico Trips			
	CY 2010	CY 2011	CY 2012
Average per Person Overnight Trip Expenditure	$203.00	$205.00	$215.00
Y/Y Growth	-1.0%	1.0%	4.9%
Average per Person Day Trip Expenditure	$57.00	$62.00	$70.00
Y/Y Growth	0.0%	8.8%	12.9%

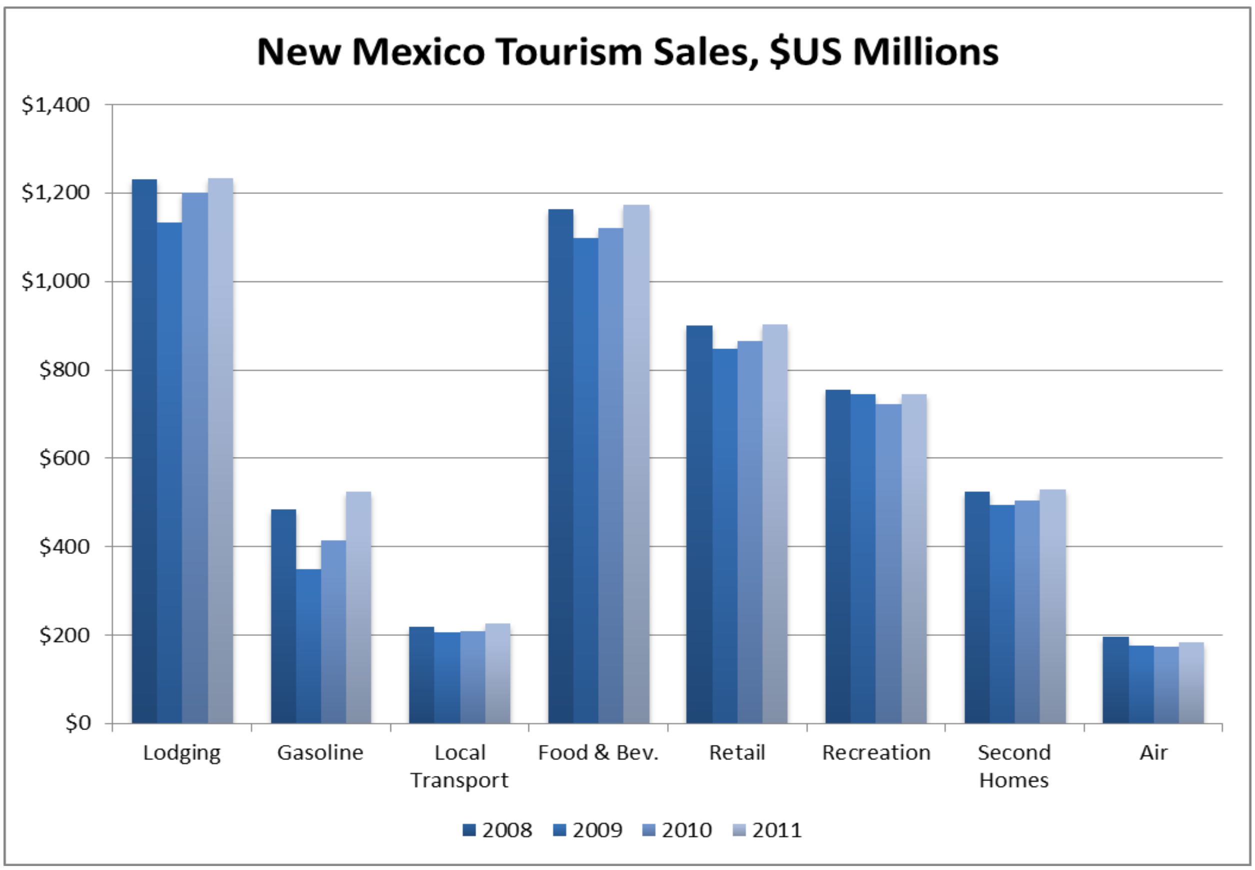
*Detailed expenditures will no longer be reported from the Longwoods International data set because the Economic Impact of Tourism in New Mexico studies conducted by Tourism Economics (first released with CY2010 and CY2011 data in the fall of 2012) provide far more detailed tourism spending information than what is available from the Longwoods International TravelUSA dataset. NMTD will update the Economic Impact study in the future.

Source: Longwoods International 2010, 2011 & 2012 Travel USA® data sets
Interval of Measurement: Annual by Calendar Year

Total Tourism Spending in New Mexico

Tourism Economics' 2011 economic impact study showed total Tourism sales were **up 5.9%** in 2011. 2011's $5.513 billion finally surpassed the pre-recession year of 2008 as Lodging and Food & Beverage sales were higher than in 2008. Gasoline sales grew the fastest in 2011 due to last year's high prices.
Note: NMTD plans to update this information with calendar year 2012 and 2013 data in summer 2014.

New Mexico Tourism Sales, $US Millions				
	2008	2009	2010	2011
Lodging	$1,230	$1,134	$1,201	$1,233
Gasoline	$484	$349	$413	$524
Local Transport	$218	$205	$209	$225
Food & Bev.	$1,164	$1,097	$1,120	$1,172
Retail	$899	$847	$865	$902
Recreation	$755	$744	$722	$744
Second Homes	$523	$493	$503	$530
Air	$195	$177	$174	$183
Total	$5,468	$5,046	$5,207	$5,513
% change yoy		-7.70%	3.20%	5.90%



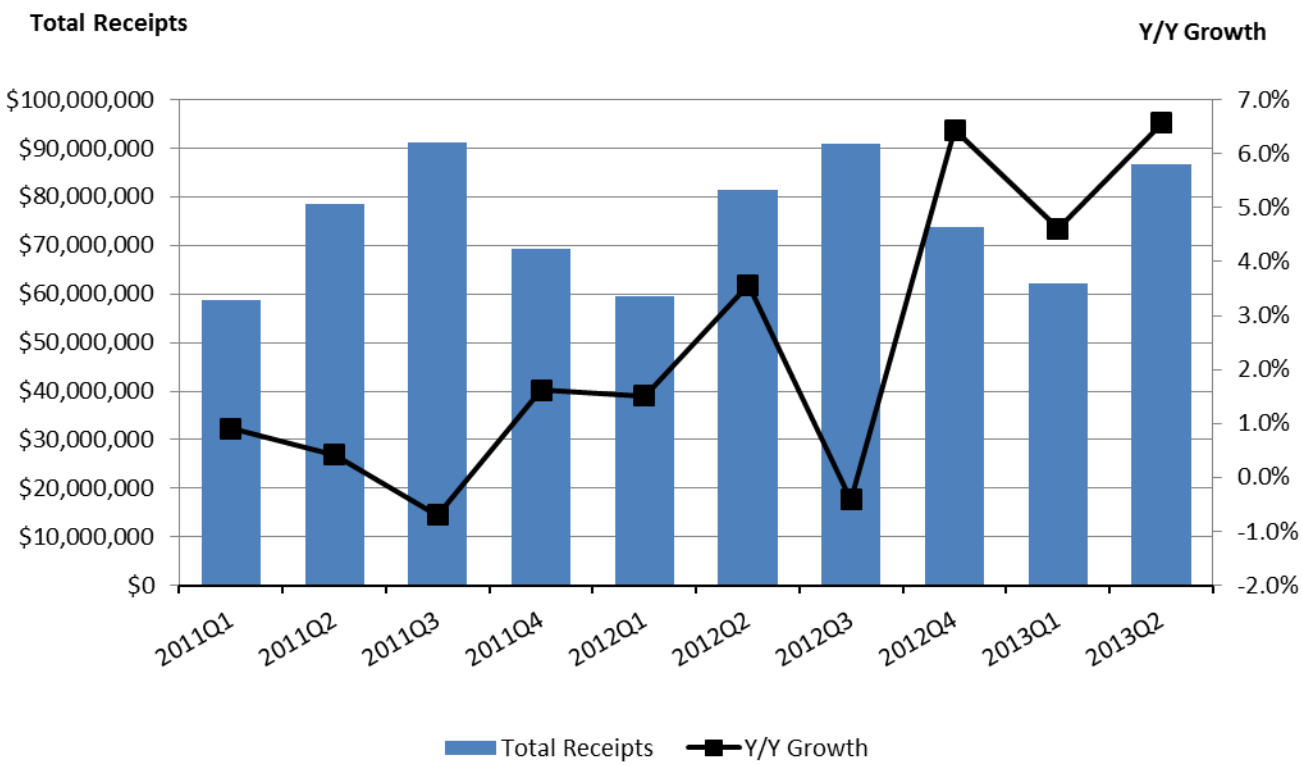
Source: Tourism Economics
Interval of Measurement: Annual by Calendar Year

New Mexico Hotel & Motel Total Receipts

In 2012, accommodation total receipts **increased 2.6%** and the average room rate **increased 2% to $94.10** from $92.30 in 2011. The first two quarters of 2013 have seen strong growth in total receipts, increasing an average **5.6% increase** over the first half of 2012.

Total Receipts (No. of occupied rooms * Average Room Rate)											
	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY 2010	CY 2011	CY 2012
Total Receipts*	$91.2	$69.3	$59.5	$81.4	$90.8	$73.8	$62.3	$86.7	$296.4	$297.7	$305.5
Y/Y Change	*-0.7%*	*1.6%*	*1.5%*	*3.6%*	*-0.4%*	*6.4%*	*4.6%*	*6.6%*	*0.2%*	*0.4%*	*2.6%*
* in millions $											

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



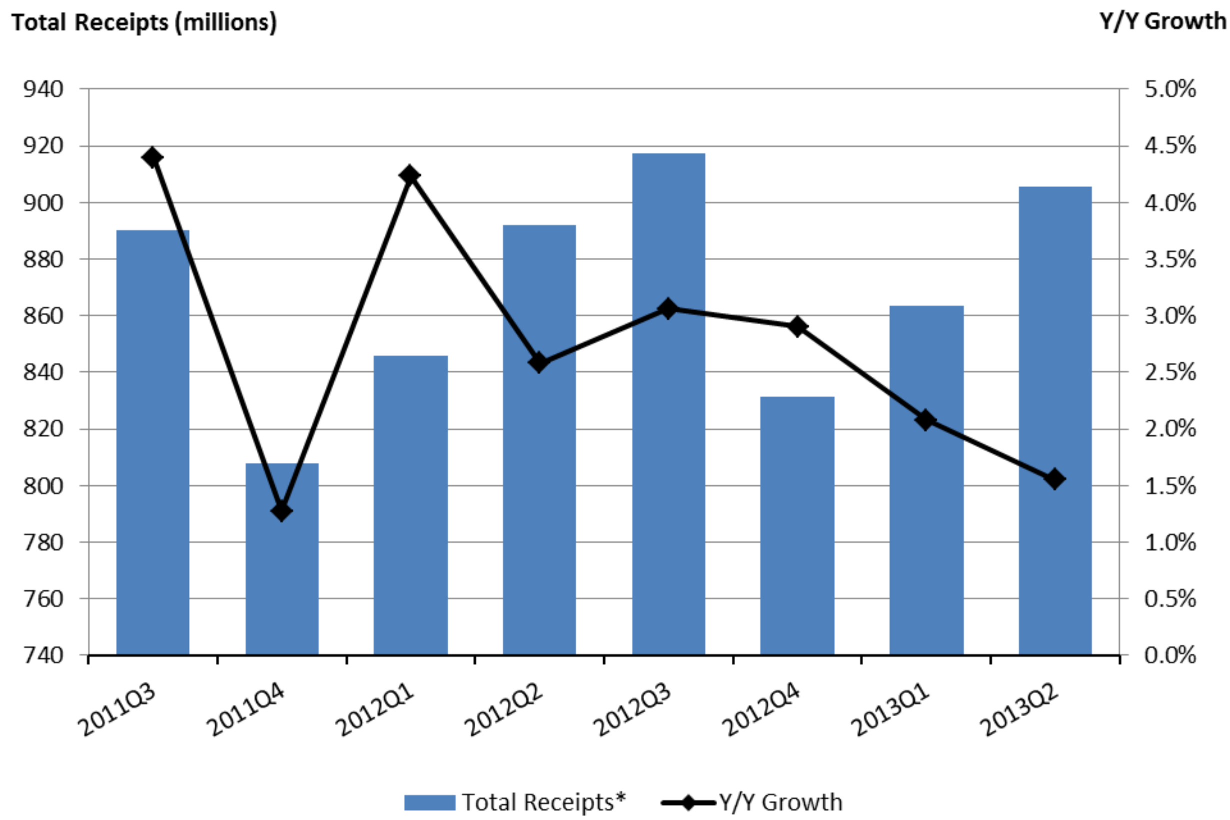
Source: Rocky Mountain Lodging Report
Interval of Measurement: Quarterly

New Mexico Food, Drink and Accommodation Gross Receipts*
Objective: Grow tourism tax revenue.

The total of New Mexico Food, Drink and Accommodation gross receipts taxes for Food & Drink and Accommodations **increased by 3.2%** during calendar year 2012, continuing increases seen in CY 2010 and 2011. In the first two quarters of 2013, total receipts have **increased an average of 1.85%** over the first half of 2012.

Total New Mexico Food & Drink and Accommodation Taxable Gross Receipts by Component										
	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	CY 2011	CY 2012
Total Receipts*	$890.128	$807.871	$845.796	$891.838	$892.838	$831.334	$863.385	$905.690	$3,378.871	$3,486.368
Y/Y Growth	4.4%	1.3%	4.2%	2.6%	3.1%	2.9%	2.1%	1.6%	4.2%	3.2%
Food & Drink Receipts*	$683.308	$640.495	$678.940	$694.204	$695.204	$660.238	$699.961	$706.264	$2,653.383	$2,735.081
Y/Y Growth	5.9%	1.1%	4.6%	2.1%	2.7%	3.1%	3.1%	1.7%	4.7%	3.1%
Accommodation Receipts*	$206.819	$167.376	$166.857	$197.634	$198.634	$171.096	$163.424	$199.426	$725.488	$753.104
Y/Y Growth	-0.4%	2.0%	2.9%	4.5%	4.3%	2.2%	-2.1%	0.9%	2.3%	3.8%

* In millions $



* WITHOUT Medical Deduction
Source: BBER & New Mexico Tax & Revenue Department
Interval of Measurement: Quarterly