2015

Visitor Information Survey

Made Possible By TOURISM Santa Fe

We are pleased to introduce a new Santa Fe visitor survey that reflects a strong sampling of the 2015 visitor. TOURISM Santa Fe is committed to understand our visitors in detail and best manage the tourism investment and economy upon which the city is so heavily reliant.

In our work to spend the lodger's taxes most effectively, we make hundreds of decisions on how we can best impact the number of visitors to Santa Fe. Armed with the data in this report, we will make more informed, validated decisions to spend lodger's taxes for the highest return on investment.

DestiMetrics has done a great job of obtaining and analyzing a strong set of data that provides an insightful view of our visitor's preferences and profiles. The study makes comparisons whenever possible to the findings of the 2010 survey conducted by another firm. Unfortunately, a different approach was taken in each survey, which makes some comparisons difficult. It is interesting to note where changes occurred between 2010 and 2015, and where the visitor profiles are quite similar.

The lists of visitors surveyed were solicited from all lodging properties as well as many events and attractions, but with the high participation rate of downtown lodging properties, the data may be skewed to the downtown hotel visitor. Results are probably more indicative of that large sector than the city as a whole.

We are excited to share that we will also be working with DestiMetrics in a future relationship where data will be collected continually. Our decision process will leverage historic results and a data-driven, rolling six-month future forecast. We will enter actual bookings and upcoming trends into the equation to focus on general upkeep as well as a proactive determination of needs and opportunity.

To succeed on your behalf, we will require strong participation from our lodging community and their willingness to provide both past and future data on a timely and confidential basis to DestiMetrics. The view into the future will benefit all segments of our industry from lodging, restaurants, galleries and retail to spas, events, attractions, tour guides.

We strongly encourage you also to leverage the valuable information in this study as you make decisions on growing your business. Contact us anytime with questions.

Thank you for your ongoing support.

Regards,

Randy Randall
Executive Director

TOURISM
SANTA FE

Key Finding Summary – 2015 Visitor Information Survey

1. Top three destination market areas: Albuquerque, Denver and Dallas.

2. Regarding flight origination the Dallas flight brings in a large number of Dallas residents. The Denver flight is primarily a hub with very few originating in Denver. Denver is the largest drive market to Santa Fe.

3. When asked the alternative trips considered the top were, in order of response, Taos, San Francisco, Albuquerque, Denver, Sedona, San Diego, New York, Colorado, New Orleans and Phoenix. In describing their "dream vacation", Santa Fe was the highest, followed by Italy, Europe, New Mexico, Paris, France and Spain. It is interesting to note that we are grouped with mainly European destinations when talking about "dream vacations". From our perspective this leaves the definition of Santa Fe's Competitive Set as elusive as ever.

4. 89% of the visitors profiled have been to Santa Fe more than once. 39% have been her more than 10 times.

5. In a shift from the 2010 survey, the two most preferred months to travel here are September and October. These months also top the visitation month followed closely by August, although August is not the preferred month. The purpose of a trip is still 76% leisure.

6. 72% make their reservation by calling the hotel or going to their web site. On Line Travel Agencies are down to 11%.

7. Our booking window is not decreasing – 37.25% book within a month, 62.1% within two months and 31.7% over ten weeks.

8. The favorite attraction is Dining Out followed by Art Galleries, markets and festivals, museums and shopping.

9. The average length of stay is 4.2 days. The average for those arriving by car is 4.0 and by air 4.6. Those flying into Albuquerque stay 4.5 days where as those flying into Santa Fe stay 5.2 days.

10. The average lodging expense per travel party is $1,153. Other spending is food and beverage - $431, attractions - $187, night live and entertainment - $180, Car - $209 and shopping - $498 for a total spending per travel party of $2,658. Lodging represents 43.4% of the total spend.

11. Satisfaction metrics are off the chart with 94% ranking likeliness to return at an 8 or higher with 80% at a 10. The net promoter score is 91% with only 1% as detractors.

(OVER)

12. 61% of those surveyed are planning a trip to Santa Fe next year and over 90% plan to return within the next 5 years.

13. The average age remained at 59 years, the same as in 2010. There was also no increase in visitors less than 40 years of age.

14. Children, generally, are not important considerations in the decision making process of a visit to Santa Fe.

15. The female in the party is the travel planner, however couple travel is dominant.

16. Household income has increased with 61% of the survey over $100k and 36% over $140k. This compares to 43% exceeding $100k and 21% over $140k in 2010.

17. To find information, 51% rated the visitor guide at an 8 or above related to usefulness. This compares to the website at 41%, Facebook at 13%. All social media rated at only 17% usefulness with 46% rating it the least useful method of finding information for their travel planning. Overall, the total of destination web sites was ranked as the most important tool at 72%.

18. The top five decision factors in trip planning are Lodging, Weather, Restaurants, Events and Travel Cost.

19. The Santa Fe brand is most closely identified with Cuisine, History and Culture and Scenic Beauty. Following these three, at a relatively equal rating are Galleries, Fine Art/Architecture, Shopping, Lodging and Museums.

20. Very little has changed in transportation to Santa Fe since 2010. 59% drive and 37.6 fly. 14% fly directly to Santa Fe while 86% fly through Albuquerque. Santa Fe airport use increased for 8% in 2010.

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1. Executive Summary

Purpose
This report profiles the demographics and other characteristics of Santa Fe's year-round visitors based on a study of Santa Fe's 2015 visitors. The information and conclusions contained within this report are intended to support Santa Fe's comprehensive marketing plan and to contribute to a long term destination market research program. TOURISM Santa Fe is becoming a research-based marketing organization, focused on establishing a proactive data-driven, research-based marketing strategy. This report is the first step in TOURISM Santa Fe's evolution.

Geographic Analysis
Visitors come to Santa Fe from all over the country. Albuquerque, Denver and Dallas are the overall top three markets from which visitors originate, regardless of travel method. The top three markets for visitors arriving by air are Dallas, Los Angeles, and New York. The top three markets for visitors arriving by car are Denver, Albuquerque, and Dallas. The average length of stay for air travelers is 5.4 nights, compared to 4.6 nights for drive markets. Since 2010, regional visitation from the states of Texas, Colorado, New Mexico, Arizona and Oklahoma to Santa Fe has increased from 37% combined in 2010 to 53% in 2015. Visitation from more distant markets such as Illinois and New York has decreased from 8% in 2010 to 4% in 2015.

Competitive Set
This study asked guests to identify other vacation destinations they considered before making their most recent plans to visit Santa Fe. Guest responses help identify Santa Fe's top competitors or competitive set. Within the State of New Mexico, Taos and Albuquerque are Santa Fe's top competitors. Outside of New Mexico, top competitors are San Francisco, Denver, Sedona, San Diego, New York and New Orleans.

Visitation Patterns
Santa Fe has a high degree of repeat visitation. Only 1.4% of 2015 visitors identified themselves as first-time visitors. Santa Fe's highest visitation occurs during the months of August through October. Actual visitation in August is higher than expected when compared to visitor preferences for this particular month. May and June visitation numbers lag behind visitor preference for these months. Leisure is the predominate reason for visiting.

Lodging
More than half of the respondents stayed in downtown hotels which coincides with these properties sending the online survey to their databases (see Methodology section for details). Cerrillos Road properties ranked second in number of responses. B&B's decreased from 9% in to 2010 to 4% in 2015. Visitors staying with friends and family decreased from 10% in 2010 to 6% in 2015. Home rentals average almost a 9-night length of stay compared to resorts, hotels, motels, and B&B's, which average less than a 5 night length of stay. Most visitors make their reservations well in advance using either a property web site or by calling a property directly.

Demand Analysis
This study asked respondents to list all of the activities they experienced during their most recent visit to Santa Fe. Separately, the survey asked respondents to select their most favorite activity. Visitors did not have to experience an activity in order to select it as their favorite. Dining out is both the top ranking "activity experienced" by visitors as well as the top ranking "favorite activity." Shopping is the second

highest activity experienced, but only ranks as the fifth most favorite activity. Art galleries are the second favorite activity and third highest activity experienced. Drive market visitors favor dining out, while fly market visitors prefer Native American Pueblo/archeology activities.

Spending Patterns

The average travel party expense for lodging in 2015 was $1,153. The average party expense for food and beverage was $431 and shopping averaged $498. The average party expenditures for attractions, night life and entertainment, and car transportation were all close to $200 each.

Satisfaction Metrics

Visitors are very satisfied with Santa Fe as a destination. Santa Fe received a net promoter score of 90. An NPS score of 75 or greater is generally considered very favorable in the travel industry. Seventy-three percent of 2015 visitors plan to return this year or next. Over 80% of 2015 visitors are very likely to return in the next five years. Throughout this study we have observed a very high degree of satisfaction with Santa Fe.

Demographic Characteristics

The average age of visitors is 59 and the median is 61 distributed as a bell curve with 7% younger than 40 years. Two-thirds of the survey respondents are female. These finding compare closely to 2010 results. Although 56% of households are couples without children, more than 90% of visiting parties are adults traveling without children. Household incomes of visitors are greater on average than the visitors in 2010. This analysis shows Santa Fe has fewer lower income visitors and more higher income visitors in 2015 than in 2010. Specific zip codes are profiled demonstrating how to further target Santa Fe's marketing efforts.

Marketing

TOURISM Santa Fe's Visitor Guide and web site are read more frequently than its E-news communications and Facebook page. Santa Fe visitors do not use social media for the most part, though search, social media (primarily Facebook) and online travel sites are more used by younger visitors. The distribution of usefulness ratings shows that some improvements to the web site and Visitor Guide are warranted. Lodging, weather and restaurants are top decision factors and should be featured in all marketing materials. Cuisine is Santa Fe's top brand attribute.

Transportation Analysis

Many visitors drive to Santa Fe. Albuquerque is an important gateway for air travelers. Twenty percent of second homeowners use Santa Fe airport. A detailed analysis showing the time and cost of traveling from each of Santa Fe's top 20 markets is presented. Monthly visitation and travel methods are also analyzed.

2. Methodology

Statistical sampling is a powerful tool that creates reliable insights regarding entire populations based on the information provided by small subsets or samples of that population. This study is focused on the entire population of Santa Fe visitors. Santa Fe draws around 1.2 million visitors per year. In order to study Santa Fe visitors, the report's authors sampled Santa Fe's overnight visitors. Intercept surveys are a traditional method, often characterized by survey takers with clipboards in high traffic locations. Unfortunately, the five month duration of this study would have precluded the authors from sampling visitors during the other seven months of the year. Thus, the authors chose not to utilize intercept surveys and instead opted for alternative methods that produced more reliable results.

This study adopted a double sampling scheme comprised of an online survey and reservation zip code samples. This approach has a number of benefits. Online surveys provide detailed information on visitors and their preferences and provide qualitative data, such as open-ended comments. Online surveys also capture information from visitors who do not stay in traditional hotel lodging properties. Reservation zip code data is quantitative and was acquired from lodging properties by TOURISM Santa Fe. By combining the two samples, the detailed survey information can be extrapolated across the entire visitor population. The participation from downtown hotel properties was significant and outweighed participation from other segments of the Santa Fe lodging community, thus the results of this study tend to reflect the bias of these visitors.

Online Survey

The online survey was distributed to Santa Fe visitors sending an email message that included a link to the survey web site and an invitation to complete the survey. The message was sent to many and various email lists throughout the Santa Fe tourism community to ensure a representative sample of visitors. The survey link was also posted on the TOURISM Santa Fe Facebook page. Survey question categories included geography, competitive set, visitation, lodging, attraction demand, spending patterns, demographic, marketing/branding, and satisfaction. Several options for open-ended visitor comments were also included. Some questions were drawn from the 2010 visitor study to allow for time series comparisons.

The survey collected 2,788 responses of 2015 visitors. This study is based on these 2,788 samples. The target number was 2,400. In addition, the online survey collected 3,440 surveys from pre-2015 visitors. Another 1,350 responses were collected from early 2016 visitors, those planning a 2016 visit, and part-time residents. Over 400 responses were received from individuals who have not yet visited Santa Fe. All of the responses have been imported into an Access database for query and cross-tab analysis. This resource will continue to be available for future studies and developing data-driven marketing campaigns.

Based on 1.2 million annual visitors, 2,788 samples gives a 95 % confidence level and margin of error of 2%. For example, we find that 62% of respondents are female. Based on the margin of error, the accurate range is 60 to 64%.

Reservation Zip Code Data

The reservation zip code data was imported into DestiMetrics' Guest Profiler. The Guest Profiler is a proprietary dynamic reporting tool that provides a snapshot of visitors' home communities and visitor demographic profiles in conjunction with US Census data.

The authors’ goal was to collect 2015 reservation data from 40% of Santa Fe’s transient lodging inventory. In total, these conclusions are based on zip codes from 107,000 unique reservations in Santa Fe during 2015. Designated Market Area (DMA) data are broken down and presented by constituent zip code data, then tied in with the U.S. Census statistics for that zip code. Median age, household income, number in household, education level and racial profile for every zip code have been collected. The data is also presented visually using the Guest Profiler’s interactive mapping function.

The online survey Access database and the Guest Profiler are very robust information sources that have been analyzed to form the basis of this report.

3. Geographic Analysis

Guest Profiler analysis confirms visitors come to Santa Fe come from all over the United States. International visitors completed 34 of the 2,788 online surveys, or 1.2%. Canada, England and Germany are among the top international markets.

Although Santa Fe draws from the entire country, three designated market areas (DMA) are most significant. Albuquerque, Denver and Dallas combined represent 27% of the online survey sample, see Chart 3.1. The Guest Profiler also shows these are the top three origination markets comprising 26% of its sample, though Albuquerque represents a disproportionately large number of the hotel lodging reservations as shown in Chart 3.2. A list of hotel lodging properties is shown in Appendix B.

Key secondary markets include Los Angeles, Houston, Phoenix, Austin, Oklahoma City, Colorado Springs, San Francisco, New York, El Paso, San Antonio, Chicago, Amarillo, and Tucson.

Third tier markets are Minneapolis, San Diego, Philadelphia, Grand Junction/Durango, Seattle, Lubbock, and Odessa (the latter three appear on the Guest Profiler Top 20, but not the online survey Top 20).

Drive Markets
Although Albuquerque represents the top overall visitor market, Denver (16%) is the top drive market for Santa Fe for those arriving by car, followed closely by Albuquerque (15%). Dallas (7%) is the third market for arriving by car, see Chart 3.3.

The average length of stay for the drive market visitor is 4.6 nights. This figure is higher than the 4.25 night length of stay found in the 2010 study.

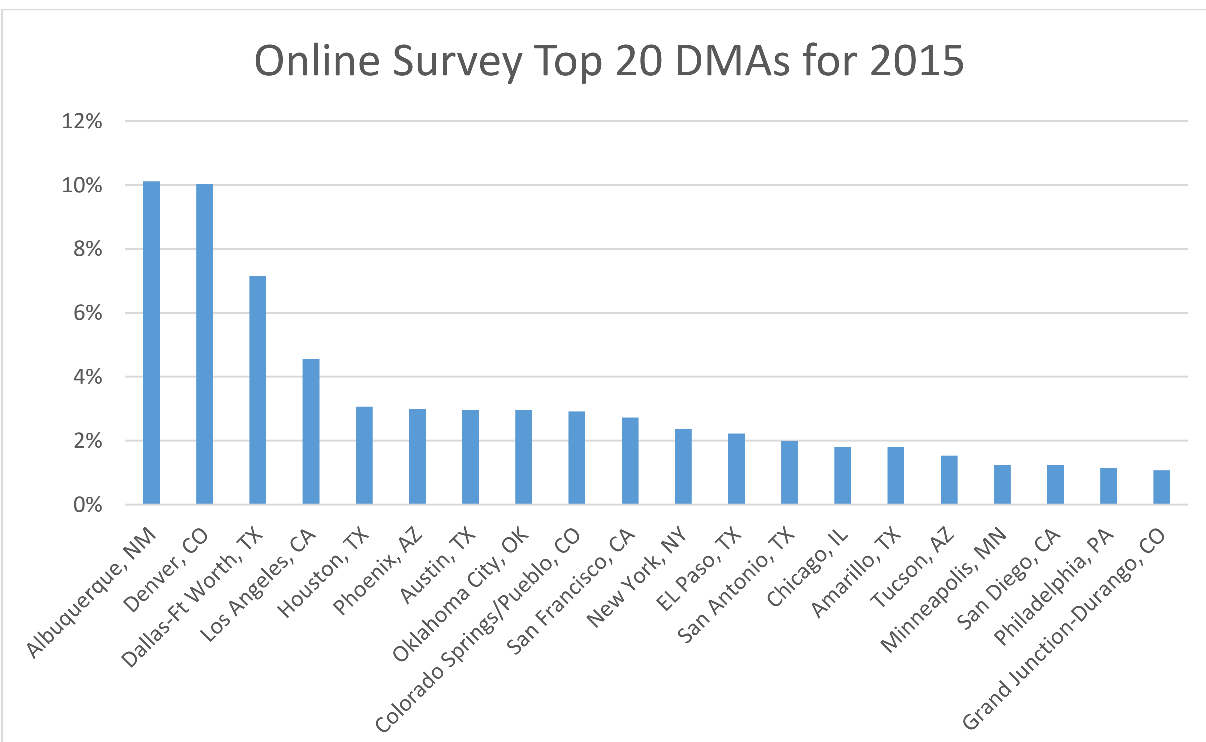


Chart 3.1

Fly Markets

Considering combined airport activity at the Albuquerque (ABQ) and Santa Fe (SAF) airports, Dallas and Los Angeles (at 7% each) are the top fly markets, see Chart 3.4. New York, San Francisco, and Houston are secondary fly markets. Third tier fly markets include Chicago, Austin, and Philadelphia.

Marketing packages and promotions aimed at these markets should feature air travel. Special consideration should be given to Dallas in light of its significant size and the fact that it represents the third largest drive market.

The average length of stay for those flying to ABQ is 5.4 nights, almost one night longer than for those arriving by car. On a night-for-night basis, the fly guest stays 17% longer than the drive guest. This figure is higher than the 5.3 night length of stay found in the 2010 study.

The average stay for those arriving at SAF is 8.6 nights. The longer stay for SAF is explained by its use by second homeowners which is discussed below.

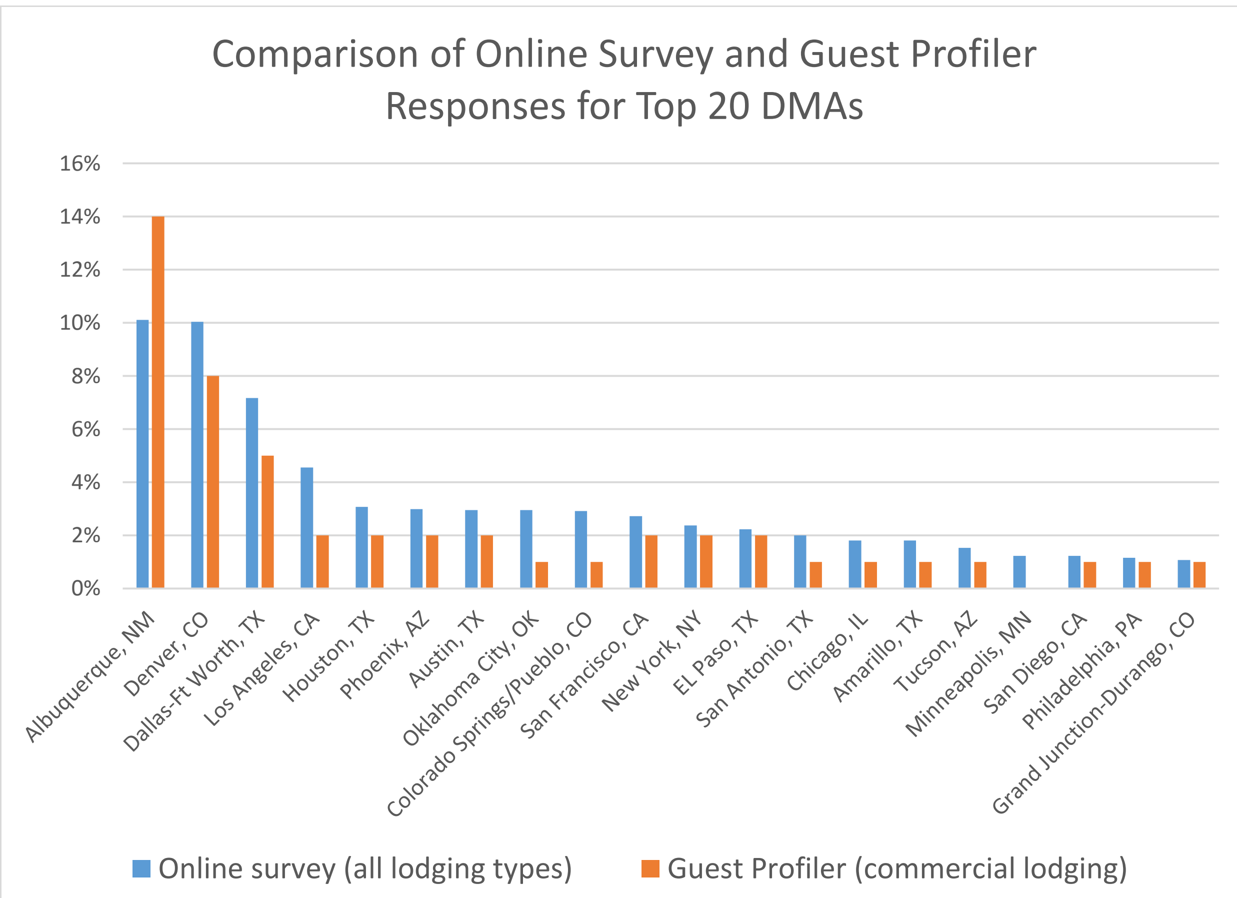


Chart 3.2

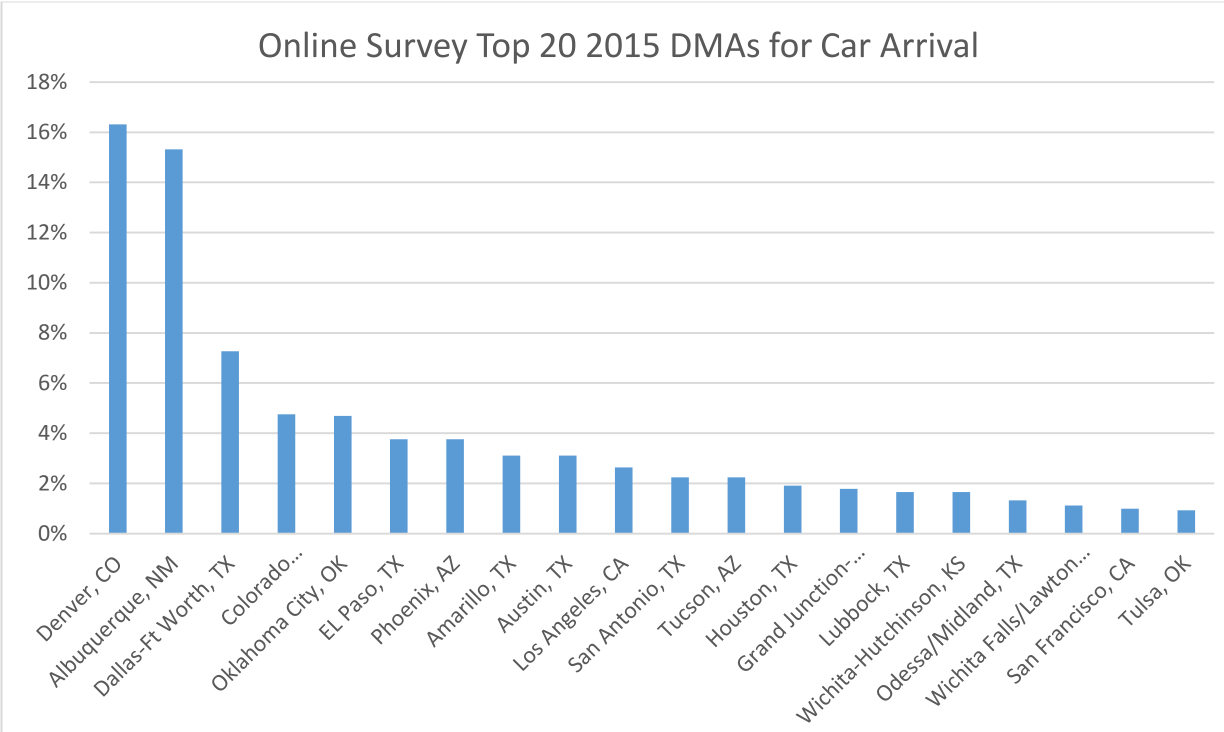


Chart 3.3

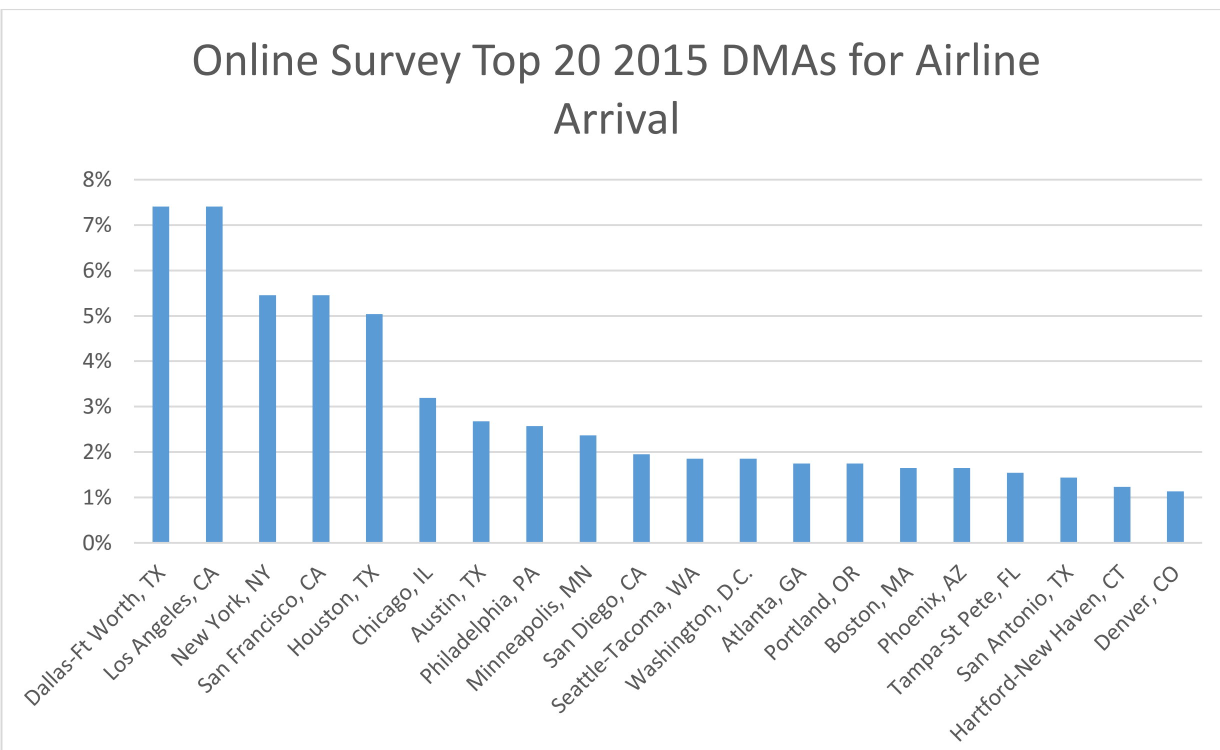


Chart 3.4

Top markets by state

Visitors from the top three states in 2015 increased their presence in the Santa Fe market from 34% in 2010 to 45% in 2015, as shown in the Table 3.1 below. These are all regional markets. Visitation from Colorado increased significantly from 8% to 14%. Other notable differences include both New York and Illinois declining from 4% each to 2% each. The regional markets of Oklahoma and Arizona increased by 1% each. California decreased one percentage point from 10% to 9%.

2015 survey			2010 survey	
Texas	21%		Texas	16%
Colorado	14%		California	10%
New Mexico	10%		Colorado	8%
California	9%		New Mexico	5%
Arizona	5%		Arizona	4%
Oklahoma	4%		Illinois	4%
Florida	3%		Florida	4%
Illinois	2%		New York	4%
New York	2%		Oklahoma	3%
Kansas	2%		Pennsylvania	2%

Table 3.1

4. Competitive Set

To identify Santa Fe's competitors within the travel and tourism marketplace, the online survey posed two open-ended questions. One question asked, "What alternative cities or destinations did you consider before deciding on your most recent visit to Santa Fe? (Please list up to three destinations)". Another question asked, "If time and money were no object, where would you take your dream vacation?"

The purpose of these questions is to distinguish practical and realistic alternative choices to Santa Fe from idyllic alternatives for any vacation. The former comprise the effective "competitive set." The latter provide insight into the travel aspirations of Santa Fe's visitors and guidance for Santa Fe branding initiatives.

Both questions were presented as open-ended, which allows for the most objective and far reaching responses. In order to sort the data, the responses were reviewed visually to identify the most common responses. The database was then queried for the keywords (see Table 4.1 below) to rank the list.

Table 4.1 below is sorted on the basis of the competitive set, from highest rank down. The top 60 results are shown. The right hand column ranks the dream destinations.

Taos, San Francisco, Albuquerque, Denver, and Sedona comprise Santa Fe's top five true competitors. The top competitors are characterized as a mix of regional small cities such as Sedona, Durango, and Taos on one hand, and large, urban destinations such as San Francisco, New York, San Diego and Phoenix on the other.

As expected, the practical alternatives are not the aspirational alternatives. The top 10 competitors received a combined total of 1,404 counts. In contrast, the same 10 destinations were only counted 74 times in the dream vacation responses.

Santa Fe received the most counts (431) for dream vacation. Beyond Santa Fe, Italy received the most counts (279) followed by Europe (203). These findings are consistent with interviews with local officials conducted at the outset of this study: many visitors are choosing Santa Fe to fulfill their desires for a European vacation experience. To better understand Santa Fe visitors' reasons for choosing Santa Fe, the survey looked at the favorite attractions of the respondents who listed the top 5 out-of-state competitors.

The favorite attractions of those choosing the top five out-of-state competitors were compared against the favorite attractions of those choosing the top five out-of-state dream vacations, see Chart 4.1. In both cases, "dining out and nightlife" is listed as the top attraction, though more so for the dream vacation group. To clarify, the visitors who cited Italy and Europe as dream vacations are more likely to select dining out as their favorite attraction. Dining out is also the top attraction for those who considered San Francisco, Sedona and the other top alternates. However, this group is also interested in art galleries, museums, and Pueblo archeology.

Developing brand attributes and marketing messages that closely align with the aspirations of Santa Fe visitors is recommended as part of future efforts to increase the effectiveness of TOURISM Santa Fe and its return on investment. Dining, markets, and festivals are top visitor aspirations, while art galleries, museums, and Pueblo archeology are competitive strengths.

TOURISM Santa Fe should pay close attention to the marketing campaigns of its competitive set in order to differentiate the Santa Fe experience and compete effectively.

Keyword	Alternatives considered this trip	Dream trip
Taos	258	27
San Francisco	194	15
Albuquerque	178	4
Denver	133	0
Sedona	119	4
San Diego	117	3
New York	112	10
Colorado	102	8
New Orleans	97	3
Phoenix	94	0
Las Vegas	89	1
Seattle	88	1
Durango	87	0
Austin	64	1
California	63	11
Portland	63	0
Chicago	57	0
Arizona	51	3
Scottsdale	43	0
Florida	40	8
New Mexico	39	104
Jackson	34	4
Aspen	31	2
Boston	31	0
Colorado springs	30	0
Napa	30	3
Los Angeles	29	0
Moab	29	0
Hawaii	29	122
Oregon	28	7
Italy	28	279
Paris	27	92
Ruidoso	26	0
Boulder	24	0
Mexico	23	8
Las Cruces	23	0
Telluride	21	2
Key West	20	2

Keyword	Alternatives considered this trip	Dream trip
France	19	91
London	19	20
Santa Barbara	18	0
Canada	17	11
Palm Springs	17	0
Savannah	15	0
Nashville	15	0
Flagstaff	15	0
England	11	15
Spain	11	90
Alaska	11	41
Europe	10	203
Tucson	8	0
Asheville	8	0
Ireland	8	49
Tahiti	4	44
Greece	2	42
Africa	2	68
world	1	71
Fiji	0	29
Santa Fe	NA	431

Table 4.1

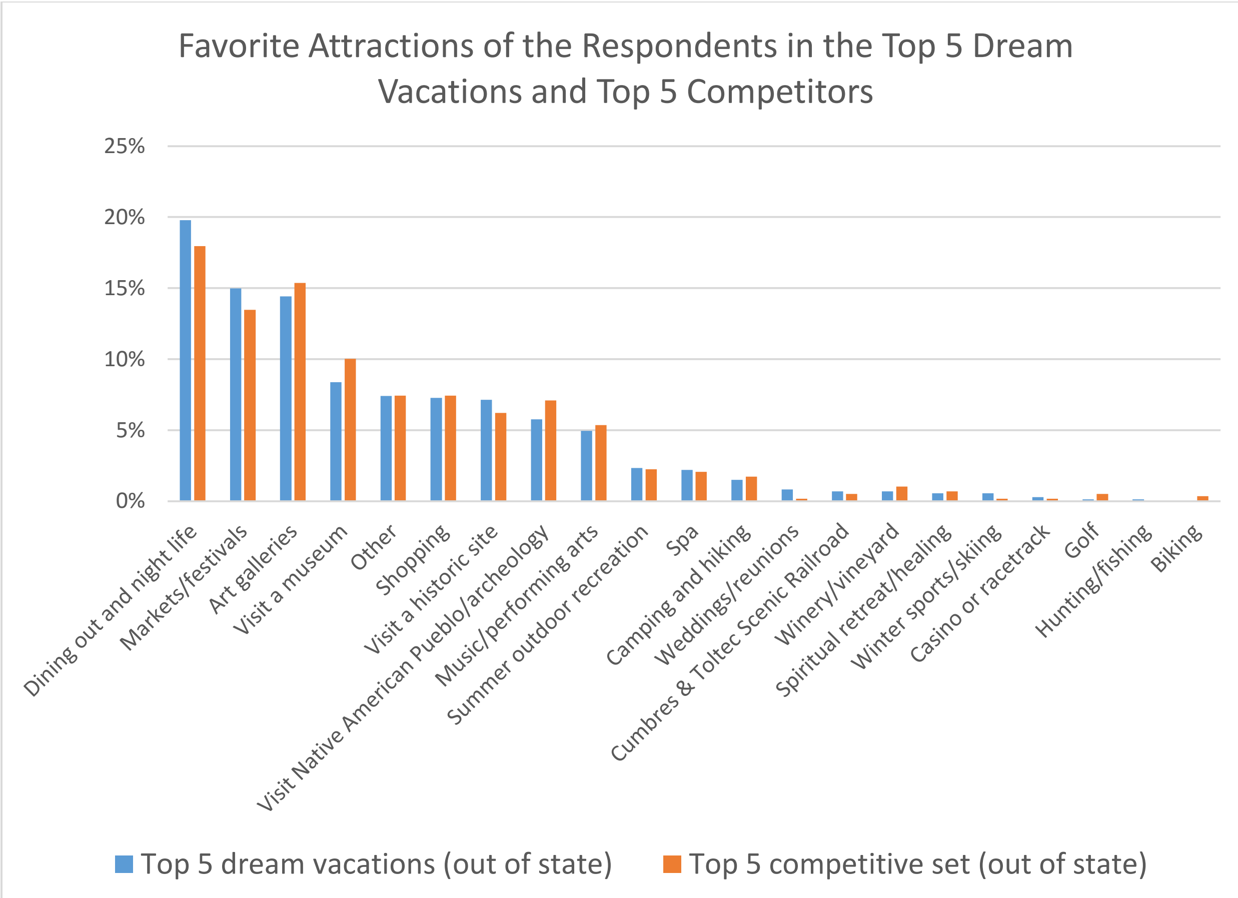

Favorite Attractions of the Respondents in the Top 5 Dream Vacations and Top 5 Competitors
25%
20%
15%
10%
5%
0%
Dining out and night life
Markets/festivals
Art galleries
Visit a museum
Other
Shopping
Visit a historic site
Visit Native American Pueblo/archeology
Music/performing arts
Summer outdoor recreation
Spa
Camping and hiking
Weddings/reunions
Cumbres & Toltec Scenic Railroad
Winery/vineyard
Spiritual retreat/healing
Winter sports/skiing
Casino or racetrack
Golf
Hunting/fishing
Biking
Top 5 dream vacations (out of state)
Top 5 competitive set (out of state)

Chart 4.1

5. Visitation Patterns

Previous visits

Almost all of the online survey respondents have previously visited Santa Fe. Only 1.4% of 2015 visitors had not previously visited. Chart 5.1 below shows the distribution of previous visits. Santa Fe enjoys a high rate of repeat visitation with 39% having visited more than 10 times previously. The remaining 60% previously visited from one to ten times.

The 2010 survey found similar results reporting 10.2 as the average number of lifetime previous visits and 4.5 times in the past five years. This result is also consistent with Santa Fe's close proximity to regional markets, such as Albuquerque.

The benefits of high repeat visitation rates are well known, including lower marketing expenses to reach frequent visitors. TOURISM Santa Fe will continue to maximize the returns on its marketing investments by focusing on its repeat visitor base. However, Santa Fe should also consider developing strategies to target first-time visitors, thereby expanding its base.

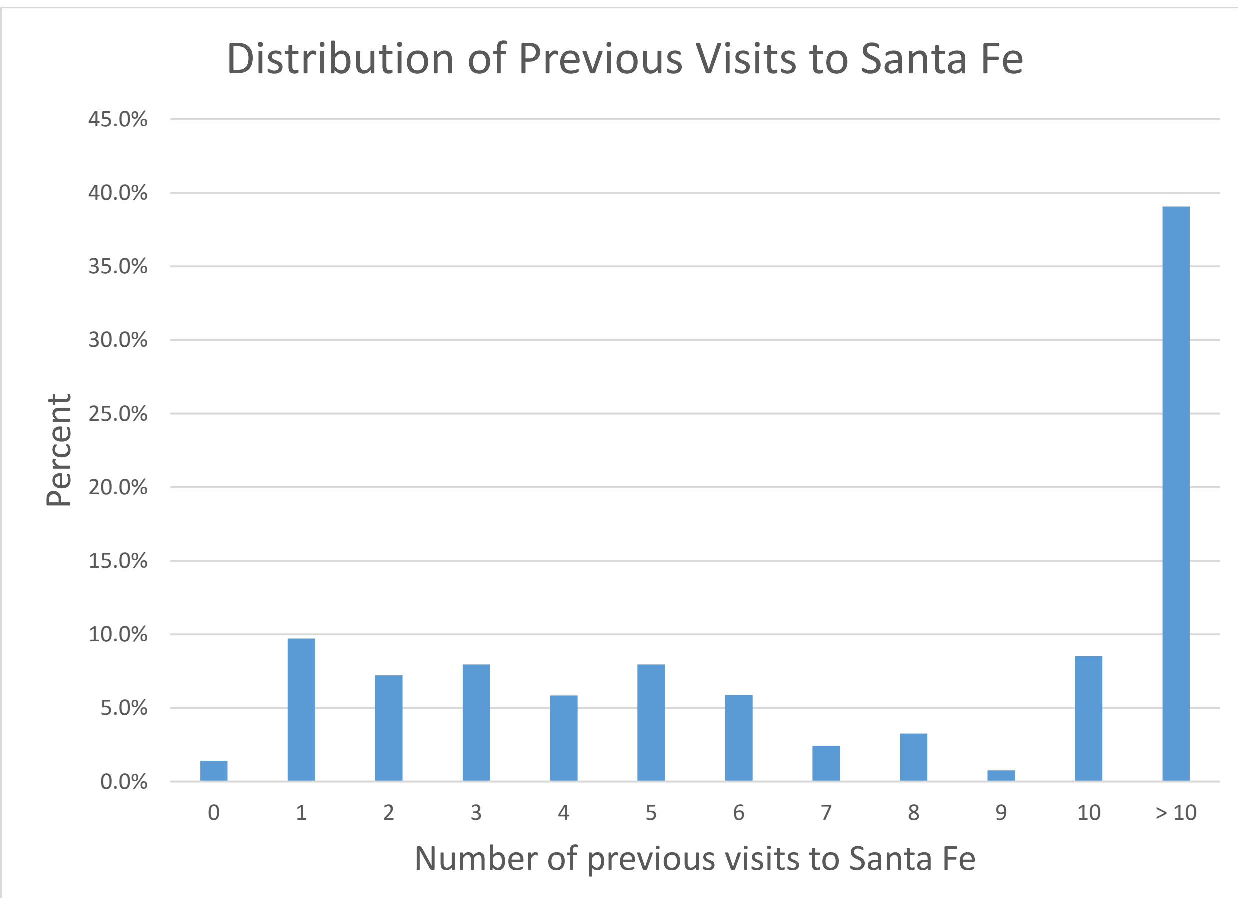


Chart 5.1

Monthly distribution

September received the most visitors in 2015, followed closely by October and August, see Chart 5.2 below. February was the least visited month with only four percent of the online survey arriving in February.

These findings loosely compare to the 2010 visitor study which found August to be the busiest month by a substantial margin and January the slowest.

Developing attractions and marketing campaigns to bring more winter visitors will be important to Santa Fe's future tourism activity. Visitors arriving in the January through March period selected Dining Out as their favorite activity, followed by Art Galleries. By basing those efforts on the preferences and characteristics of existing winter visitors, return rates will increase.

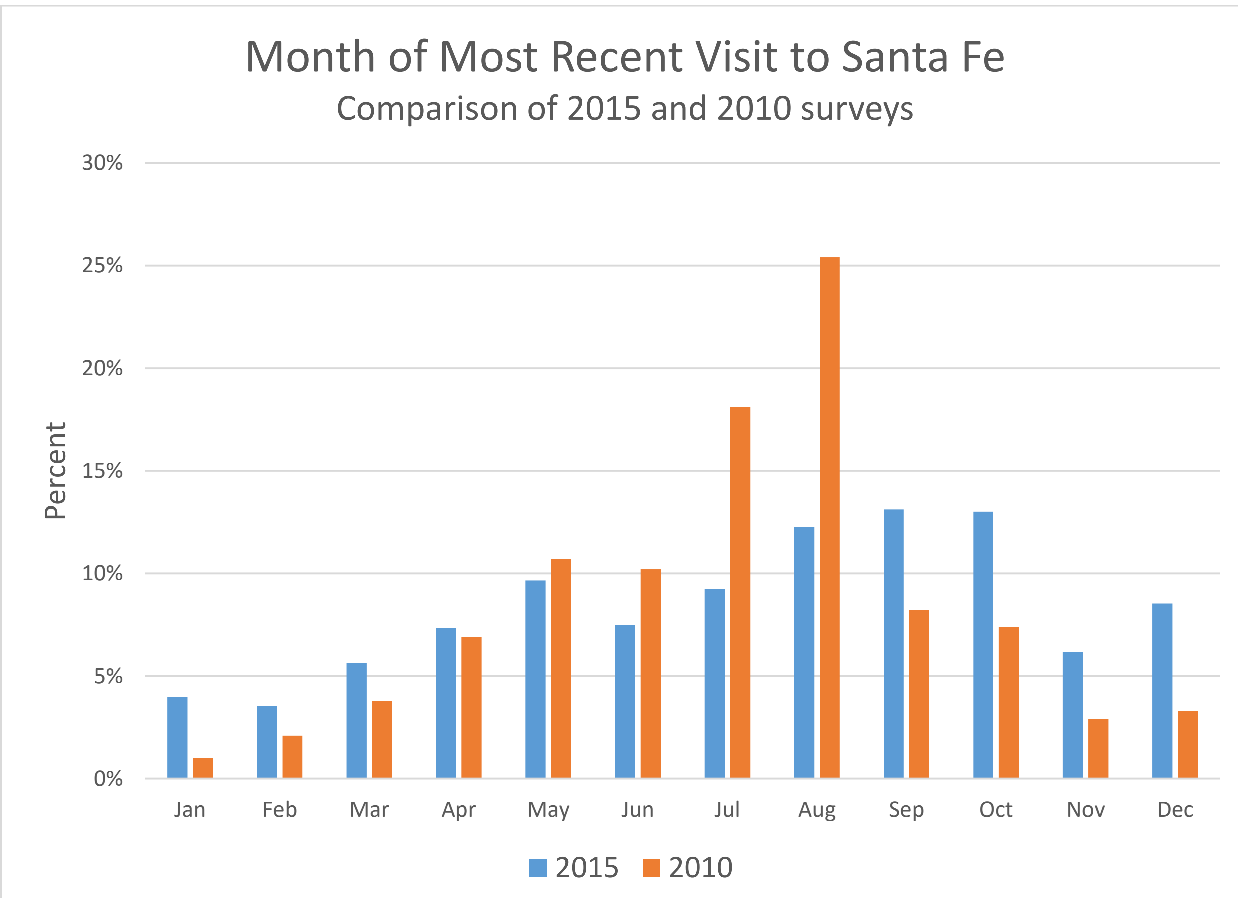


Chart 5.2

The online survey also asked respondents to select all months in which they prefer to visit, see Chart 5.3 below. September is clearly the favorite, followed by October.

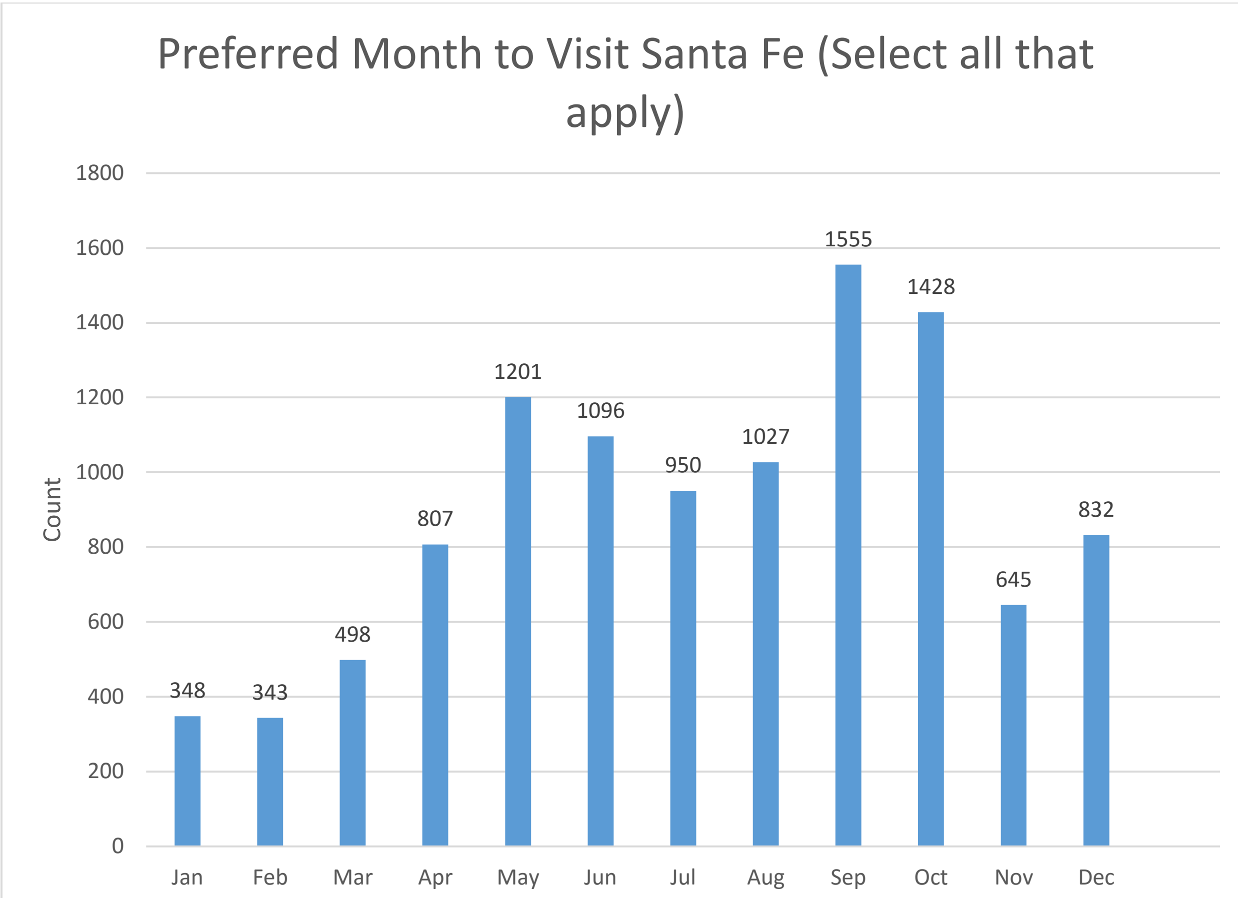


Chart 5.3

A comparison of actual month visited to preference month shows a similar pattern in general, with a few notable exceptions. Twelve percent of visitors arrived in August, however only 10% of visitors prefer to visit in August. Because of the low incidence of the Family with Children profile in Santa Fe visitors, it is inferred that school schedules are not contributing to the August anomaly and further research should investigate the drivers for August visitation, including attractions visited and brand identification.

The fact that August is more visited than preferred, compares to the 2010 study which found August to be the most visited month overall, though the 2010 study did not provide month of preference data.

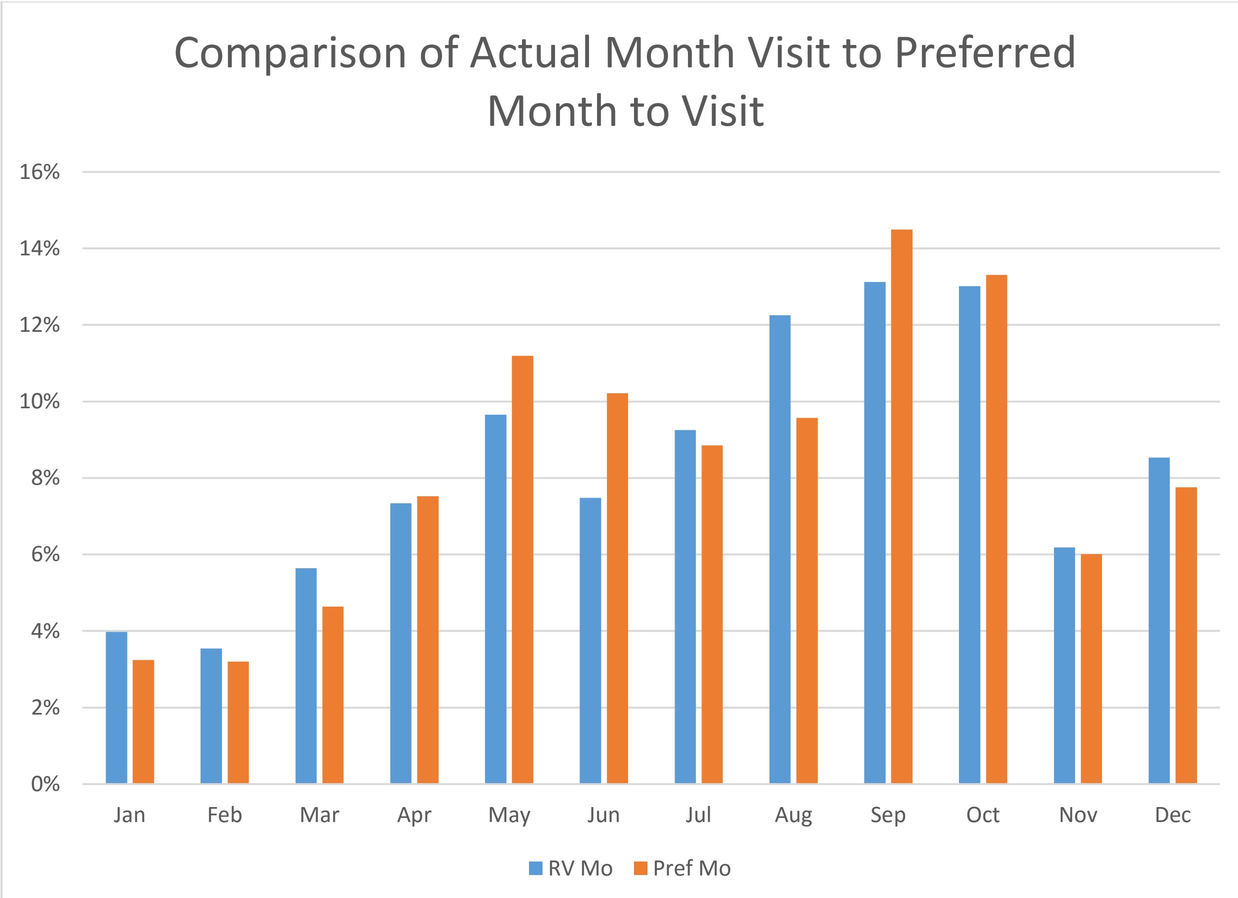


Chart 5.4

Respondents selected May and June as preferred months in higher degrees than actual visitation. These findings suggest that marketing campaigns and promotions featuring May and June travel may have a relatively higher rate of success. Further research into why respondents have not visited during these month to the extent of their preferences should further improve these marketing initiatives.

Purpose of visit

The online survey found three quarters of respondents visited Santa Fe purely for leisure, see Chart 5.5. For others, leisure was combined with business or visiting friends and family. Further developing business travel and conferences is a valuable strategy for increasing visitation in off-leisure months such as January and February.

Overall, the 2015 survey results for purpose of visit compare closely to the 2010 study, however differences in survey wording preclude exact comparison.

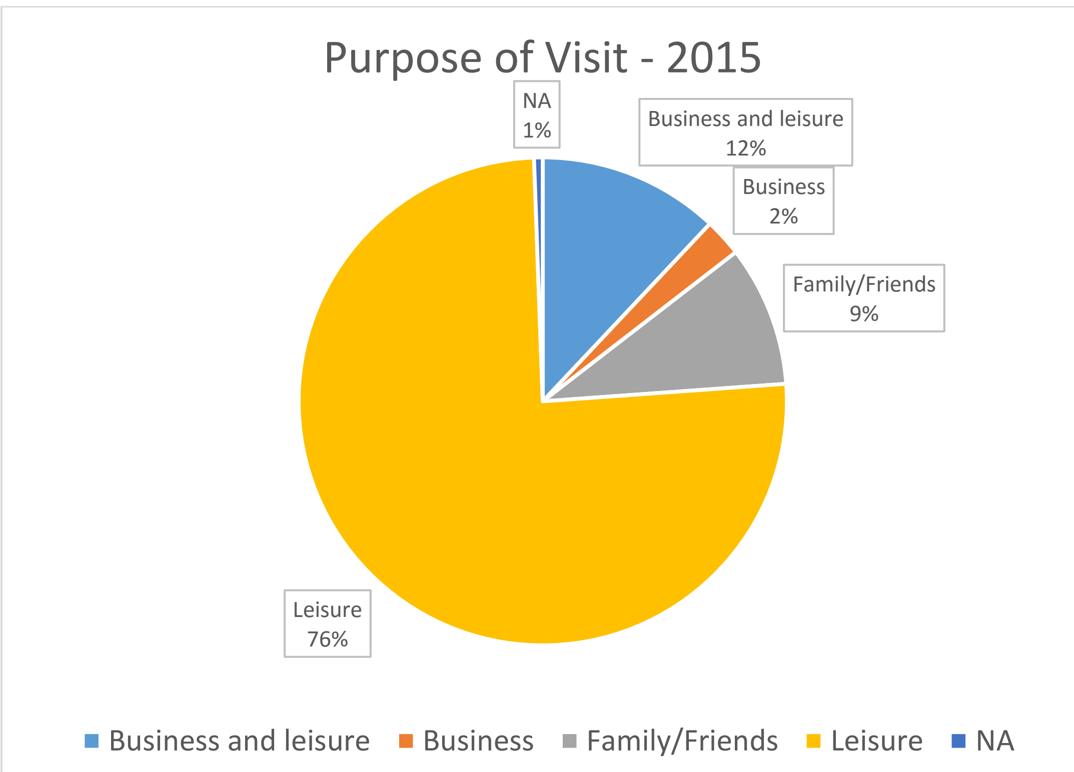


Chart 5.5

6. Lodging Analysis

More than half of the respondents stayed in downtown hotels which coincides with these properties sending the online survey to their databases (see Methodology section for details). Cerrillos Road properties ranked second in number of responses (see Chart 6.1 below). The 2010 study did not specify the location of accommodations. Combining these two categories allows for a comparison to the two categories of "Hotel" and "Motel/lodge" in the 2010 study. In this comparison, these hotel lodging properties captured approximately 60% of the visitors in 2010 and 72% in 2015.

Resort visitation remained constant at 4%. Resorts are larger hotels offering a variety of amenities, for example Buffalo Thunder. Camping remained constant at 2%. Assuming drive-through visitors and second homeowners fell into the 2010 "other" category, then those visits also remained constant. Bed and breakfast usage declined by 5 points and family/friend stays fell 4 points.

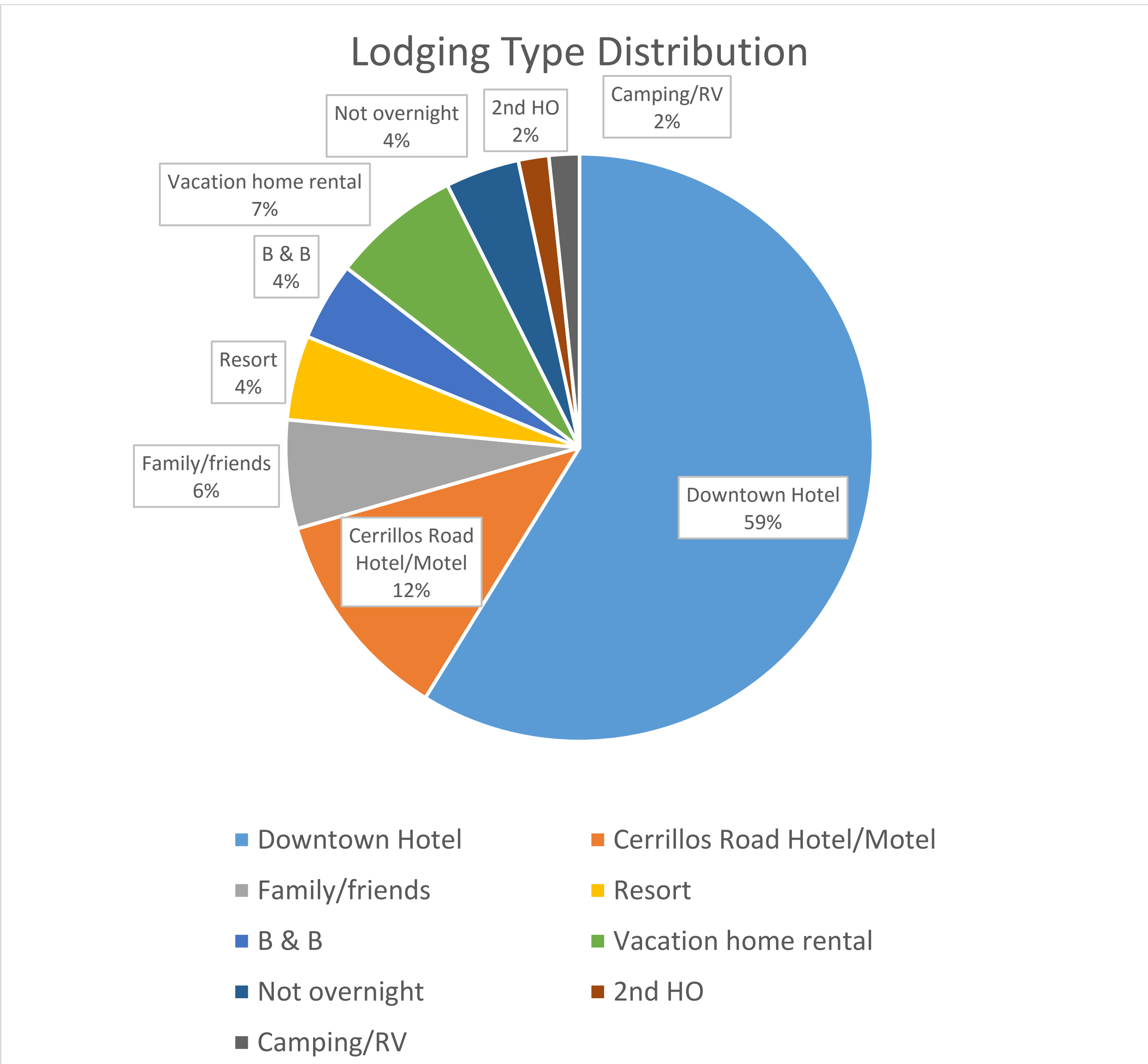


Chart 6.1

Lodging type and length of stay

Length of stay (LOS) varies by lodging type, see Chart 6.2 below. Overall average LOS is 5.2 nights, up slightly from 4.9 nights surveyed in 2010.

Visitors renting homes as well as those staying with family or friends are staying an average of 8.9 nights per visit. Campers are staying an average of 5.4 nights. Resort and downtown property guests stay an average of 4.1 nights. For bed and breakfasts as well as Cerrillos Road properties, the average LOS is 3.5.

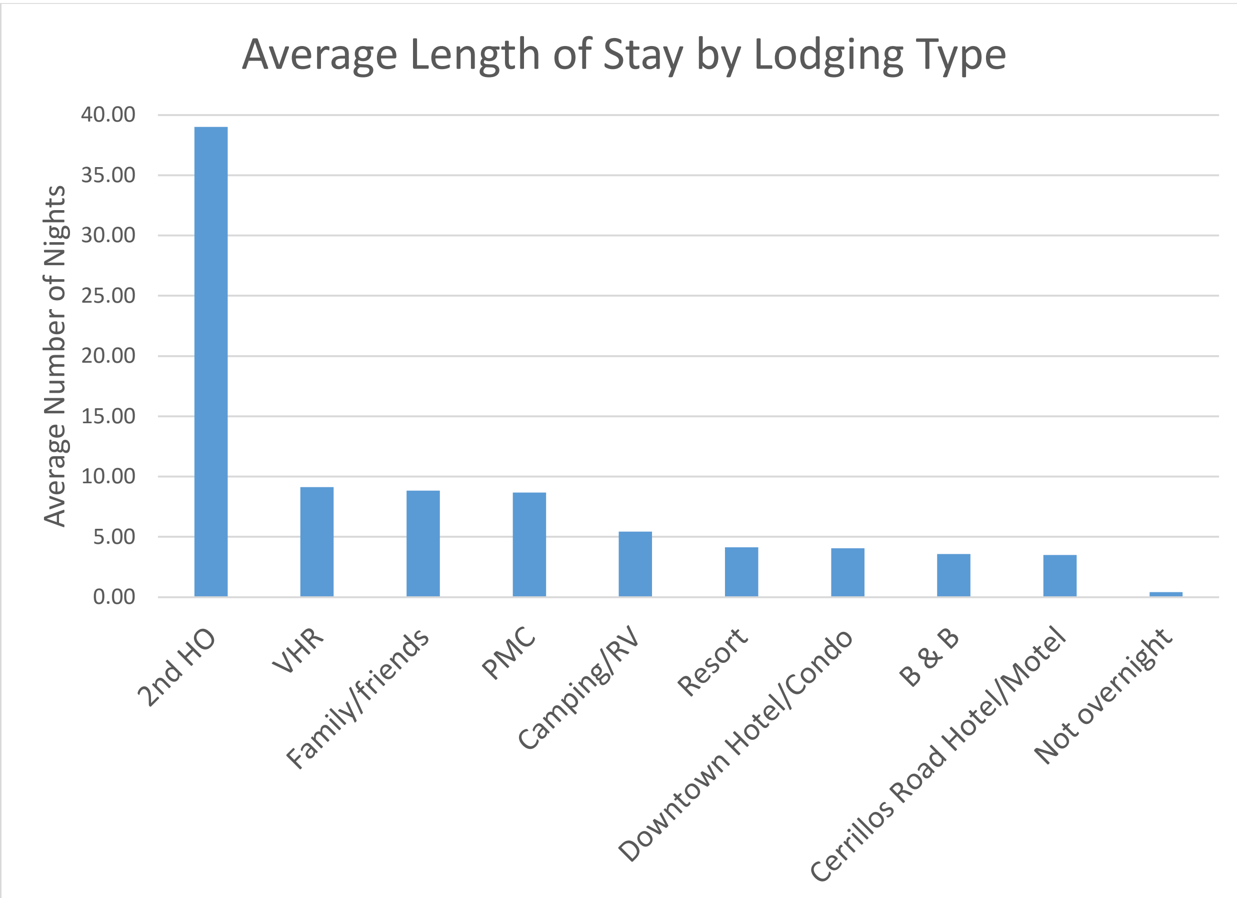


Chart 6.2

Lodging type and travel method

Arriving by car is the top travel method for all lodging types, as shown in Chart 6.3 below. Almost 60% of downtown hotel visitors arrive by car, 35% fly through Albuquerque, and remaining portion is a mix of flying into Santa Fe airport, train, motorcycle, and various other methods. Almost 75% of Cerrillos Road properties receive guests by car, 20% fly through Albuquerque.

Albuquerque airport is an important gateway for all lodging types. At least a third of downtown lodging visitors, home rental visitors, and resort visitors arrive by flying into Albuquerque airport.

For each of the hotel lodging types, use of Santa Fe airport by their guests is in the single digit range. Twenty percent of second homeowners use SAF.

Tailoring vacation packages to align lodging type and travel offers to match visitor's consumption patterns will lead to an increase in sales.

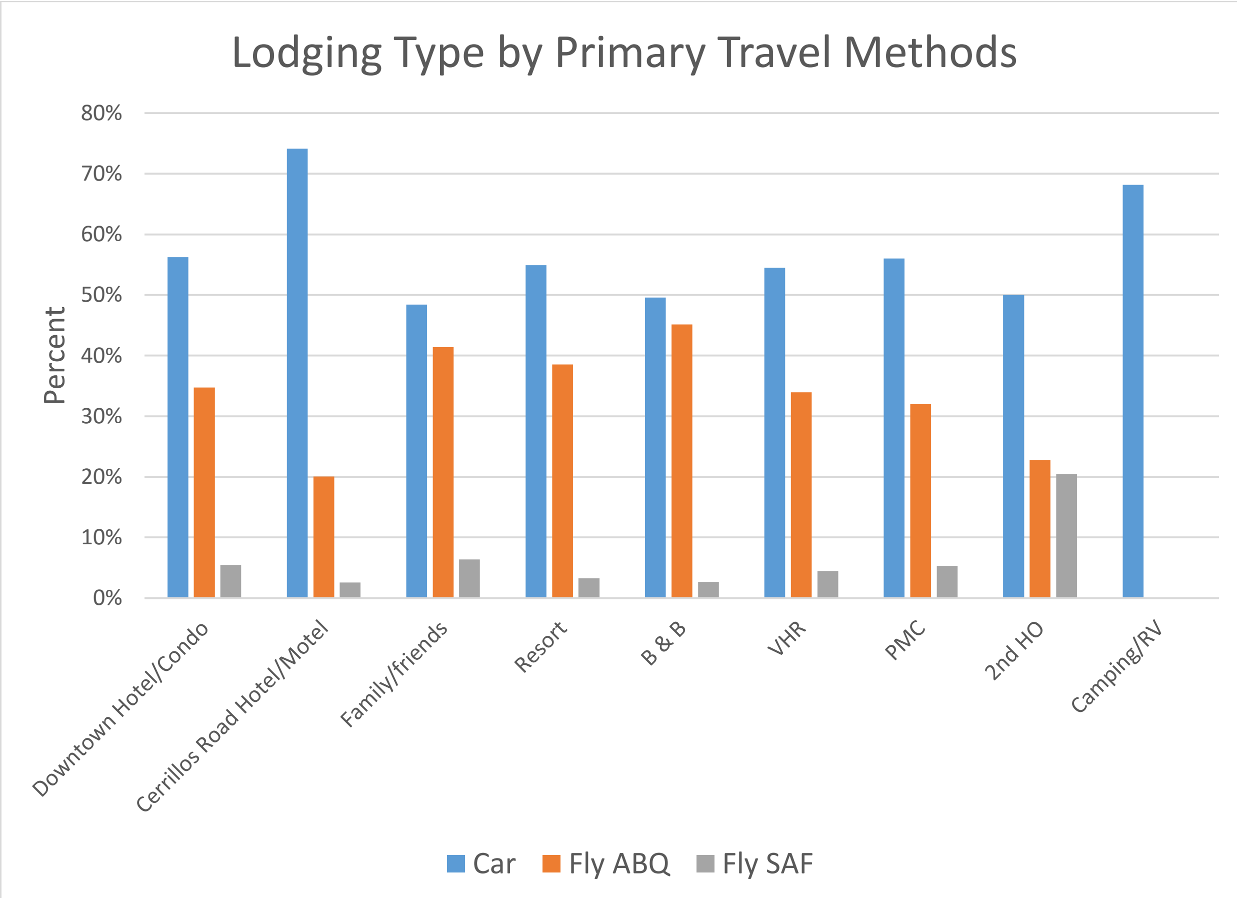


Chart 6.3

Lodging type and household income

The cross tabulation in Table 6.1 below compares lodging type and household income.

Downtown, resorts, property management companies and second homeowners all receive approximately 40% of their visits from visitors with household income in the $140,000+ category. With the exception of second homeowners, these lodging types receive visitors from an even distribution of household incomes below $140,000.

For Cerrillos Road properties, 58% of their visitors have household incomes between $40,000 and $120,000 and 20% above $140,000.

Campers and visitors staying with family and friends skew towards lower income brackets, though 25% of family visitors have household incomes greater than $140,000, whereas only 14% of campers fall into the top income bracket.

Three quarters of bed and breakfast visitors have household incomes above $80,000. For vacation home rentals, 80% of visitors have household incomes greater than $80,000.

This information will help to match the price points of promotional offers with the income of the target audiences.

Lodging type	less than $20K	$20K to $40K	$40K to $60K	$60K to $80K	$80K to $100K	$100K to $120K	$120K to $140K	$140K+	NA
Downtown	1%	2%	5%	10%	11%	13%	10%	38%	10%
Cerrillos Rd	1%	5%	14%	16%	14%	14%	6%	20%	10%
Friends/family	3%	8%	13%	13%	13%	10%	7%	25%	8%
Resort	0%	2%	8%	11%	9%	12%	9%	36%	13%
BnB	0%	4%	13%	9%	18%	14%	10%	21%	11%
VHR	0%	4%	3%	13%	12%	20%	11%	31%	7%
Not Overnight	3%	12%	15%	14%	7%	12%	7%	14%	16%
PMC	0%	3%	7%	8%	16%	13%	13%	39%	1%
2ndHO	0%	0%	7%	7%	7%	14%	9%	41%	16%
Camp	0%	5%	20%	20%	16%	5%	11%	14%	9%

Table 6.1

Lodging reservation method

When asked, "How did you make your lodging reservation for your most recent visit?" 71% made their reservations directly with the property through its website or by phone, as shown in Chart 6.4 below. Almost a third of reservations involve a phone conversation between the property and the guest which can be a valuable interaction opportunity for properties to upsell guests on current events, activities and attractions.

Eleven percent of reservations came through online travel agencies such as Expedia and booking.com. While the cost to the property of acquiring these guests is higher than for direct bookings, the reach of their distribution is vast and becoming larger.

Only 1% of visitors reserved lodging on arrival and only 1% booked via a mobile device. Santa Fe should continue to watch for increases, but for now this survey suggests most visitors plan in advance and marketing efforts aimed at last minute travel may not yield desired returns.

The 2010 visitor study did not consider lodging reservation methods, so no comparison is provided.

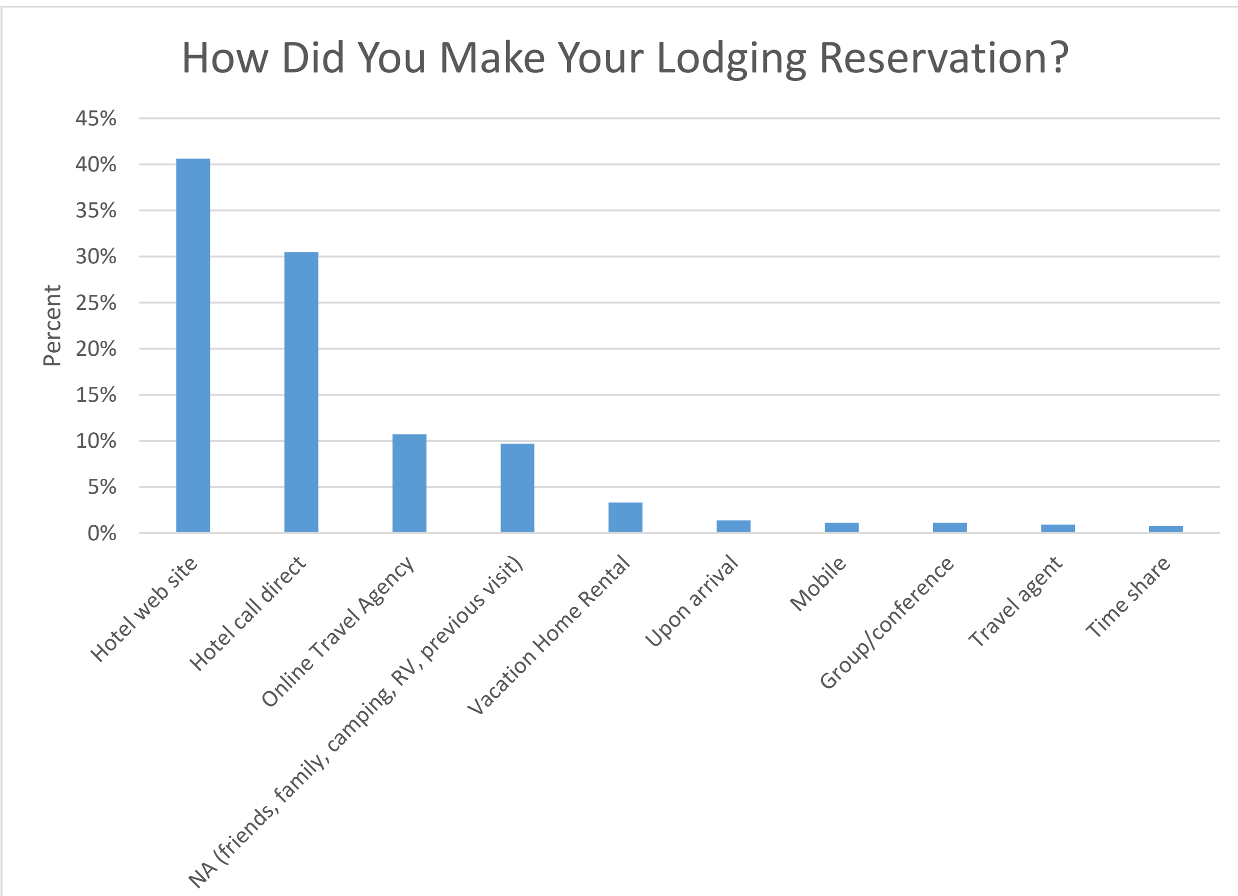


Chart 6.4

Reservation lead time

As discussed above, 2% of visitors either book upon arrival or with a mobile device. This corresponds to the result in Chart 6.5 which shows only 2.7% of visitors do not book in advance (same day).

Seventy percent of visitors are booking more than four weeks in advance of arrival and a quarter of visitors are making their reservations more than 10 weeks in advance. Knowledge of reservation lead times will improve the timing of marketing campaigns designed to promote a specific event or certain time of year. Further research should study how reservation lead time varies with season and specific events.

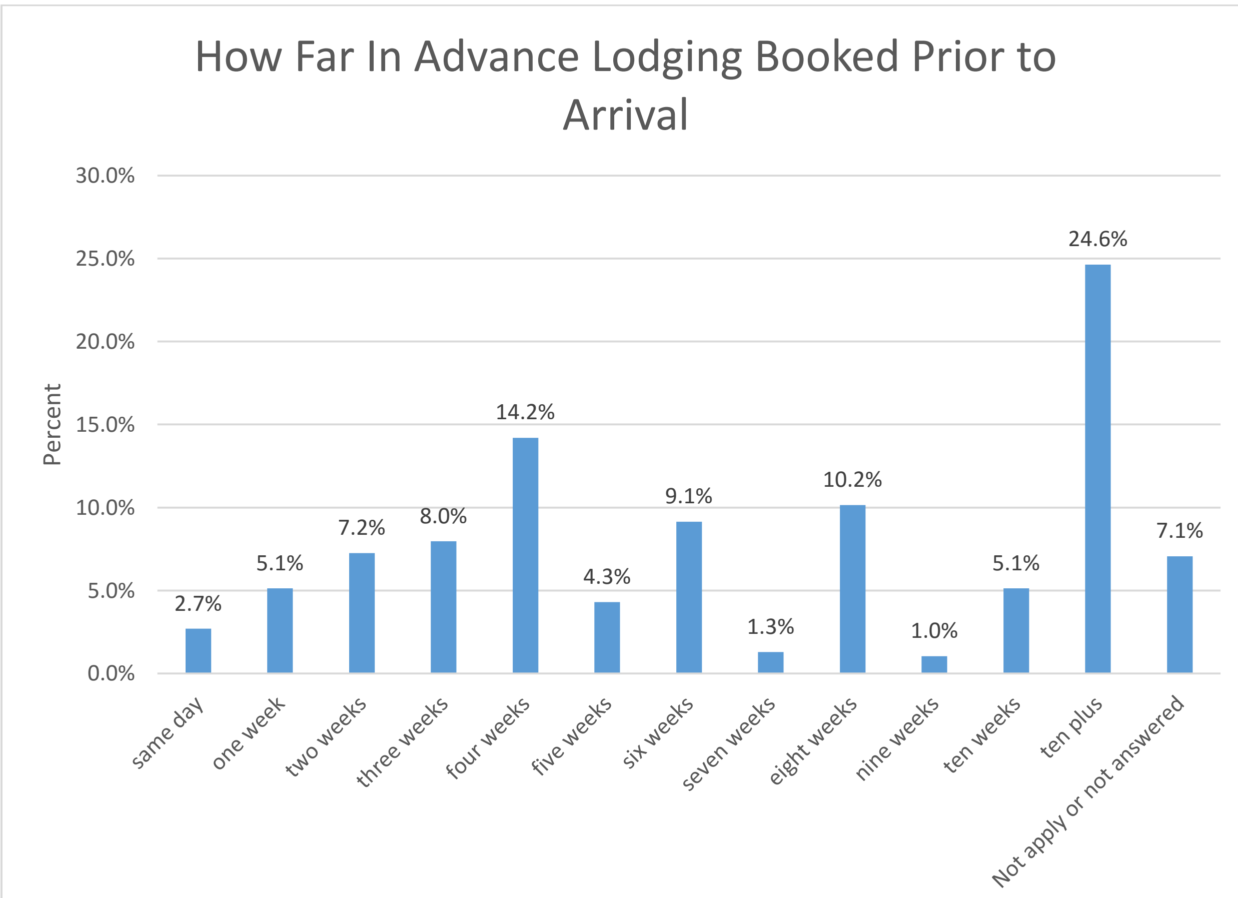


Chart 6.5

7. Demand Analysis

Activities and attractions visited

In order to understand tourist demand for Santa Fe, visitors were asked to select all of the activities and attractions they experienced during their recent 2015 visit. Chart 7.1 shows the total count for each activity as a percent of the total sample size, 2,788.

The top activity is "dining out and night life". In another survey question regarding branding, we separated "cuisine" from "night life" when asking visitors to rank Santa Fe. Cuisine scored the highest and night life was near the lowest. Hence, we can presume that dining out is the primary activity, much more so than night life.

"Shopping", "Art galleries", "Visit a museum", and "Visit a historic site" rounded out the top five activities. "Markets/festivals" and "Visit Native American Pueblo/archeology" also score well.

These results compare very closely with the findings of the 2010 study. Demand for Santa Fe remains consistent. Marketing and promotional materials should leverage Santa Fe's primary demand drivers.

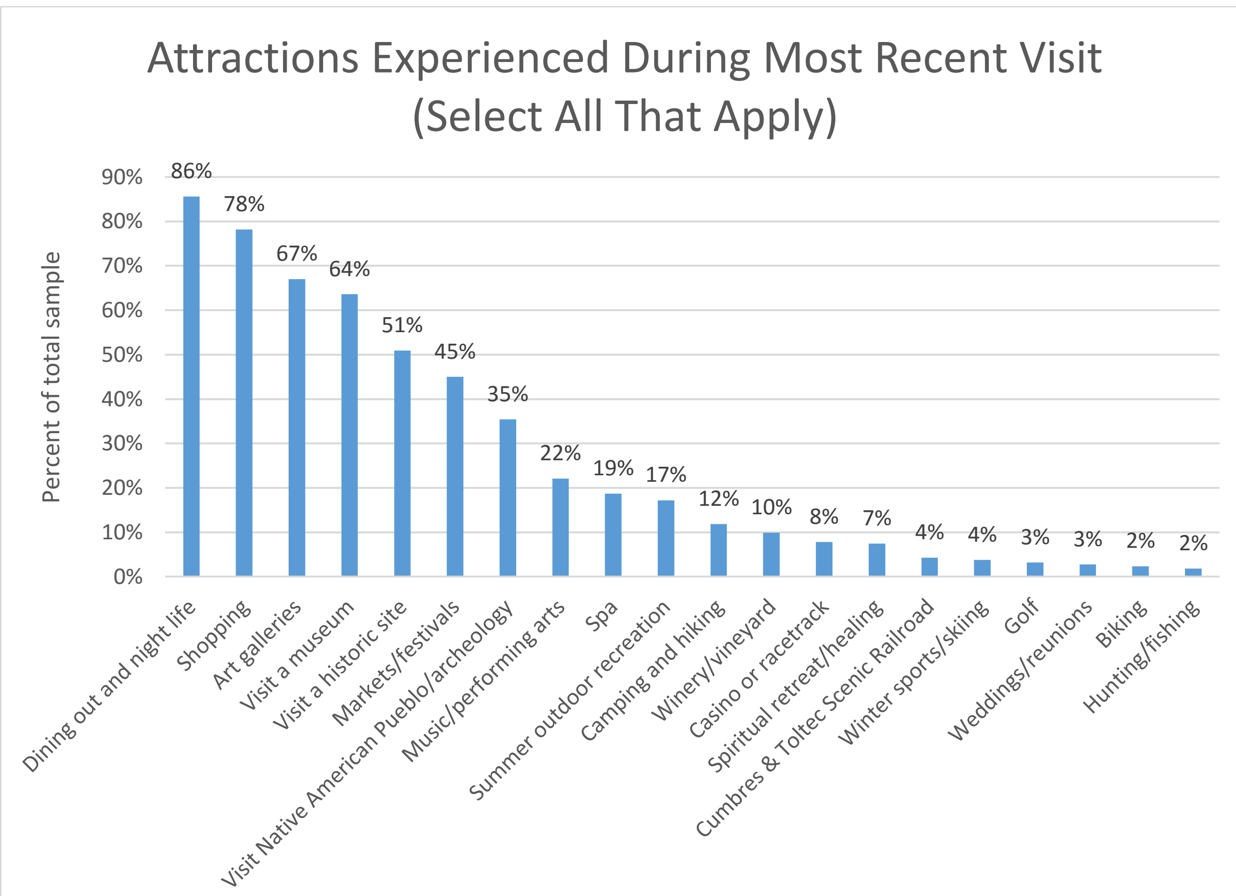


Chart 7.1

Favorite attractions/activities

The survey further asked visitors to select their favorite attraction, choosing only one. Results are shown in Chart 7.2 below. Dining out clearly stands out as the most popular activity, followed by art galleries.

Shopping is the second most experienced activity and the fifth most favorite. This suggests shopping may be less of a demand driver. A detailed study of shopping categories will provide further insight into this important economic activity.

In contrast, markets/festivals are the third favorite attraction, although only ranking sixth for actual experience. Timing of particular festivals relative to a respondent's travel dates may have precluded participation. Museums, historic sites, and archeology are also among the most favorite activities. The chart below shows a detailed comparison of each activity experienced to its rank as a favorite activity.

Clearly some activities are seasonal. Although winter sports participation is relatively low, these activities are unique to the lower occupancy months. Campaigns that associate dining with winter sports are an example of leveraging Santa Fe top strengths with season demand drivers.

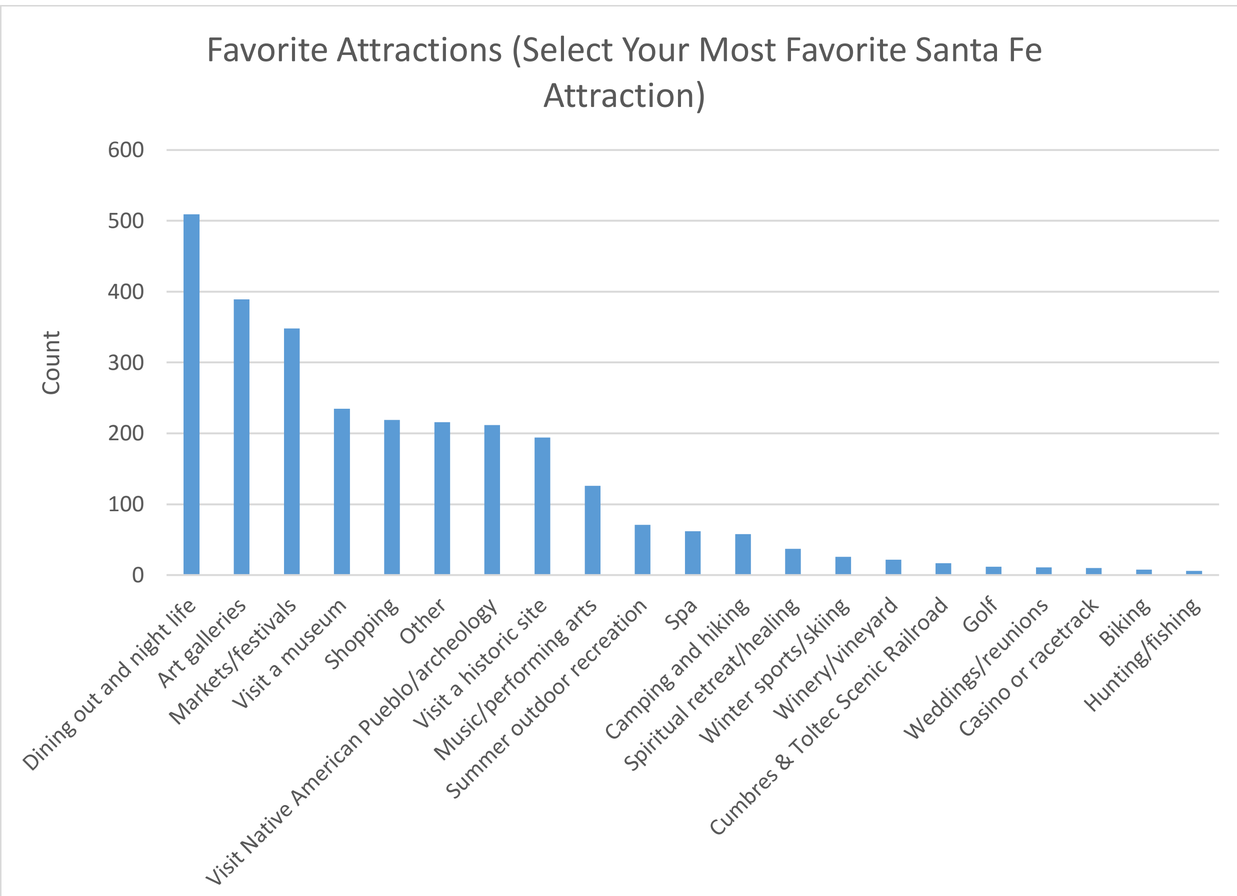


Chart 7.2

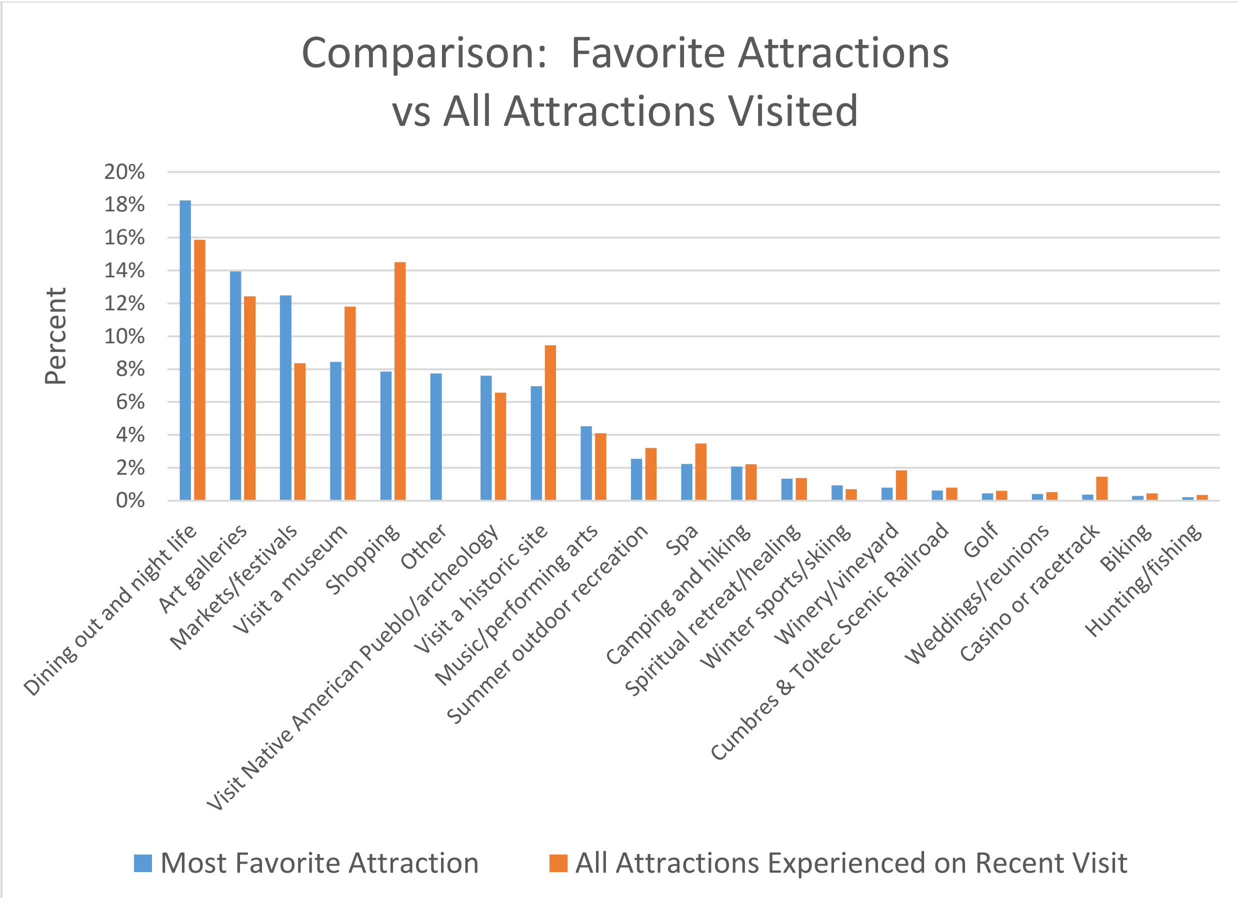


Chart 7.3

Respondents were only allowed to select one favorite attraction leading to 2,788 responses. However, they were allowed to select all that apply for attractions and activities experienced, which gathered 15,028 responses. The average respondent experienced 5.4 attractions during their most recent visit.

Favorite attractions by month of visit

Table 7.1 shows a cross tabulation comparing each visitor's favorite attraction with the month of their visit. The table shows an index of favorite activity by month of visit. For example, on an annual basis, Dining Out is the most favorite activity with a base index score of 0.18. However, for those visiting in January, Dining Out received an index score of 0.20, demonstrating that January visitors having a stronger preference for dining, this may also be attributable to having fewer alternative activity choices at this time of year.

The cells shaded red show relative weakness that may be transformed into promotional opportunities. Note that the seasonality of some activities will restrict their potential, for example camping will never be attractive in February.

In terms of opportunities, Music is very strong among August visitors (0.13), but relatively weak in September (0.01). Given that September is a more preferred month to visit, staging musical events in September should be a successful strategy for increasing September visitation. The same is true for museums in June (0.05) and dining in July (0.13).

The green shaded cells show areas of relative strength. For example, November visitors favor Art Galleries (0.18). March visitors skew towards dining (0.24) and August visitors to Markets/Festivals (0.18). Marketing initiatives featuring these activities in these months are likely to be more successful.

Fav Attraction\Recent Mo	Base	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Dining out and night life	0.18	0.2	0.2	0.24	0.21	0.17	0.18	0.13	0.14	0.15	0.2	0.2	0.25
Art galleries	0.14	0.14	0.17	0.09	0.16	0.1	0.13	0.16	0.12	0.15	0.17	0.18	0.11
Markets/festivals	0.13	0.14	0.12	0.11	0.05	0.1	0.11	0.14	0.18	0.2	0.11	0.11	0.08
Visit a museum	0.08	0.1	0.08	0.13	0.07	0.1	0.05	0.09	0.08	0.07	0.07	0.09	0.12
Shopping	0.08	0.06	0.08	0.06	0.05	0.08	0.09	0.1	0.06	0.09	0.08	0.09	0.07
Other	0.08	0.07	0.08	0.08	0.04	0.08	0.05	0.06	0.1	0.08	0.07	0.07	0.12
Native American Pueblo/archeology	0.08	0.06	0.07	0.06	0.14	0.09	0.1	0.06	0.06	0.07	0.09	0.04	0.04
Visit a historic site	0.07	0.05	0.06	0.08	0.09	0.09	0.1	0.04	0.04	0.07	0.08	0.09	0.08
Music/performing arts	0.05	0.04	0	0.01	0.02	0.03	0.03	0.11	0.13	0.01	0.04	0.02	0.02
Summer outdoor recreation	0.03	0.01	0.01	0.03	0.06	0.02	0.04	0.03	0.04	0.02	0.02	0.01	0.01
Spa	0.02	0	0.05	0.03	0.02	0.04	0.02	0.02	0.01	0.02	0.02	0.02	0.03
Camping and hiking	0.02	0.01	0	0.03	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.03	0.02
Spiritual retreat/healing	0.01	0.03	0	0.01	0.01	0.02	0.03	0.02	0.01	0.01	0.01	0.02	0
Winter sports/skiing	0.01	0.04	0.01	0.03	0.02	0.01	0	0	0	0	0	0.01	0.03
Winery/vineyard	0.01	0	0.03	0	0.01	0.01	0	0	0	0.02	0	0.01	0
Cumbres & Toltec RR	0.01	0.02	0.01	0.01	0	0	0.01	0	0.01	0	0	0.01	0.01
Golf	0	0.02	0	0	0	0.02	0	0	0	0	0	0	0
Weddings/reunions	0	0.01	0.01	0.01	0	0.01	0	0	0	0	0	0	0.01
Casino or racetrack	0	0.01	0	0	0	0	0	0.01	0	0	0	0	0
Biking	0	0	0	0	0	0.01	0	0.01	0	0	0	0	0
Hunting/fishing	0	0.01	0	0	0	0	0	0	0	0	0.01	0	0
Total	1	1	1	1	1	1	1	1	1	1	1	1	1

Table 7.1

Comparison of favorite attraction and method of travel

Chart 7.4 below shows the favorite activities of those who drive their car compared to those visitors who fly into either ABQ or SAF. Although the two traveler groups show similar preferences overall, there are two distinctions that stand out. First, the car drivers are more likely to list dining out as their favorite activity by 4%. Fly guests are more likely to list visiting a Native American Pueblo and archeology as their favorite. Thus, fly market advertising that features Santa Fe's archeology is more likely to be successful.

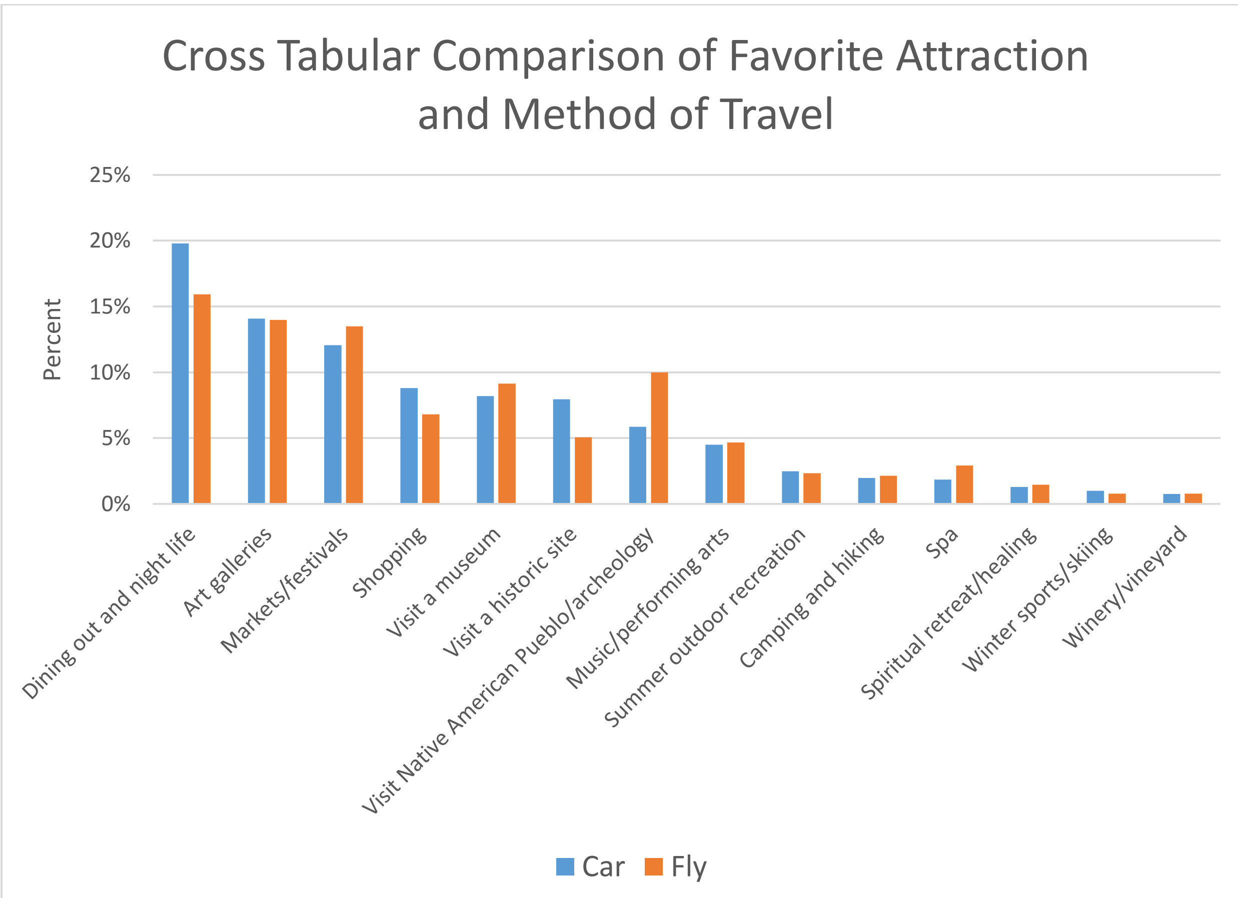


Chart 7.4

8. Visitor Spending

Lodging expense

The survey asked, “How much do you estimate your travel party spent in total on Santa Fe lodging during your most recent visit?” Lodging expense varies widely as shown in Chart 8.1. Five percent of visitors spent less than $100, while 2% spent more than $5,000. The average lodging expense per travel party is $1,153.The most common range of lodging expense is $501 to $750 at 16%. Half of the visitors spent between $301 and $1,250 on lodging during their stay. The average travel party is 2.3 adults (see Section 10).

The average lodging expenditure has almost doubled since the 2010 study which found an average lodging expense of $630 per trip.

Property management companies and vacation home rentals averaging close to a 9-night length of stay may be accounting for the higher lodging expenses.

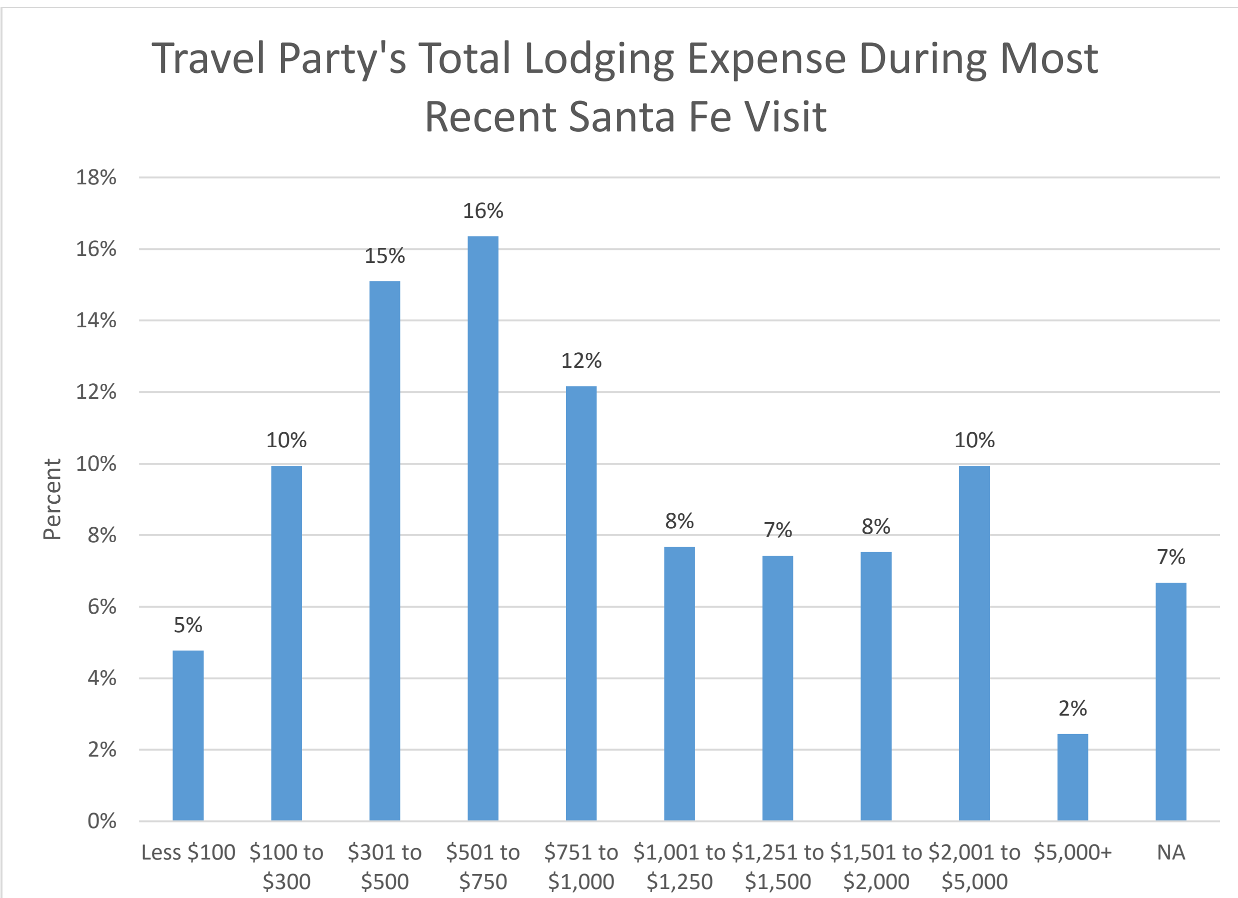


Chart 8.1

Other expenses

Chart 8.2 below shows travel party expenditures per visit for the following categories: food and beverage (FB), attractions, night life and entertainment (NLE), car, and shopping. The average expenditures per travel party are: FB = $431; attractions = $187; NLE = $180; car = 209; and shopping = $498.

The average total party expenditure including lodging is $2,658 or $605 per night based on an average LOS of 4.39.

For attractions, NLE, and car, two-thirds of the visitor parties spent $300 or less per visit. Most of the rest did not answer the question. These results compare to the 2010 study which found the average expenditure for attractions to be $161 and the average auto expense to be $177 when fuel prices were similar.

Half of the visitors spent between $300 and $1,000 per trip on food. This is corresponds to dining being the most favorite and the most experienced activity. The average expense for food in 2010 was approximately $400. This suggests visitors have increased the amount they are spending on food and dining in recent years.

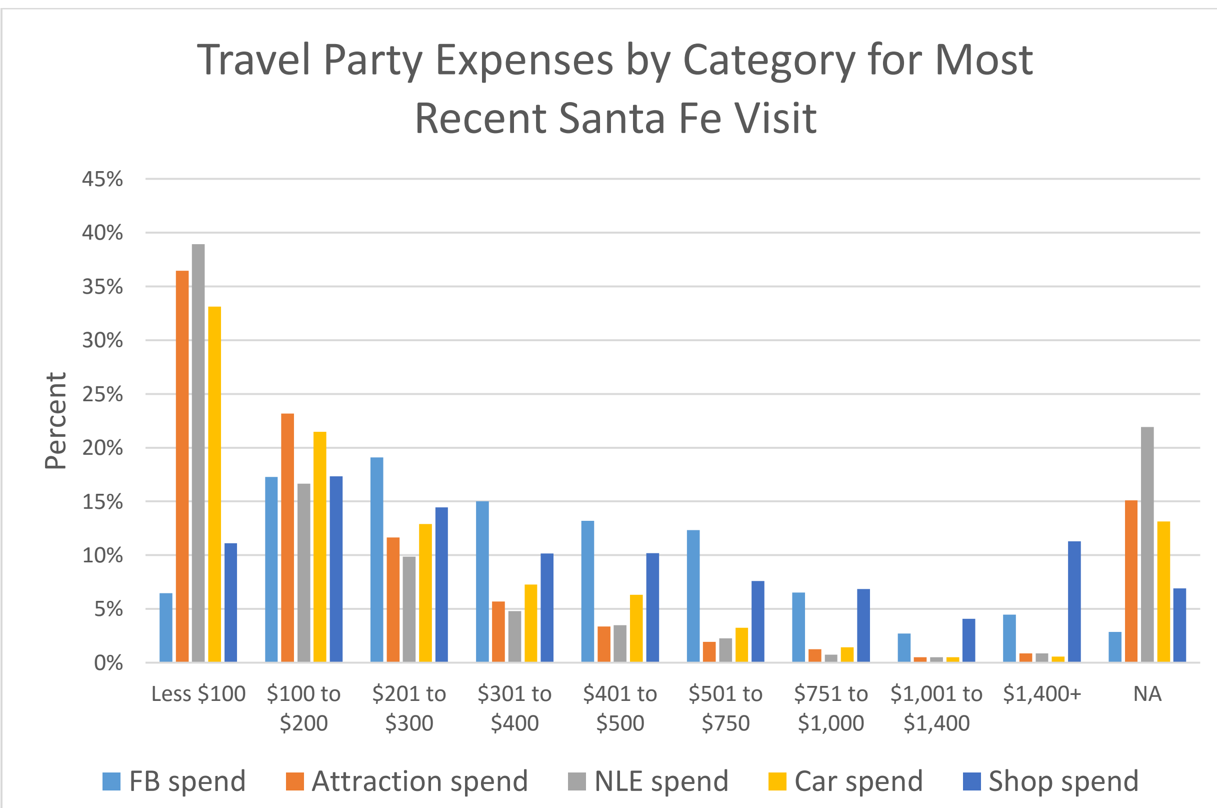


Chart 8.2

Shopping expense

Chart 8.3 shows a wide distribution of shopping behavior, so reporting averages will not be as meaningful. Eleven percent of visitors spent less than $100 on shopping while another 11% spent more than $1,400 shopping. The 2010 study found $600 per visit spent on average, which falls within this range.

The most common range of shopping expense is $101 and $200 at 17%. A third of travel parties spent more than $500 and 15% spent more than $1,000. Further research into the specific characteristics of higher spending individuals will help Santa Fe attract more of these valuable guests.

Chart 8.3

9. Satisfaction Metrics

The online survey asked three questions pertaining to guest satisfaction. All three show a very high degree of satisfaction which corresponds to the high rate of repeat visitation shown above.

Net promoter

Chart 9.1 shows the results of the classic net promoter question, “How likely are you to recommend visiting Santa Fe to others?” The scale ranges from one for not likely to 10 for very likely.

The net promoter score is calculated as subtracting the percent of detractors (those scoring 1 to 6) from the percent of promoters (those scoring 9 or 10). In this study we find 1% detractors and 91% promoters, giving a net promoter score (NPS) of 90. This is a high score.

Net promoter scores are often used for setting service goals and benchmarking the progress of experience upgrades and service training over time.

Open-ended comments pertaining to this response are shown in the Appendix C.

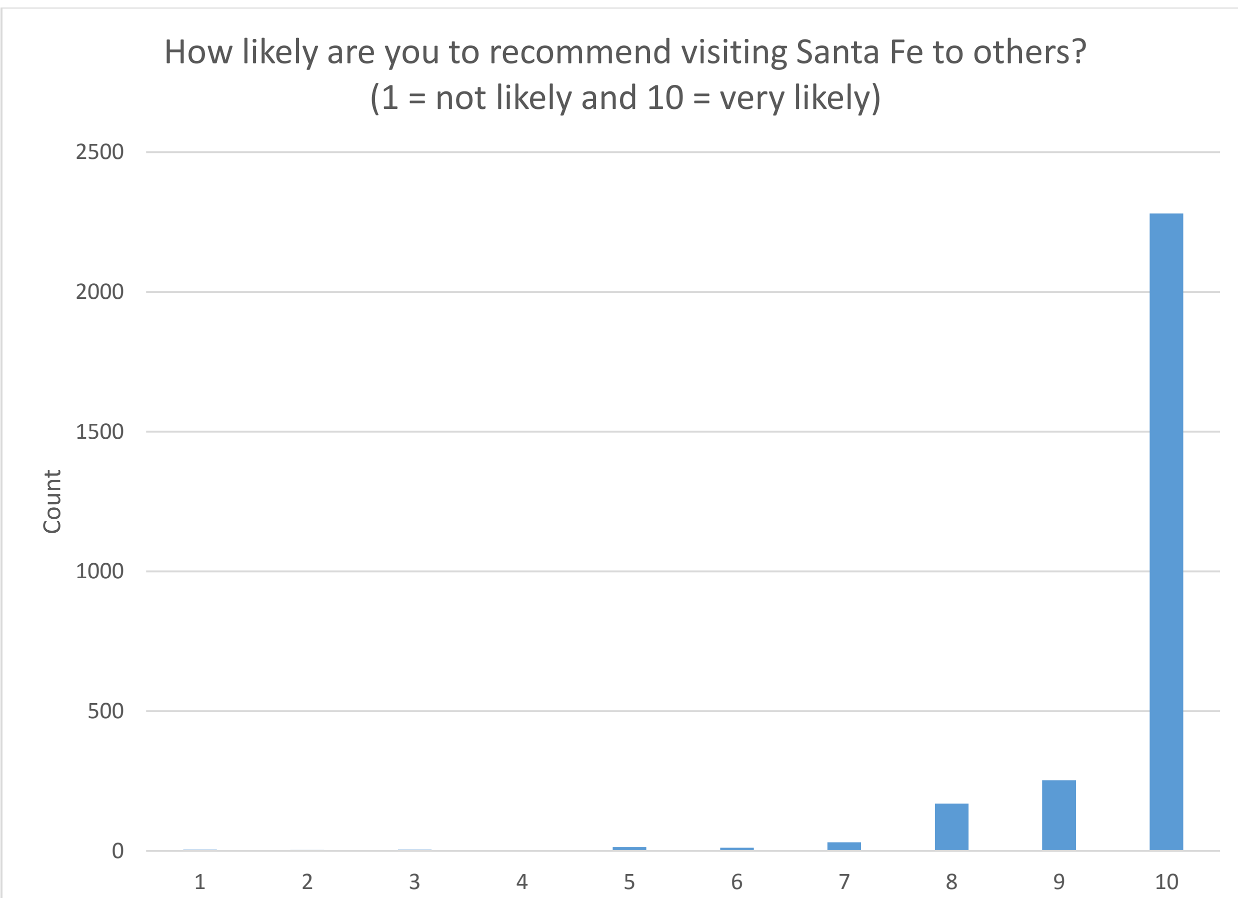


Chart 9.1

Subsequent future visit by intended travel year

When asked if the visitor planned to return either in 2016 or 2017, 73% answered "yes" and only 3% answered "no", see Chart 9.2 below.

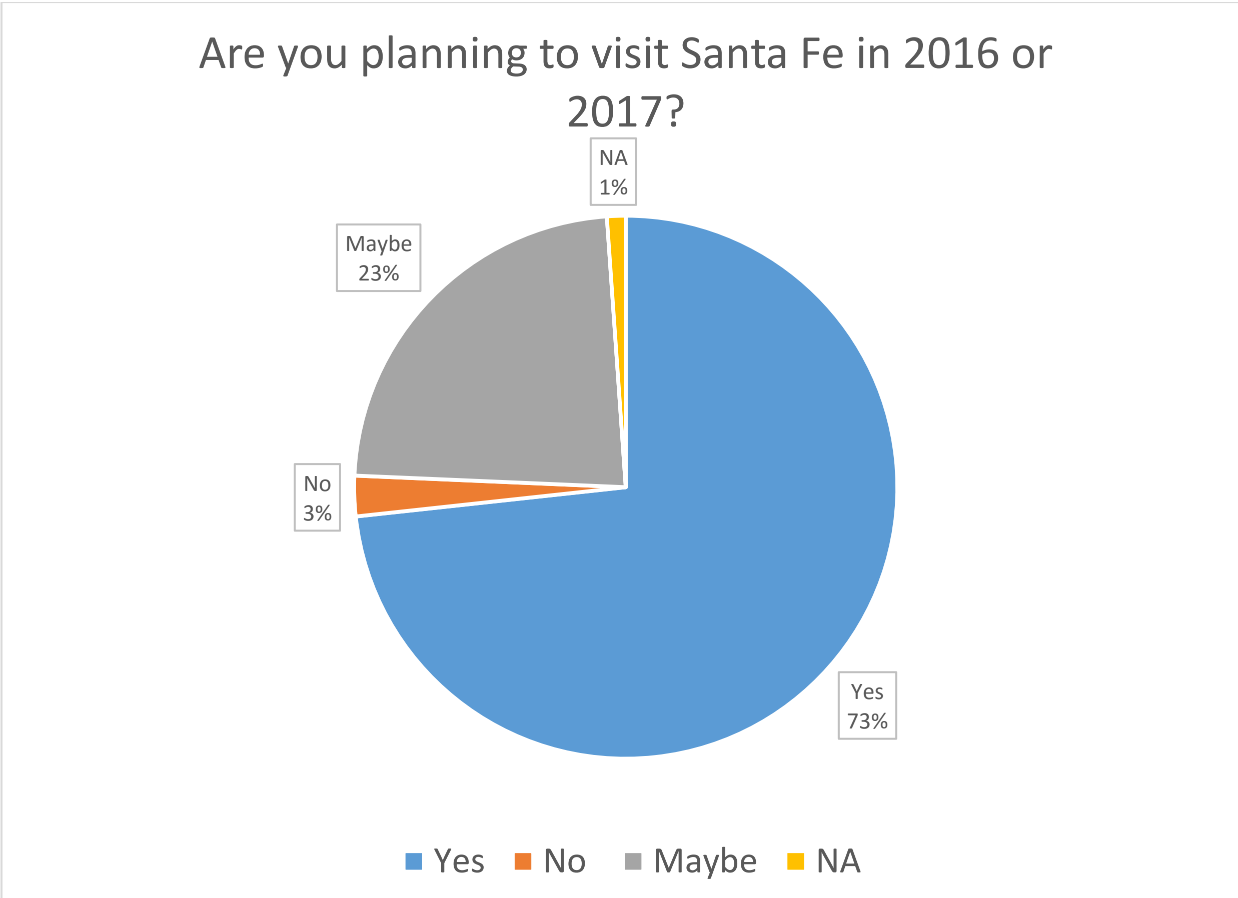


Chart 9.2

In 2010, a similar question was posed, as shown in Chart 9.3 below. In that study, the answer by email subscribers was "yes" for 61% of respondents and "no" for 6%.

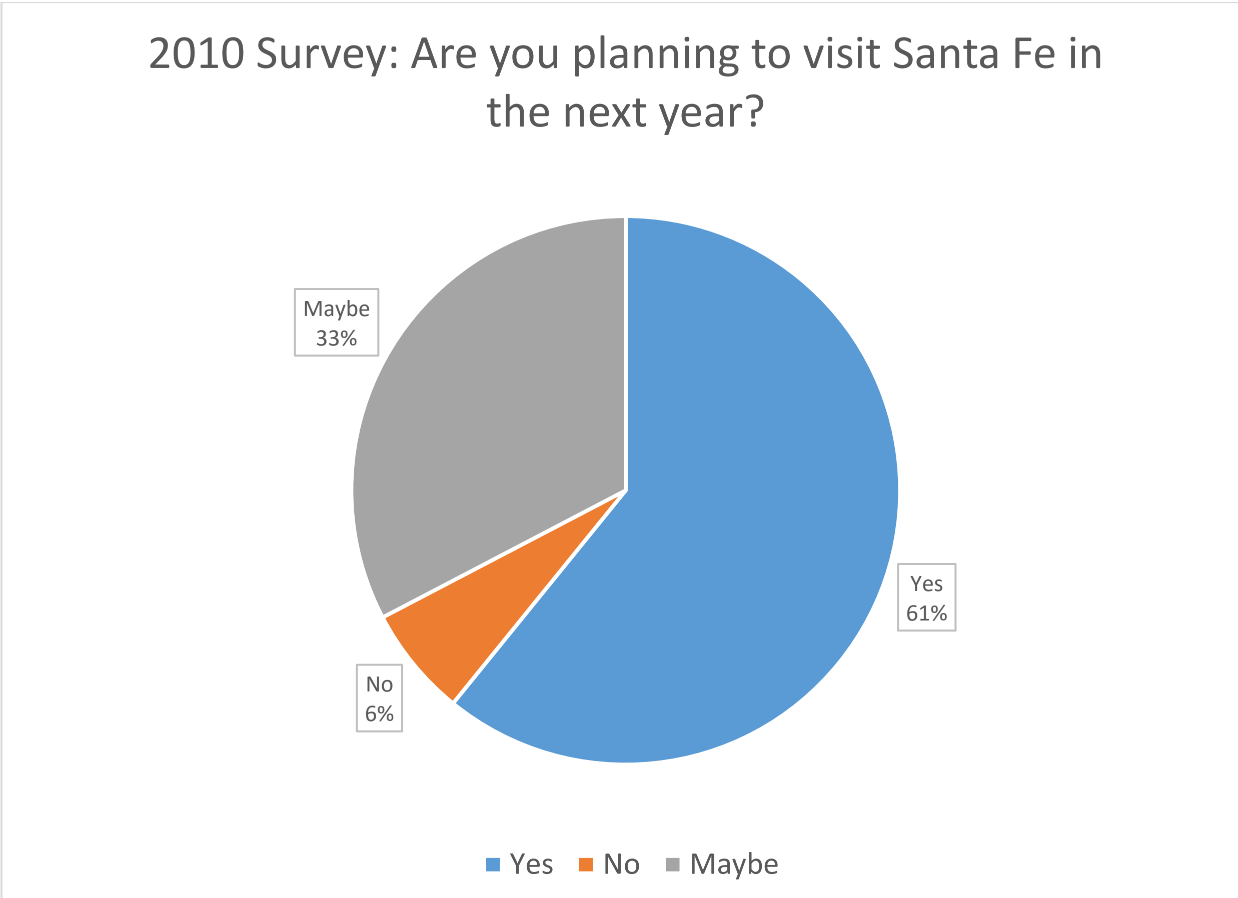


Chart 9.3

Likelihood of visiting in next five years

Finally, we asked 2015 visitors how likely they are to return within the next five years as shown in Chart 9.4 below. Eighty-four percent of respondents selected “10” and 94% selected “8” or higher indicating a high degree of satisfaction.

This corresponds to Santa Fe’s high rate of repeat visitation. As mentioned above, a strong loyal following is valuable. Santa Fe should develop marketing strategies specifically aimed at introducing new visitors and converting them to repeat visitors. Some new visitors will be “look-a-likes” to the visitors described in this study. Other new visitors may be conference attendees or skiers, as examples of markets Santa Fe should be able to grow.

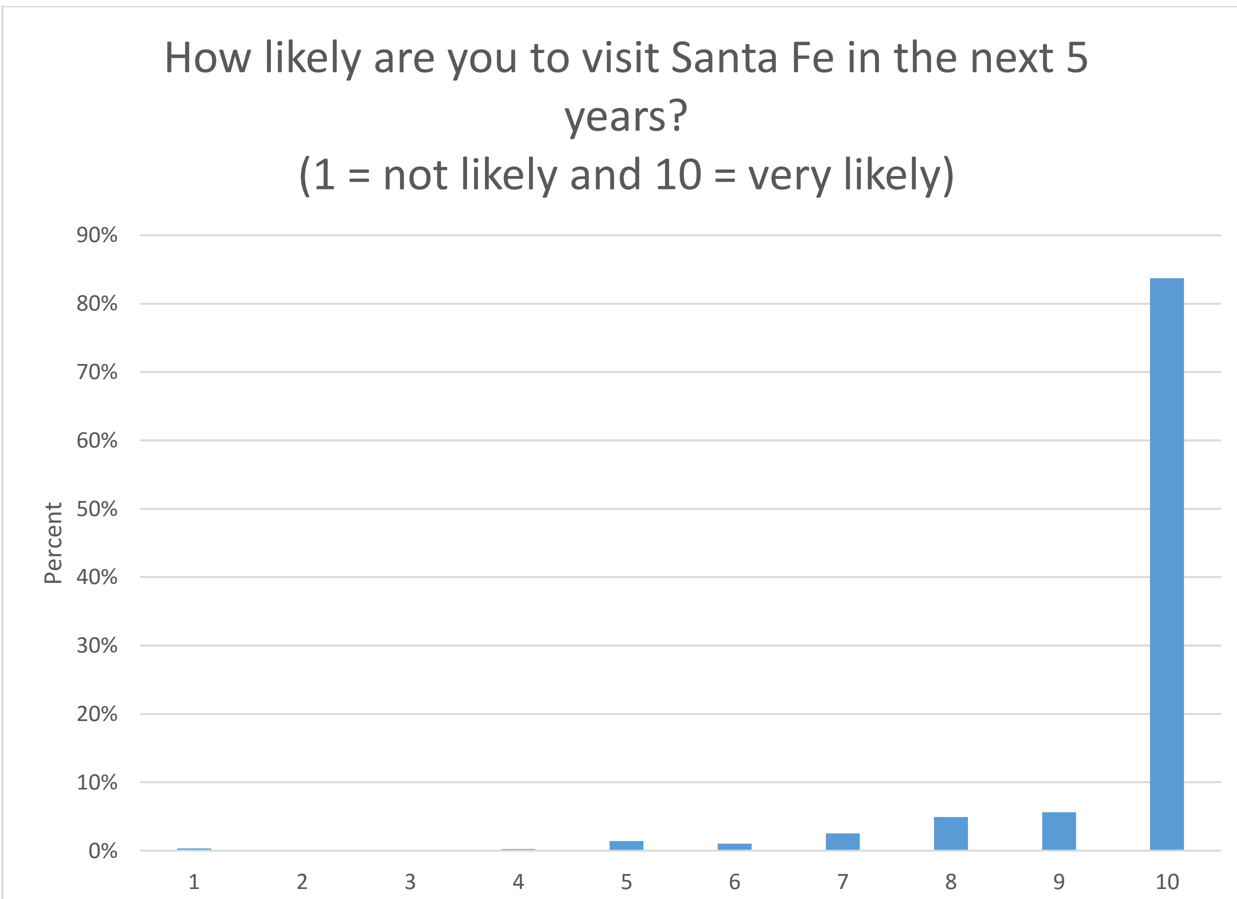


Chart 9.4

10. Demographic Analysis

Age distribution

The average age of 2015 visitors is 59 years old and the median is 61 years. The distribution is a typical bell curve with a longer tail towards younger ages as shown in Chart 10.1. These results are very consistent with the 2010 findings. The 2010 study found the average visitor age to be in the late 50s with a similar distribution. The average age in the United States is 37 years old.

The 2015 study found 6.6% of recipients to be less than 40 years. The 2010 study found 6.7% of visitors to be less than 40 years. Such similar findings for a quantitative question such as age support the validity of each survey.

As with repeat visitation, Santa Fe will experience benefits of an older demographic. However, as current visitors age, introducing younger visitors to Santa Fe will be an important strategy for not only maintaining current levels of visitation but for growth as well. For example, marketing Santa Fe's demand strengths of food and dining to youth markets demonstrating an affinity for cuisine should result in new trial.

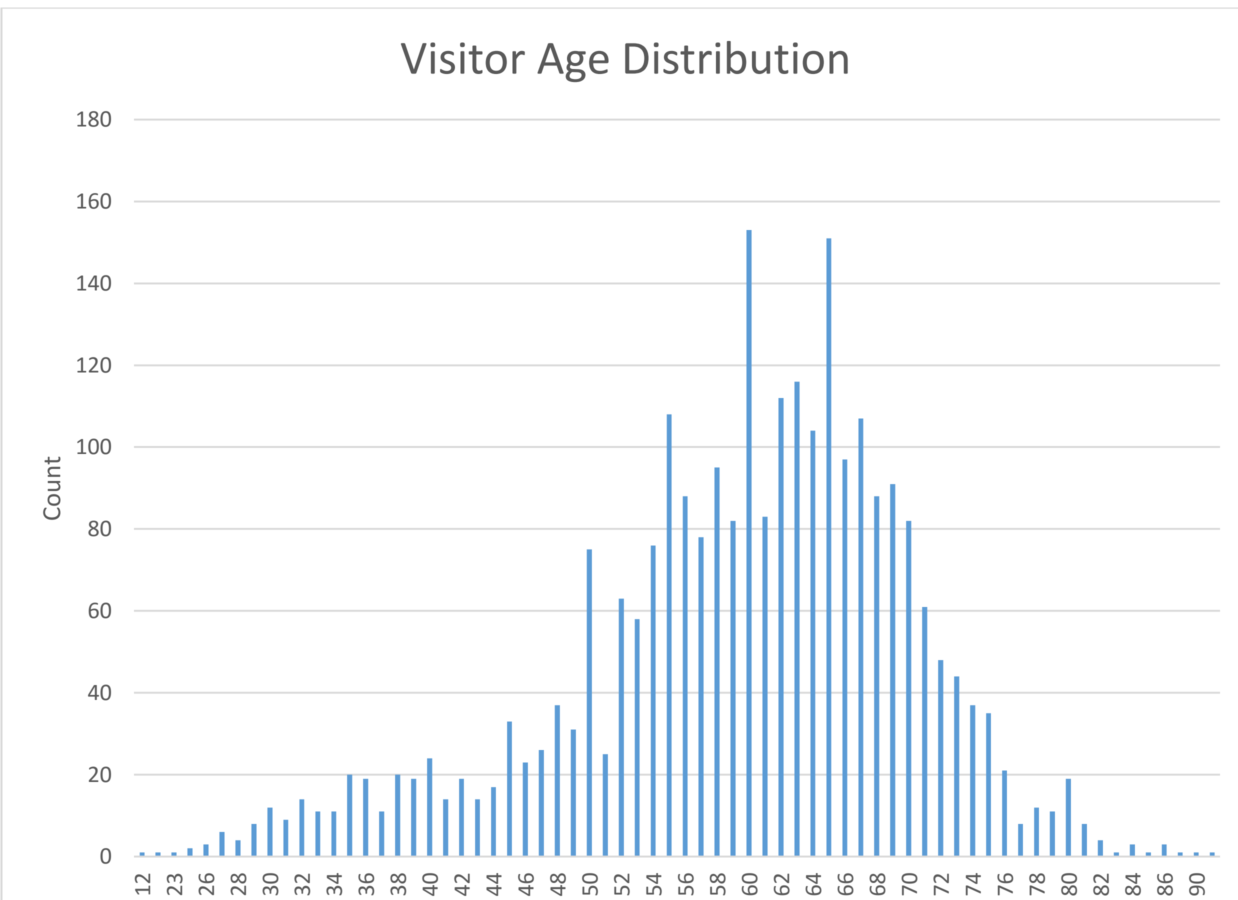


Chart 10.1

Sex distribution

Almost two-thirds of respondents to the survey are female and 35% male, see Chart 10.2 below. Three percent chose not to answer. These results compare very closely to the findings in each of the 2010 survey, see Chart 10.3 below. The consistency of the different survey results for an easily quantifiable answer increases the validity of these results.

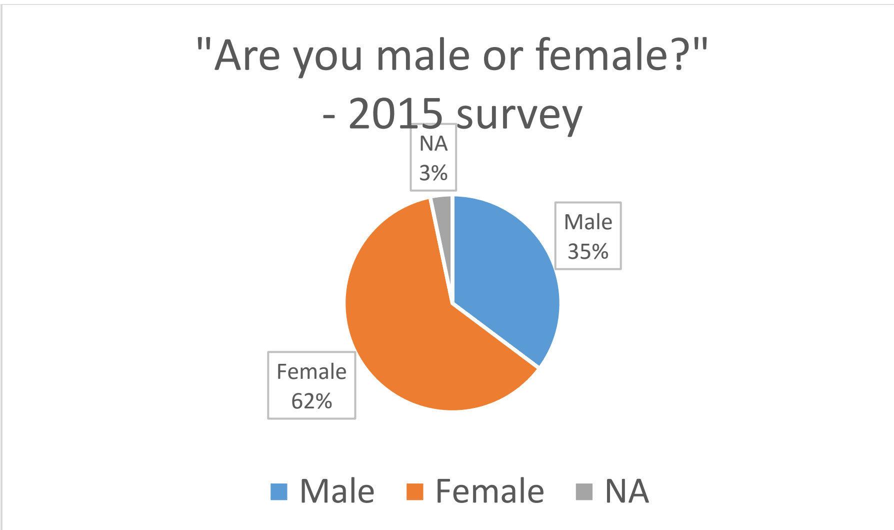


Chart 10.2

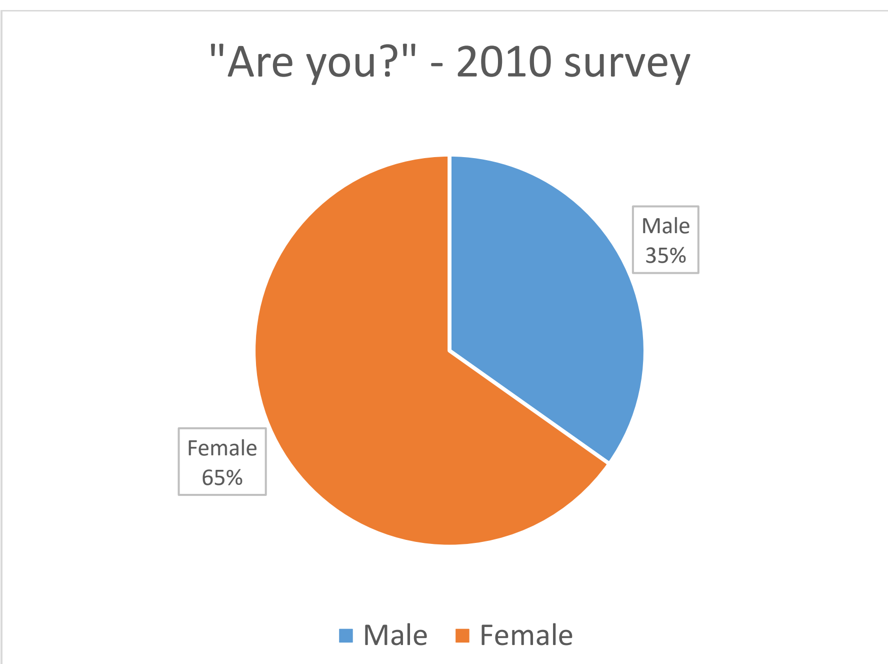


Chart 10.3

Household and travel party composition

To understand the household composition of Santa Fe visitors, the survey asked “What is the makeup of your household?” More than half of households (56%) are couples with no children as shown in Chart 10.4.

The chart also shows 23% of households are married with children. However, a separate question asked for a count of travel party members by age category. This results show that the average number of adults in each travel party is 2.3. The same figure was reported in the 2010 study.

The number of respondents bringing any children 12 and under is 6% and only 5.8 reported having any teens in their travel party. Clearly, the typical Santa Fe visitor party is characterized by adults traveling without children, regardless of whether the children still live at home or not. The 2010 study also found very few children in the parties visiting Santa Fe. Marketing materials and campaigns portraying family activities should be very targeted and distributed to only select visitor profiles that travel to Santa Fe with children and teens.

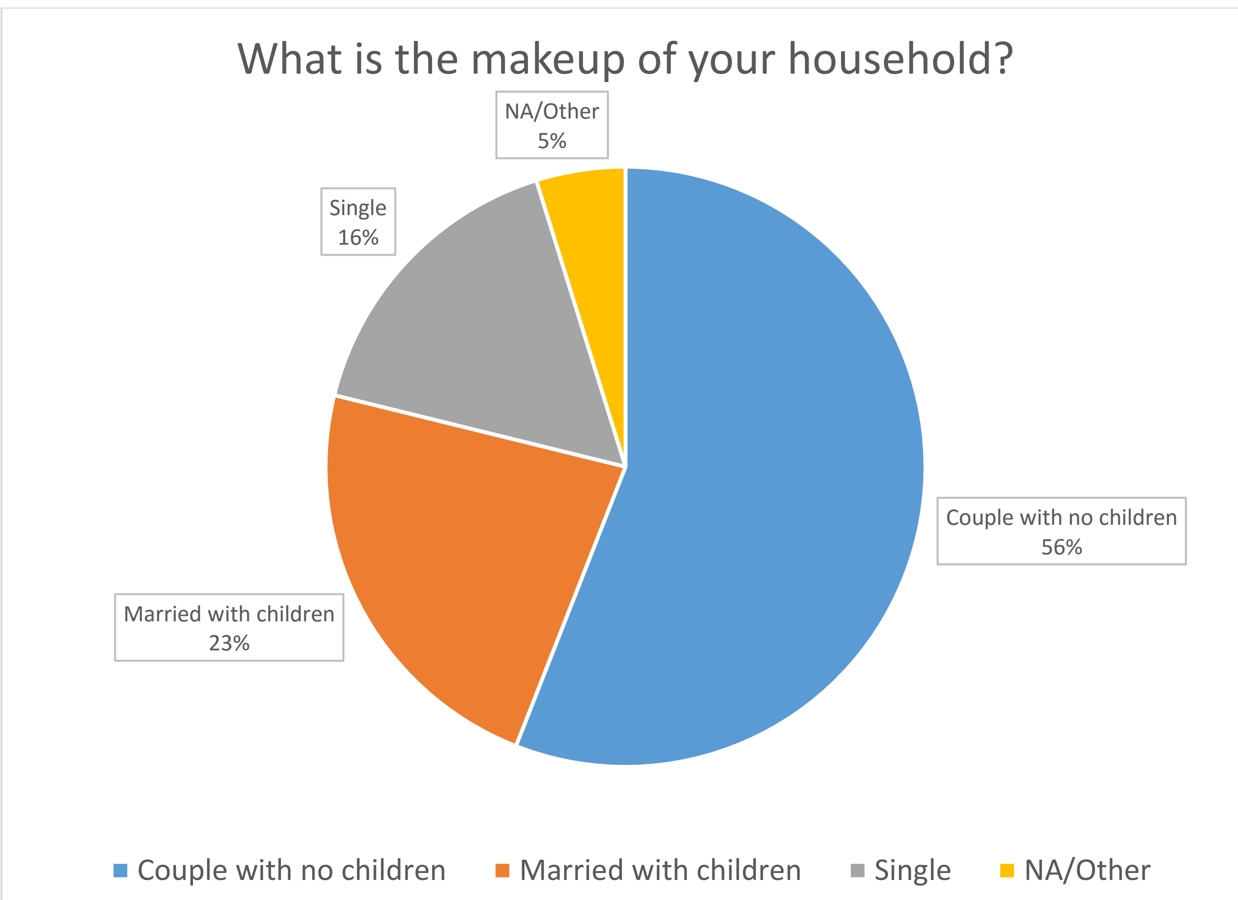


Chart 10.4

Importance of children in decision making

The previous section explained that very few Santa Fe travel parties include either teens or children. Therefore it is not surprising that 60% of respondents do not consider children when planning a trip, as shown in Chart 10.5 below. This figure compares closely to the portion of visitors who are couples without children (56%). Other visitors have children, but are not bringing them to Santa Fe, therefore the chart below indicates some consideration for children. Twelve percent rated the importance of children as 8, 9 or 10, which compares to the 11.8% of travel parties who are traveling with either young children or teens.

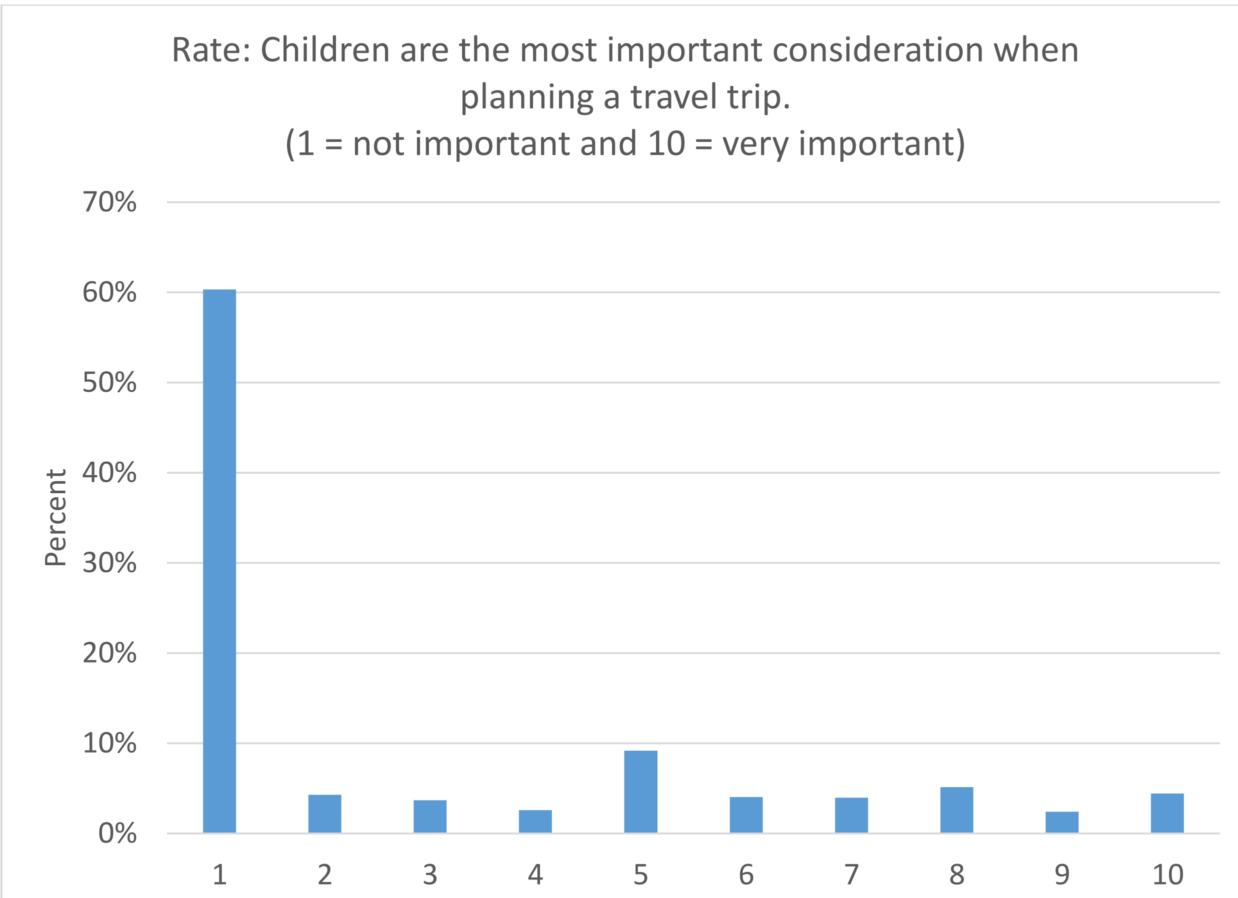


Chart 10.5

Who is making travel plans?

We have already learned that most Santa Fe visiting parties are comprised of adults and that two-thirds of respondents are female. Two-thirds of these women are making the travel plans for their party. Chart 10.6 shows that typically one individual makes the travel plans for the party. Ten percent of travel parties are singles, which should be a specific market to target. Eleven percent of parties are planned by the mother or father of the family, matching those who rate the importance of children highly – not surprising.

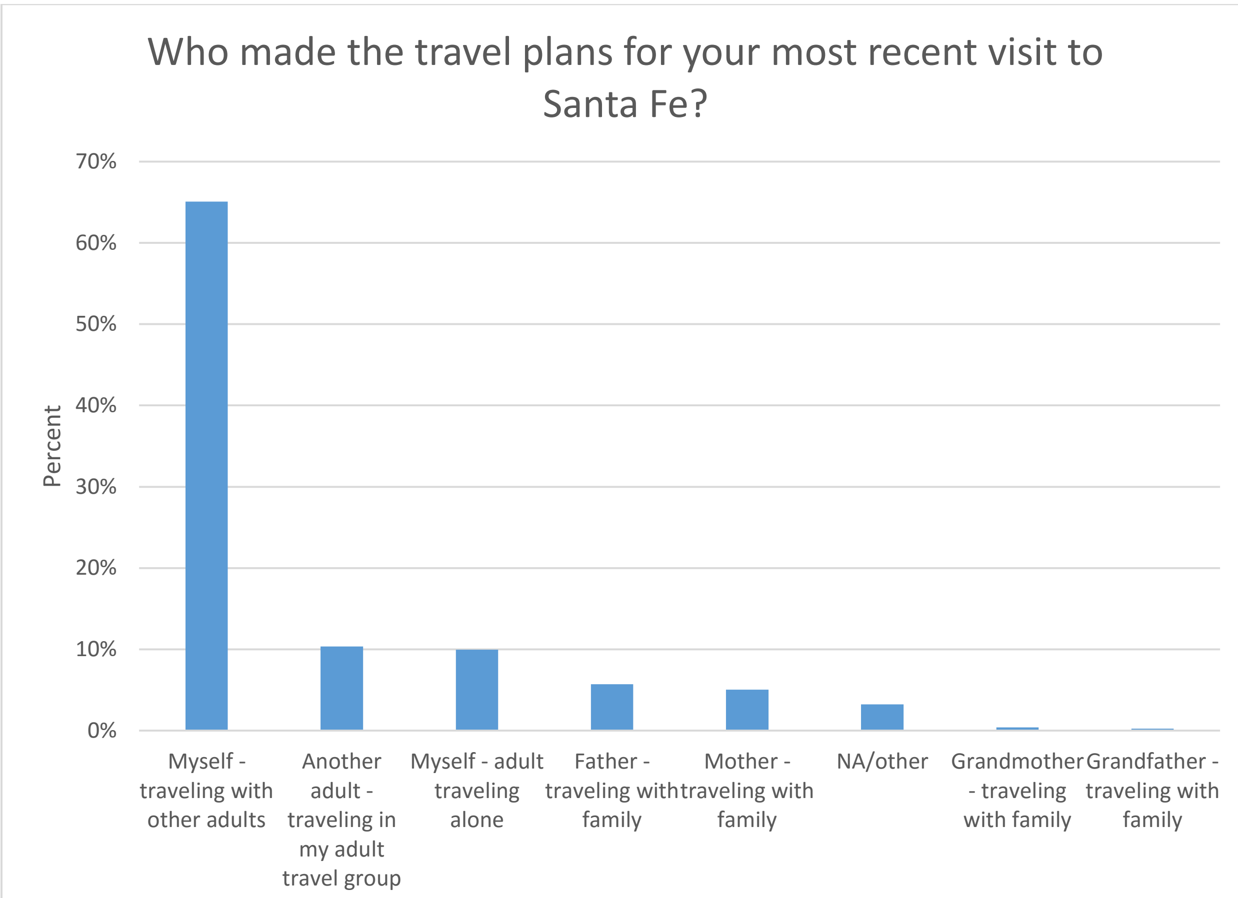


Chart 10.6

Household income

Chart 10.7 below shows a comparison of household income distribution in both the 2015 and the 2010 visitor surveys. The overall patterns are somewhat similar.

Visitors in the top income category, greater than $140,000 increased from 21 to 36%. Visitors in the range of $20,000 to $80,000 declined from 40 to 25% share. Visitors in the $80,000 to $140,000 range changed little. These trends are more likely explained by a loss of lower income visitors and a gain of more affluent visitors, rather than increases in each household income over time.

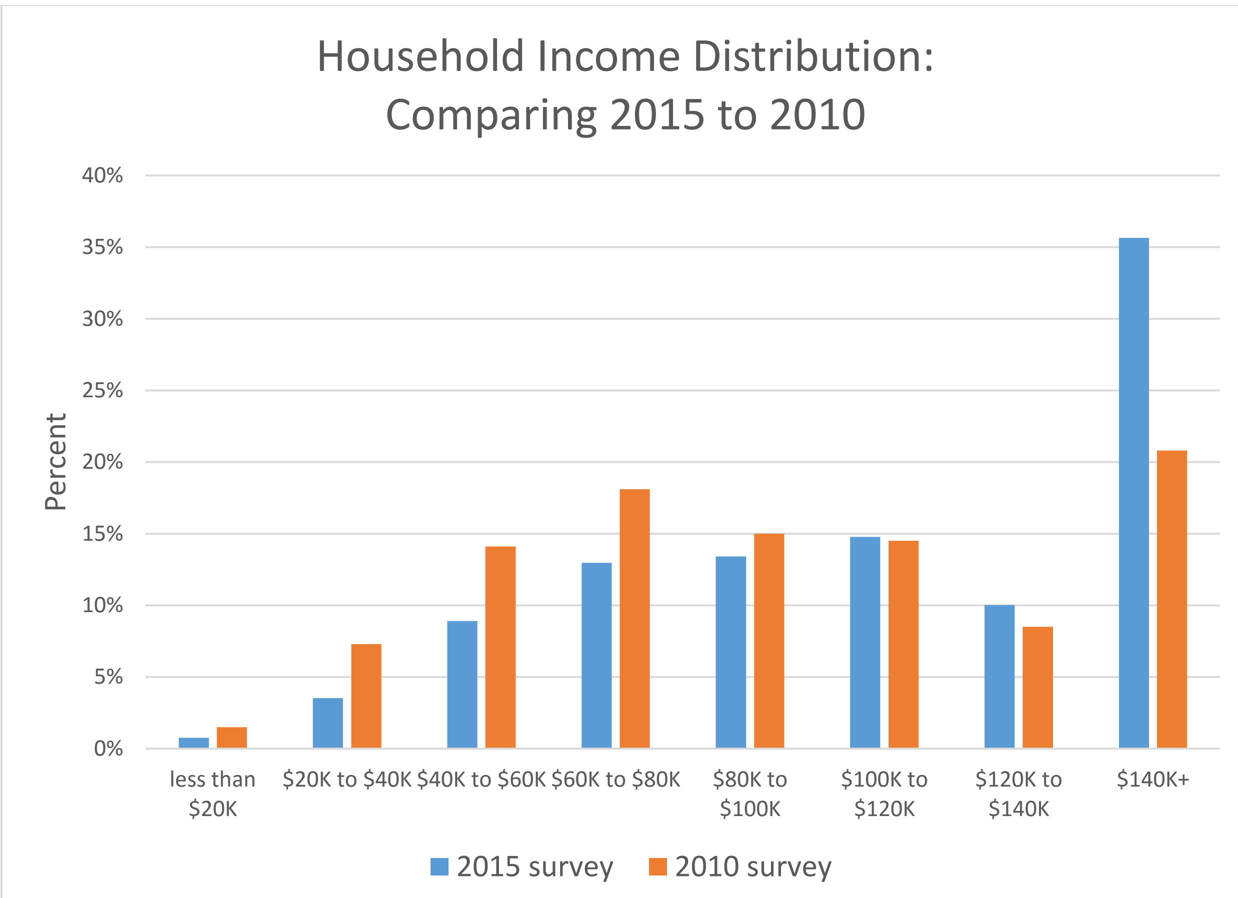


Chart 10.7

Top income zip codes

DestiMetrics' Guest Profiler allows us to learn about Santa Fe visitors based on their home zip codes. Over 107,000 zip codes were collected for this study. Table 10.1 below ranks the zip codes of Santa Fe visitors based on average household income of each zip code. For example, in 2015 there were 11 reservations from the 94027 zip code which is in the San Francisco DMA. The population of the zip code area is 7,028 and the average income is $240,833. The median age is 46.4 and on average the residents have graduate degrees.

In today's era of digital marketing, knowing which zip codes to target is a powerful means of targeting desired visitors. Further research can be conducted by querying the online survey database to gain insight regarding each of the DMAs or even zip codes. For example, there are four online survey responses from the 76092 zip code. We can also learn more about each survey respondent by looking up their zip code in the Guest Profiler.

Zip	Occurrence	DMA	Pop	Med Age	HH Income	Avg Education
94027	11	San Francisco, CA	7,028	46.4	$240,833	Graduate Degree
06883	7	New York, NY	10,142	41.9	$205,563	Graduate Degree
06820	8	New York, NY	20,580	38.7	$193,896	Graduate Degree
10007	12	New York, NY	5,892	34.3	$191,900	Graduate Degree
06840	17	New York, NY	19,642	42.3	$191,750	Graduate Degree
06870	6	New York, NY	7,143	40.5	$191,705	Graduate Degree
90077	25	Los Angeles, CA	8,571	46.8	$184,338	Graduate Degree
76092	89	Dallas-Ft Worth, TX	26,254	40.2	$183,656	Graduate Degree
98039	7	Seattle-Tacoma, WA	2,967	43.1	$176,354	Graduate Degree
94506	24	San Francisco, CA	21,283	42.8	$166,335	Graduate Degree
94024	20	San Francisco, CA	22,448	45.5	$166,125	Graduate Degree
10069	5	New York, NY	5,214	35.5	$165,417	Graduate Degree
94028	24	San Francisco, CA	6,740	49	$162,727	Graduate Degree
76034	78	Dallas-Ft Worth, TX	22,542	45.4	$160,000	Graduate Degree
06897	15	New York, NY	17,973	41.6	$159,720	Graduate Degree
90272	51	Los Angeles, CA	22,765	47.6	$158,381	Graduate Degree
94563	23	San Francisco, CA	17,595	46.3	$157,400	Graduate Degree
94022	21	San Francisco, CA	18,850	47.8	$156,526	Graduate Degree
06878	12	New York, NY	8,528	40.2	$155,813	Graduate Degree
92657	13	Los Angeles, CA	9,710	45	$155,579	Graduate Degree
77094	13	Houston, TX	8,533	43.9	$155,256	Graduate Degree
06880	31	New York, NY	26,448	44.4	$155,123	Graduate Degree
94528	2	San Francisco, CA	1,043	43.5	$153,860	Graduate Degree
90274	41	Los Angeles, CA	25,319	47.9	$153,621	Graduate Degree
94507	22	San Francisco, CA	15,844	45.9	$150,457	Graduate Degree

Table 10.1

Table 10.2 below ranks the most common occurring zip codes in the Guest Profiler.

Zip	Occurence	DMA	Pop	Med age	HH income	Avg Education
87501	2317	Albuquerque, NM	16,007	52.5	57902	Bachelor Degree
87111	745	Albuquerque, NM	58,125	44.3	62023	Bachelor Degree
87505	626	Albuquerque, NM	30,267	47	49564	Bachelor Degree
06854	524	New York, NY	26,577	37.7	61271	Some College Degree
87120	523	Albuquerque, NM	58,513	33.3	64448	Bachelor Degree
87114	467	Albuquerque, NM	61,269	33.7	64693	Bachelor Degree
87110	451	Albuquerque, NM	39,057	41.9	49215	Bachelor Degree
87107	438	Albuquerque, NM	30,143	40.1	44141	Some College Degree
87122	438	Albuquerque, NM	18,074	46.8	120213	Graduate Degree
60661	405	Chicago, IL	6,648	30.6	86894	Graduate Degree
87109	382	Albuquerque, NM	40,049	37.9	42058	Bachelor Degree
87106	378	Albuquerque, NM	25,625	29.3	32210	Bachelor Degree
79912	365	EL Paso, TX	76,448	34.6	56045	Bachelor Degree
88101	339	Amarillo, TX	44,140	31.8	40894	Some College Degree
87507	332	Albuquerque, NM	45,552	33.6	44795	Some College Degree
88011	329	EL Paso, TX	25,265	41.3	57890	Bachelor Degree
81301	326	Grand Junction-Durango, CO	28,098	35.7	54866	Bachelor Degree
87571	316	Albuquerque, NM	10,957	46.3	34137	Bachelor Degree
87508	305	Albuquerque, NM	18,421	46.4	76697	Bachelor Degree
87112	300	Albuquerque, NM	43,659	40.8	47243	Bachelor Degree

Table 10.2

11. Marketing strategy

Tactics for improved marketing strategies have been identified throughout this report. This section specifically addresses the performance of several TOURISM Santa Fe marketing tools and compares performance to the 2010 study. Travel information sources and Santa Fe branding results are also reviewed.

TOURISM Santa Fe information

Survey respondents were asked to rate the usefulness of TOURISM Santa Fe's information sources for planning their Santa Fe trip on a ten point scale. Given the majority of visitors book their vacation in advance of arrival, these information sources are most likely used prior to arrival. Respondents were also invited to provide open-ended comments regarding these information sources which can be found in the Appendix C.

One quarter of respondents rated the visitor guide as very useful (10), another quarter rated it useful (8 or 9), and another quarter did not use it, see Chart 11.1 below. The majority of the remaining quarter found it somewhat useful (mostly 5 – 7). Thus, two-thirds of those using the visitor guide found it useful. The overall rating for those using the guide is 8.1. Further research into the characteristics and behaviors of the remaining third, as well as the open-ended comments, may reveal opportunities to further improve the visitor guide.

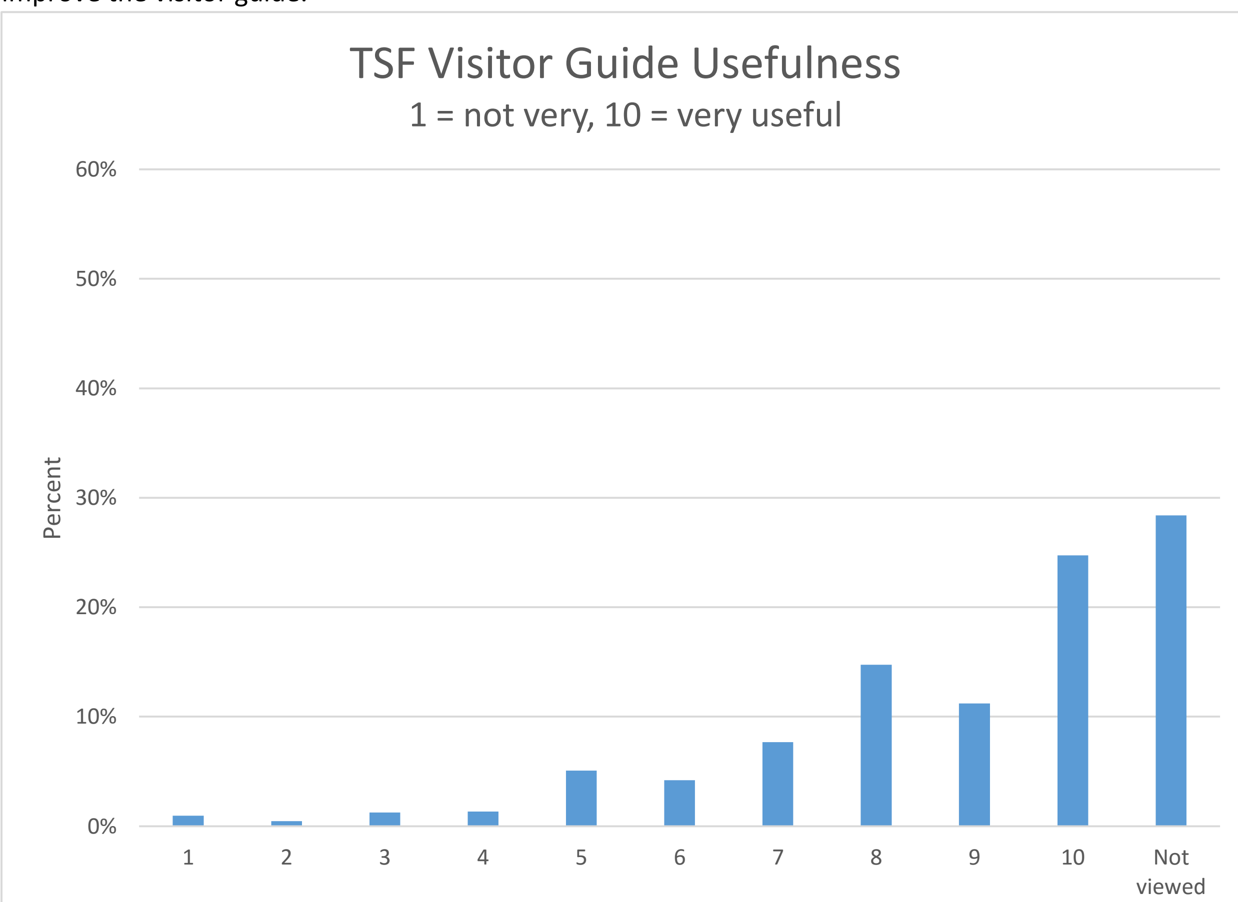


Chart 11.1

The overall rating for TOURISM Santa Fe's E-news communications is 7.3 based on those respondents who had viewed the material. Half of respondents did not view E-news. Twenty-eight percent rated E-news at 8 or above, while 21% gave a rating between 1 and 7 as shown in the Chart 11.2.

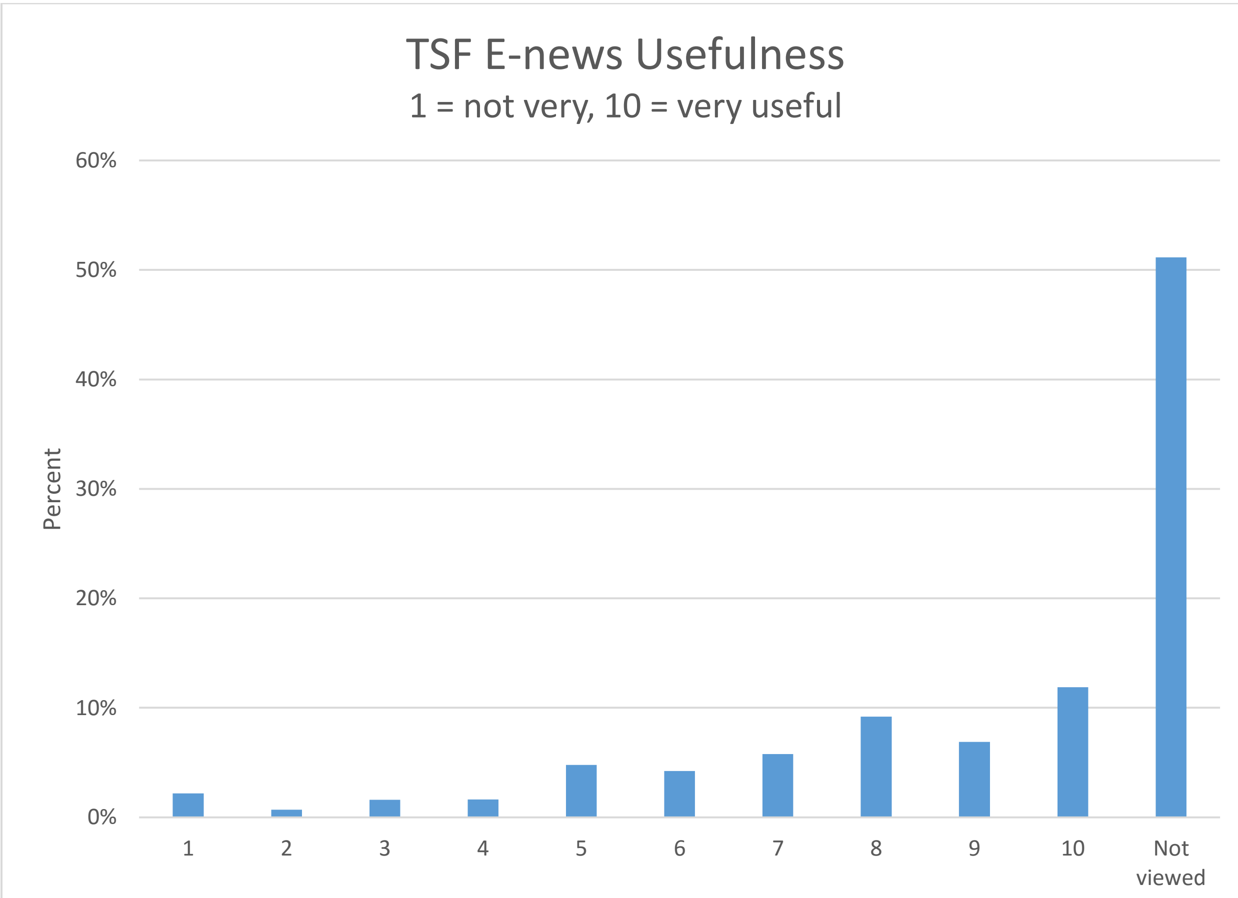


Chart 11.2

The overall rating for TOURISM Santa Fe's web site is 7.7. Two-thirds of respondents viewed the site, as shown in Chart 11.3. Nearly 20% rated it with a 10. Eighty-two percent of those viewing the web site rated it 6 or above, demonstrating a mostly favorable opinion of the web site.

One quarter rated between 1 and 7. This points to opportunities to further enhance and improve the web site.

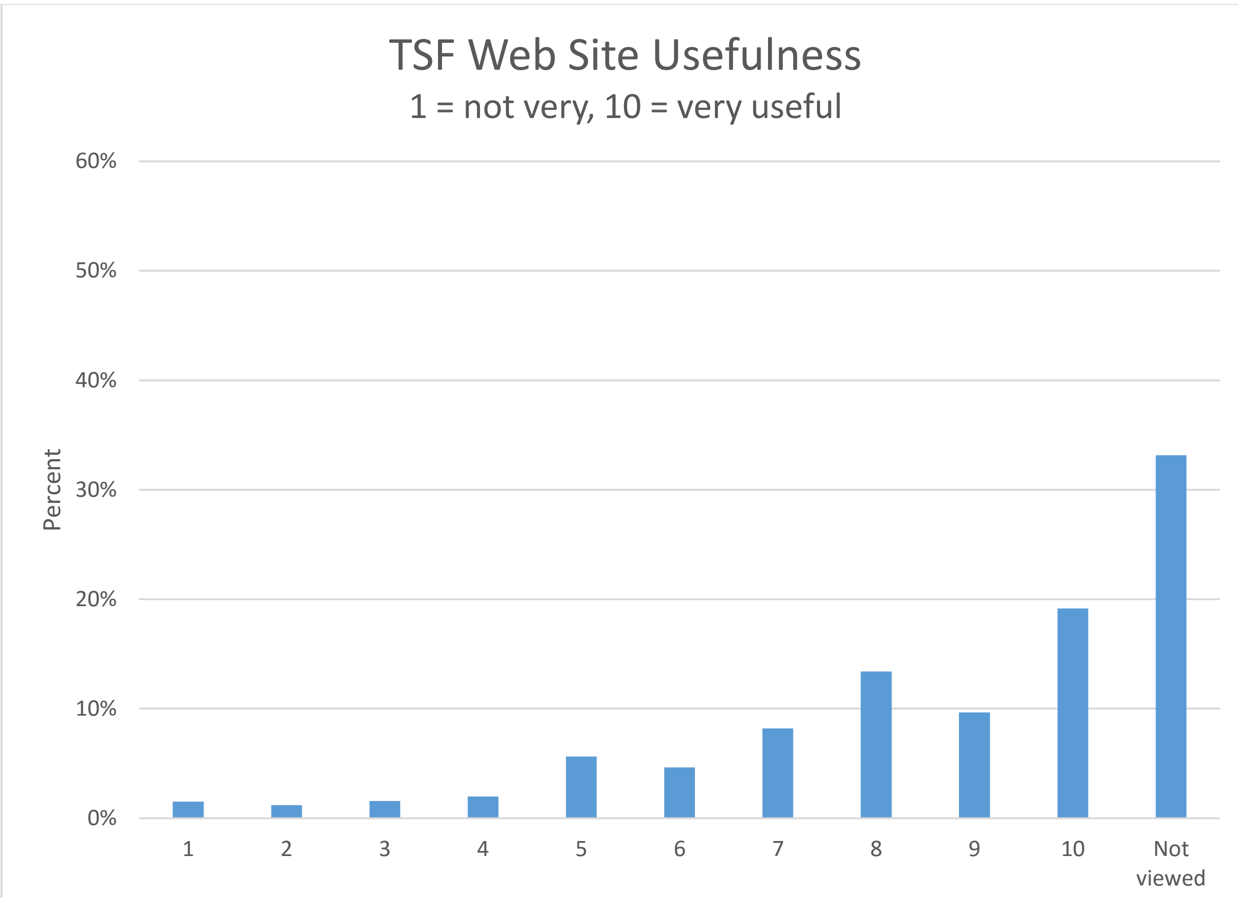


Chart 11.3

The overall rating for TOURISM Santa Fe's Facebook page is 6.0. Two-thirds of respondents did not view TOURISM Santa Fe's Facebook page. This sentiment is reiterated in the associated open-comments, in which a number of people wrote that they do not use social media.

The one-third of respondents who view and rate the page were evenly distributed in their opinions, see Chart 11.4 below. Five percent rated the page with a 1 as not being useful and six percent rated the page with a 10 for being very useful. Later in this section, the use of social media by age class will be presented.

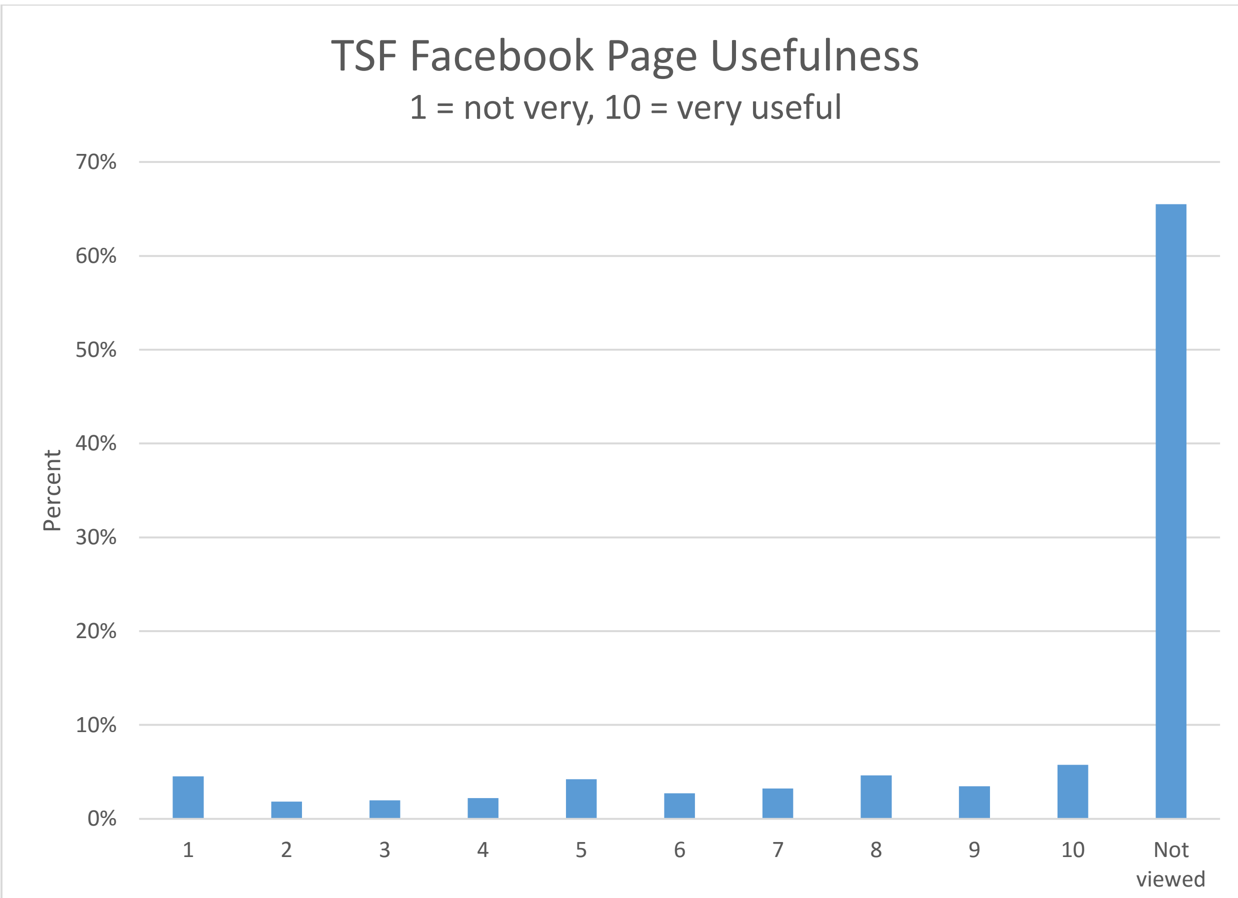


Chart 11.4

Social Media for Santa Fe marketing

Santa Fe visitors tend to not find social media a useful tool for planning travel. Chart 11.5 shows the average rating of each of several common social media platforms. Facebook is deemed most useful with an average rating of 3.7 followed by YouTube at 3.0.

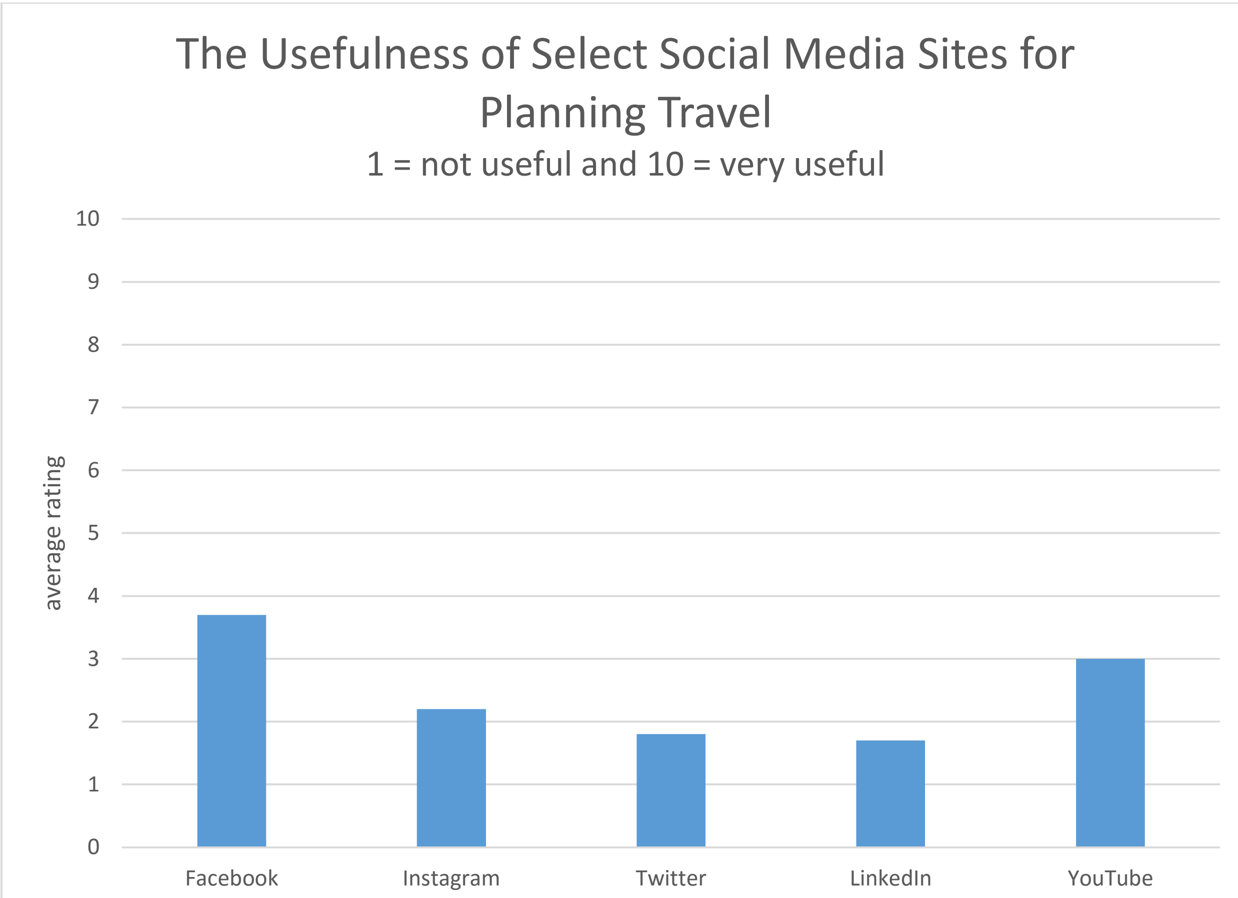


Chart 11.5

A detailed look at the distribution of the most favored social media platform, Facebook, shows that almost half rated it a 1 as useful for planning travel, see Chart 11.6. The remaining 54% of respondents were evenly distributed between 2 and 10.

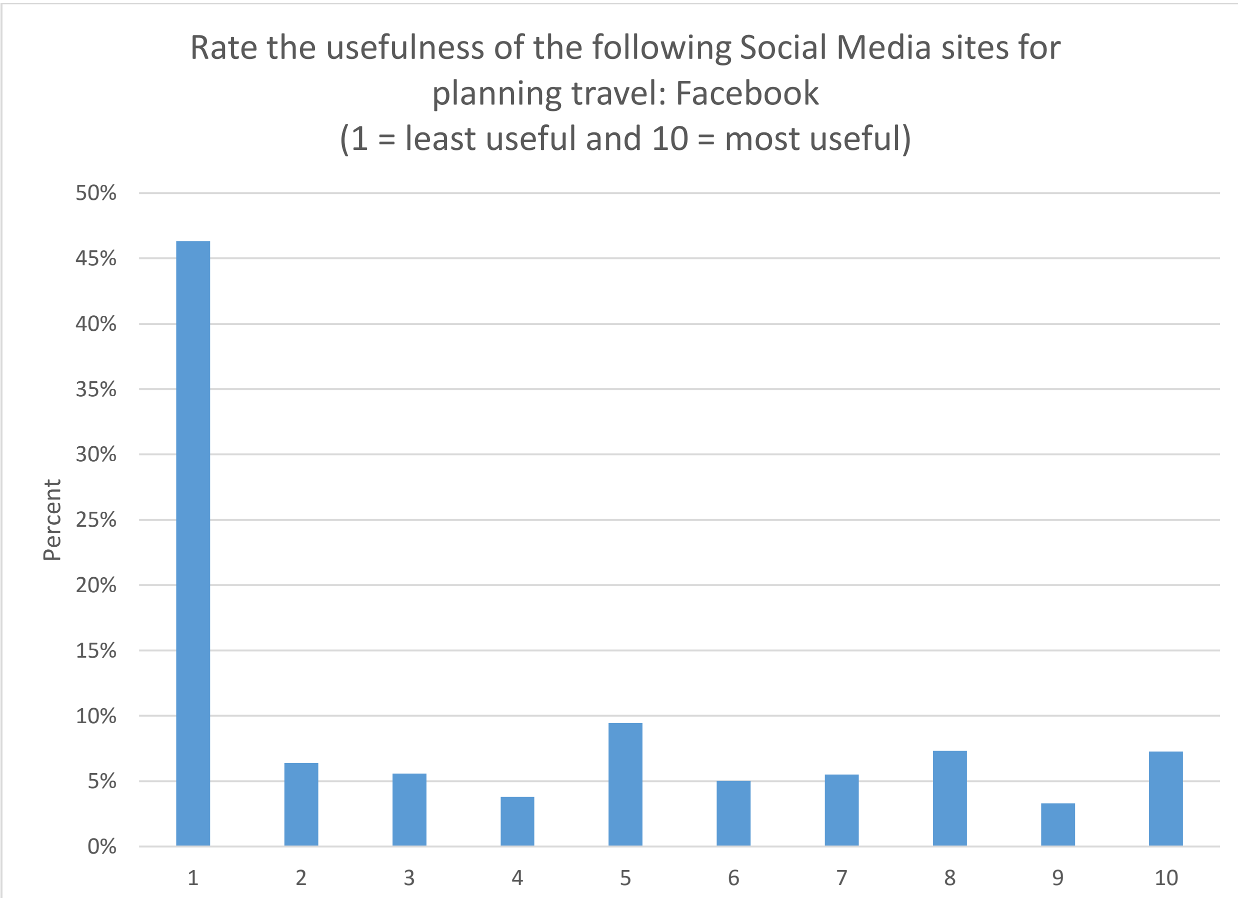


Chart 11.6

Important information sources

Respondents were asked to identify important sources of information for making travel plan decisions. The destination web site is the most significant source of information, as shown in the Chart 11.7 below. Three quarters of older visitors (40 years and up) selected the web site, followed by search (12%) and word of mouth (5%). Younger visitors also favor the web site (56%), but are more likely to use search (22%) and online travel sites (10%). Only 2% of younger visitors selected social media.

Given the value of the destination web site and the fact that 25% of visitors viewing TOURISM Santa Fe's web site rated its usefulness between 1 and 7, further investment and development of the web site appears warranted.

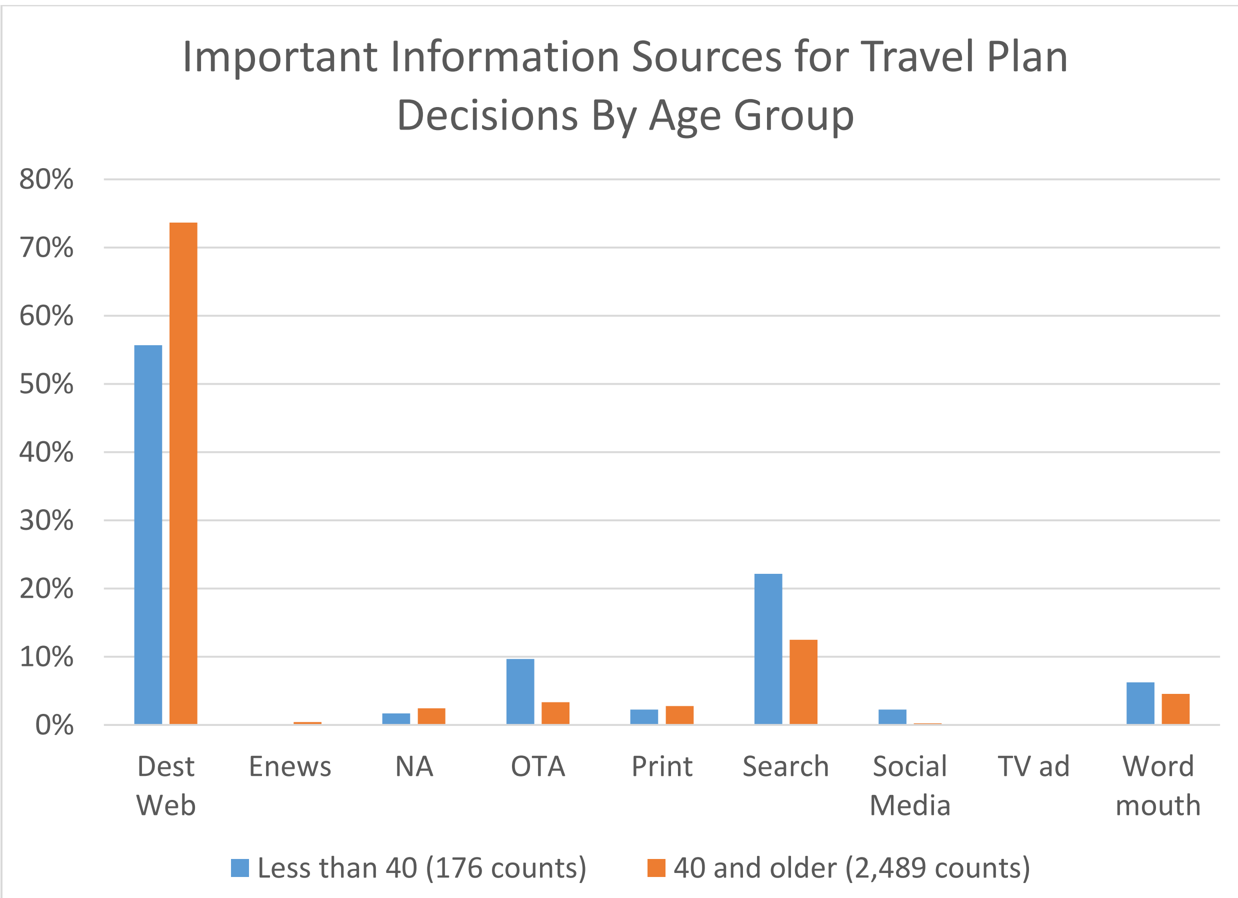


Chart 11.7

Decision Factors

Respondents were asked which top three factors most influence their travel plans, see Chart 11.8. Lodging was most often selected (1,654 counts), followed closely by weather (1,508 counts) and restaurants (1,491 counts). The influence of restaurants is consistent with dining out being the top rated attraction in Santa Fe. Marketing materials that showcase these features will be more influential than others.

Events, travel cost and adult activities are secondary influencers. Respondents were asked for any events they may have attended in an open-format and those are listed in Appendix C.

The relatively low number of counts for shopping (644), along with earlier findings showing shopping participation outweighed its selection as a favorite activity, indicate shopping is not an initial decision driver.

Further research should identify the factors that most influence specific Santa Fe visitor profiles. This will bring a high degree of resolution to Santa Fe's targeted marketing efforts.

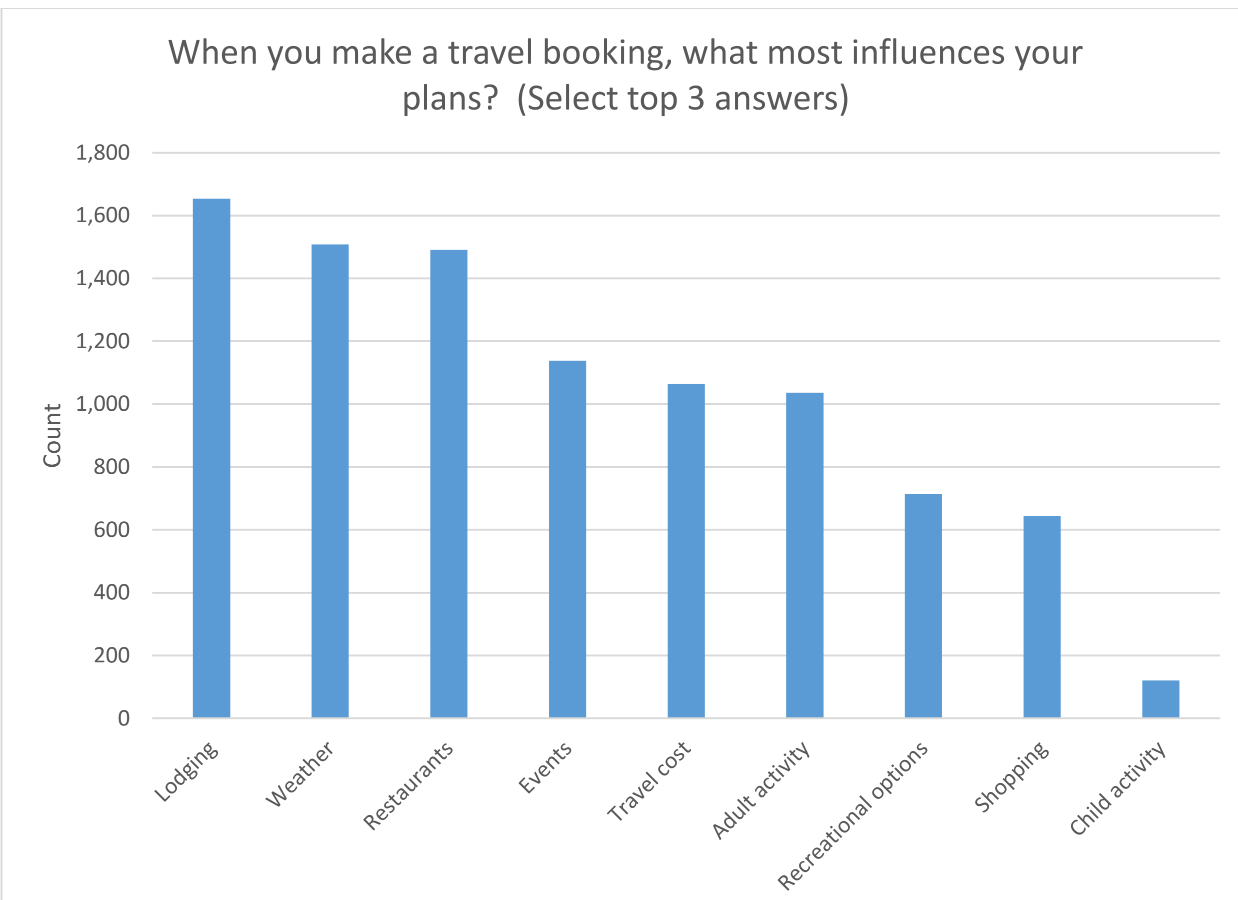


Chart 11.8

Santa Fe brand

To gain insight into Santa Fe's brand identity, respondents were asked to select the top three attributes of Santa Fe. Cuisine and history/culture almost tied at the top of the list with 1,406 counts for cuisine and 1,405 counts for history/culture, as shown in Chart 11.9. Dining and food has been shown to be a primary focus of Santa Fe visitors throughout this study, so it is not surprising that cuisine is the most selected brand attribute. These findings also correlate with the dream vacation question which found Italy to be most popular.

The 2010 study found scenic beauty to be the top reason for choosing to visit Santa Fe. Scenic beauty ranked third in 2015 at 1,023 counts. In 2010, cuisine was lower on the list, generally top five depending on the survey subset. Given the high degree of repeat visitation Santa Fe experiences, one explanation for this shift is that visitors were previously drawn for Santa Fe's scenery and are now returning for its food and dining.

Understanding the relative significance of Santa Fe's brand attributes is very important for the development of future marketing materials.

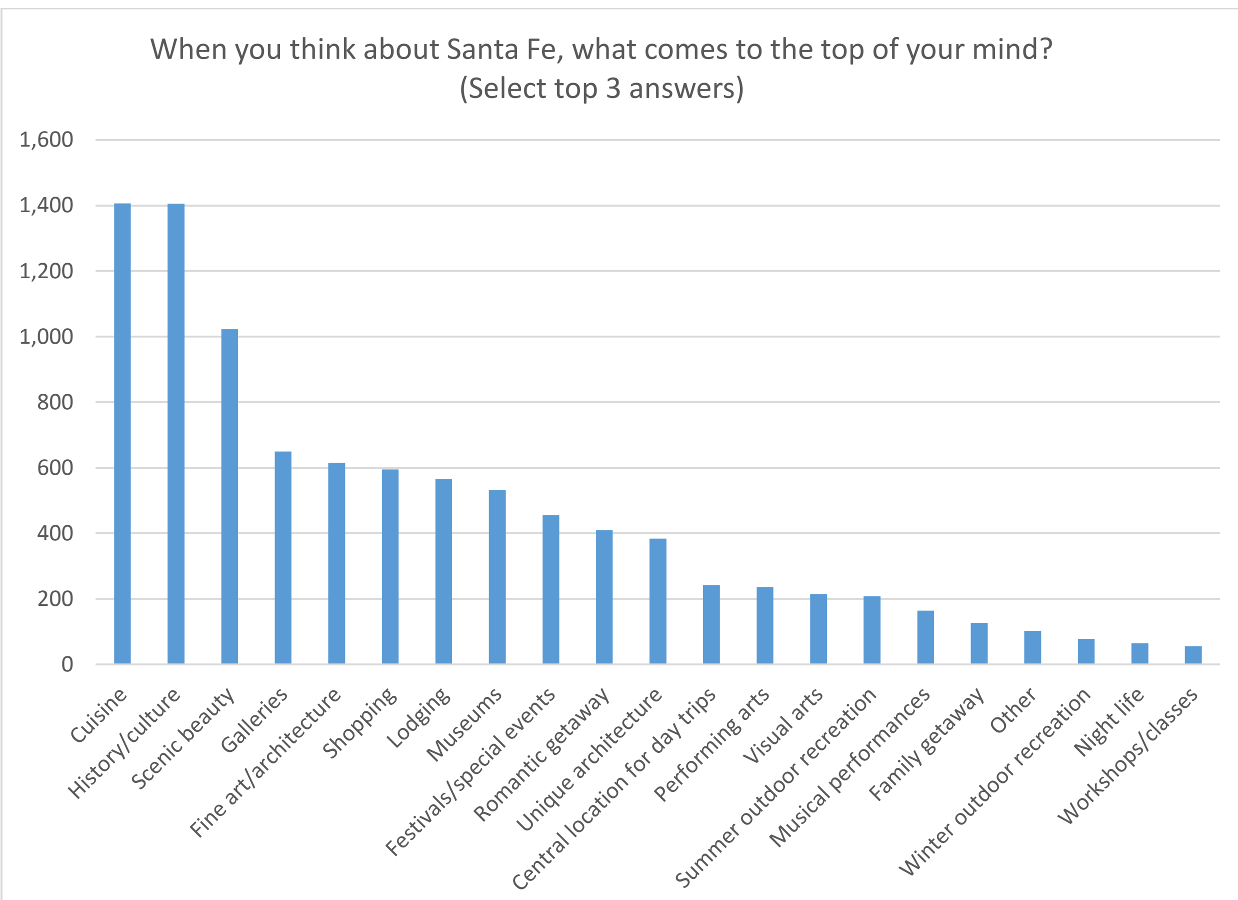


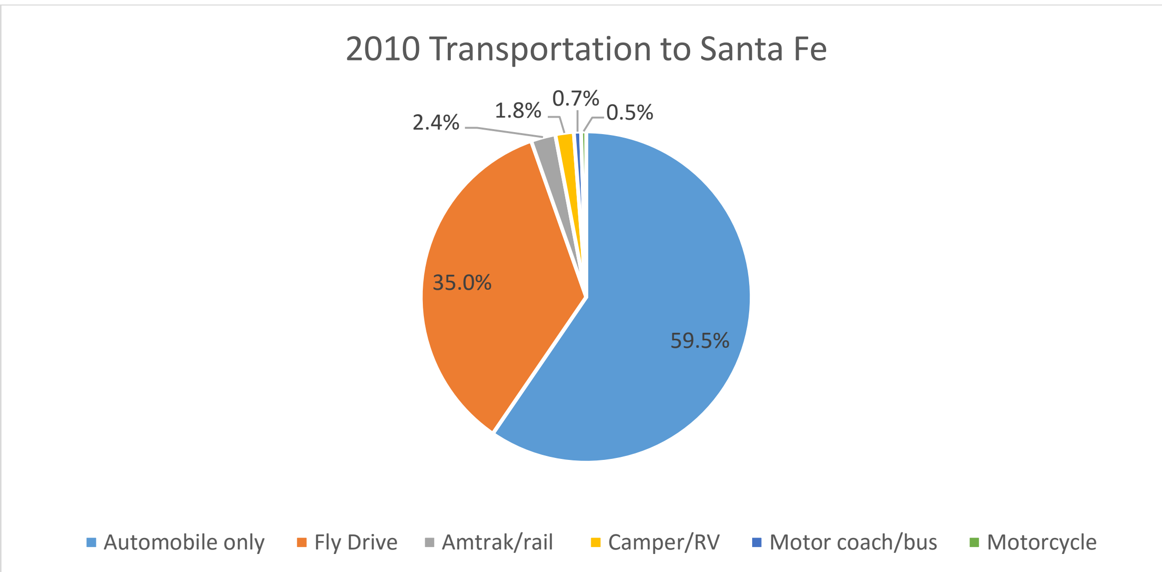
Chart 11.9

12. Transportation Analysis

Travel method to Santa Fe

Santa Fe has seen some shift from ground transport access by travelers to visitors flying to Santa Fe. This has come with the increase in Flights at the Santa Fe Airport in 2015 versus 2010, see Chart 12.1.

Visitors are still mainly accessing Santa Fe by use of their cars. This is the most popular transportation mode at 59% while most of the shift to air came from a decrease in the usage of other ground transportation options. Train, RV and Motorcycle are used much less to travel to Santa Fe and all saw declines since 2010.



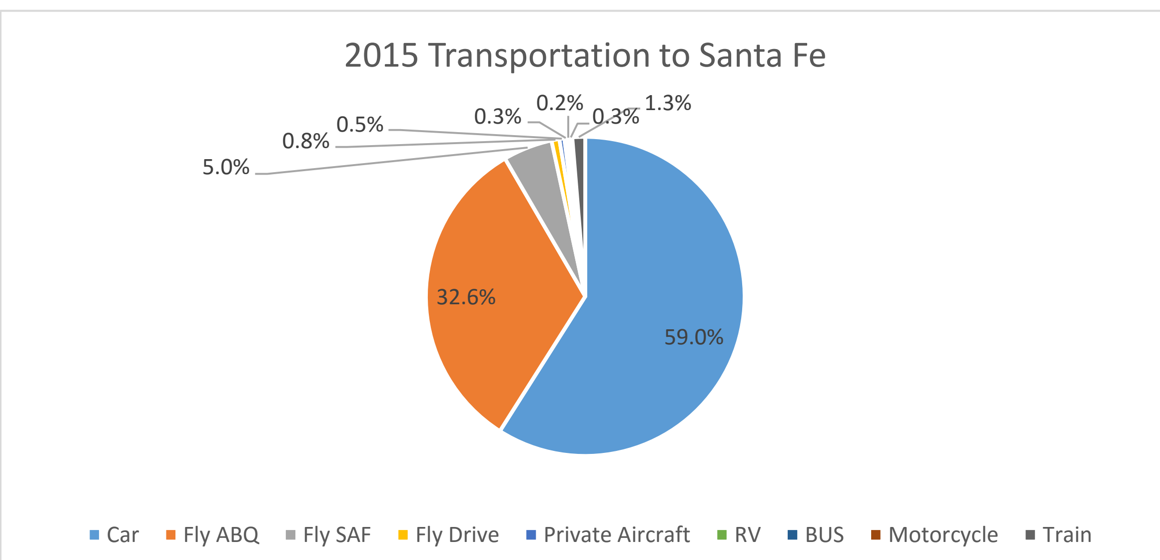


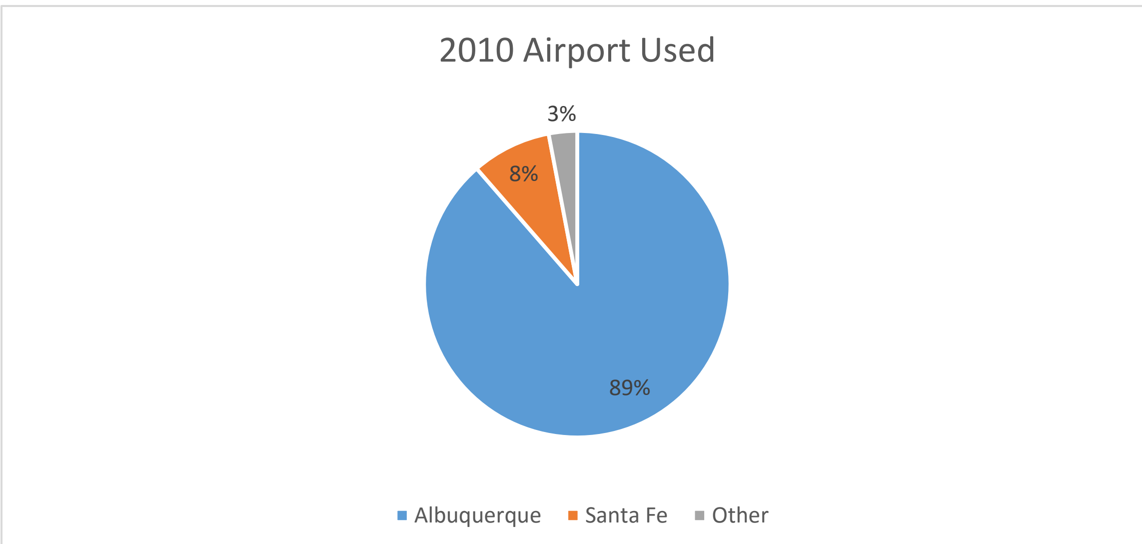
Chart 12.1

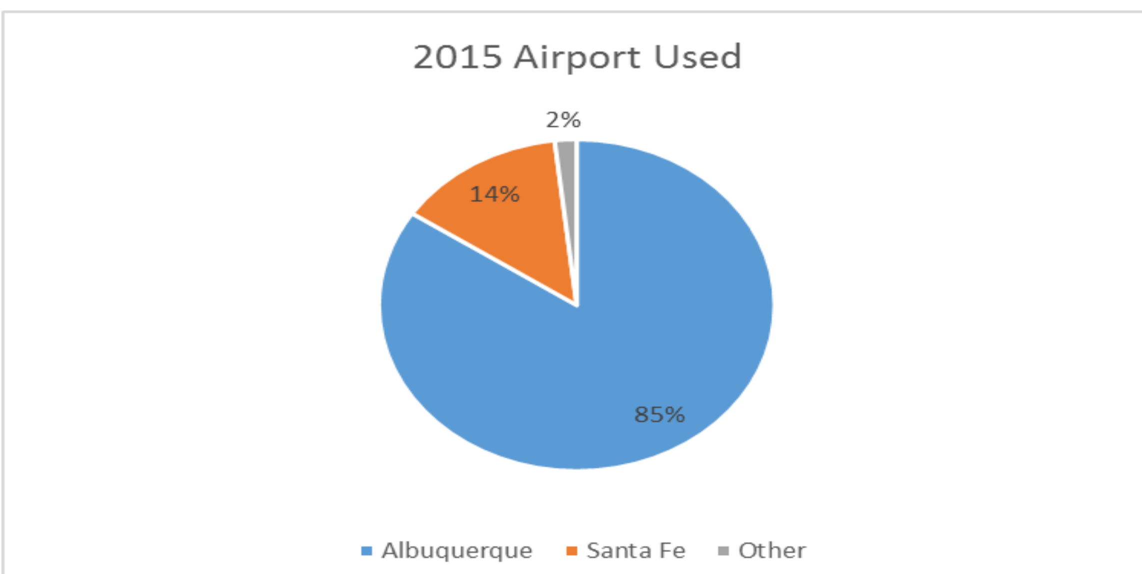
	Ground*	Air*
2010	**65%**	**35%**
2015	**61%**	**40%**

Ground = Car, Bus, Motorcycle, RV, Train
Fly = Fly to Albuquerque, Fly to Santa Fe, Fly to Other Airport, Private Air Flight
Table 12.1

What Airport did you Use?

Santa Fe Airport gained share from the 2010 Travel Study. In 2015 Santa Fe airport carried 14% of flyers traveling to Santa Fe vs. 8% in 2010, see Chart 12.2.





Note: percentages are rounded to the closest full percent in both graphs above
Chart 12.2

Please rank the influence of these factors on your choice of transportation: *(1 = not important and 5 = very important)*					
2015	**Cost**	**Time**	**Convenience**	**Flexibility**	**Comfort**
Car	2.9	2.8	3.3	3.0	3.0
Motorcycle	3.3	4.7	3.0	2.0	2.0
RV	2.1	2.4	3.9	3.4	3.1
Train	3.3	2.6	3.4	2.5	3.2
Fly ABQ	3.4	3.2	3.2	2.5	2.7
Fly SAF	3.2	3.2	3.3	2.6	2.7
Private Air	2.2	2.4	4.0	3.6	2.8
Total	3.0	3.0	3.3	2.8	2.9

Table 12.2

Cost is the major reason for visitors who select flying to Albuquerque. Convenience is the major reason for visitors flying to Santa Fe followed closely by cost and time considerations. Convenience and travel flexibility are the major considerations for visitors who came by Private Air options *(Note: the sample size is very small for private flyers).*

Santa Fe visitors who selected Car also identified convenience as a main reason for selecting this mode of transportation. Car visitors also tended to include Santa Fe as a stop on a multi-destination trip and noted in comments they enjoyed the scenic drive to/from Santa Fe as reasons for driving.

RV visitors and Motorcycle visitors were also a relatively small sample size. RV visitors also noted Convenience as a major reason for choosing this mode of transportation to Santa Fe while Motorcycle visitors noted time as the main decision making factor.

Train visitors noted convenience and cost as the two top reasons for traveling to Santa Fe by train.

In general, cost-focused travelers are traveling in by air and convenience-focused travelers tend to use ground transportation modes to get to Santa Fe. The average rating of Santa Fe modes of transportation versus other destinations is a very strong 9.6 out of 10.

By individual mode of transportation, the ratings ranged from 8.6 for Motorcycle travelers to 10 for bus/motor coach travelers. All modes of transportation rated above 9.0 except for Motorcycle when rating travel to Santa Fe versus other destinations which speaks to transportation access as a definite positive asset to Santa Fe Tourism.

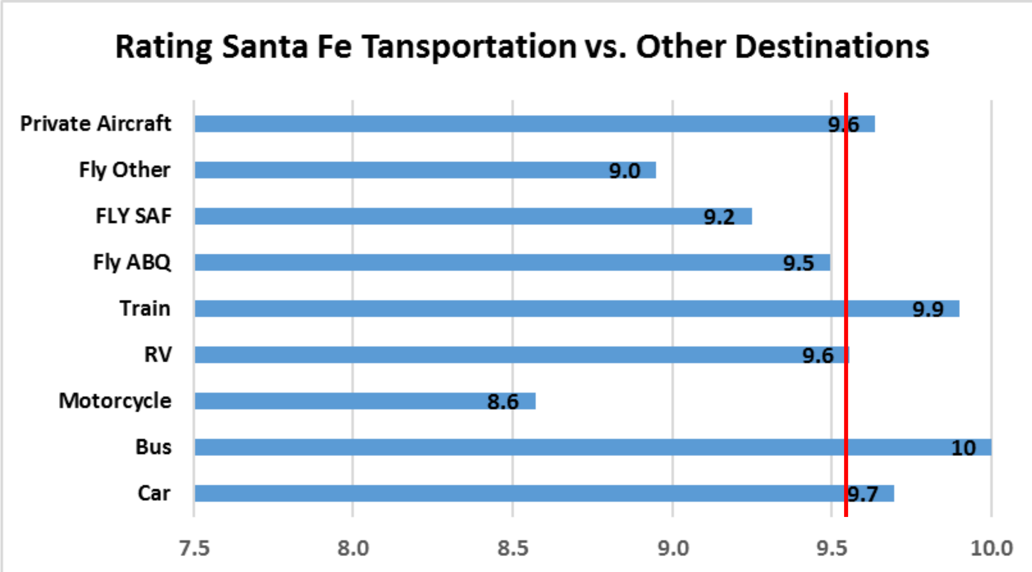


Chart 12.3

Was your most recent visit to Santa Fe a stop-over as part of a longer trip?		
2015	Yes	No
Car	28.0%	72.0%
Bus	33.3%	67.7%
Motorcycle	72.7%	27.3%
RV	1.2%	0.2%
Train	24.2%	75.8%
Fly ABQ	21.9%	78.1%
Fly SAF	10.4%	89.6%
Private	36.4%	63.6%
Ground	28.3%	71.7%
Air	21.2%	78.8%
All	25.5%	74.5%

Table 12.3

In general, ground transportation modes are more likely to include Santa Fe as a stopover on a multi-destination trip then are air related transportation modes.

Exceptions are RV travelers who are showing Santa Fe as the only destination in great numbers. Note that these travelers represent a small sample size which may be skewing this result.

Fly visitor profile

If you purchased both lodging and transportation for your most recent visit to Santa Fe when did you purchase transportation in relation to lodging?						
2015	More Week Prior	Week Prior	Same	Week After	More Week After	Sam
Car	14.8%	5.7%	47.5%	7.4%	24.6%	68
Train	13.6%	9.1%	40.9%	13.6%	22.7%	63
Fly ABQ	11.8%	9.9%	60.9%	5.8%	11.6%	82
Fly SAF	14.3%	11.8%	64.7%	3.4%	5.9%	90
Ground	14.6%	6.3%	46.5%	6.9%	24.3%	67
Air	12.3%	10.0%	61.1%	5.6%	11.0%	83
All	12.6%	9.5%	59.2%	5.9%	12.7%	81

Table 12.4

The results show that most visitors (81.3%) will purchase their transportation at the same time or before they purchase their lodging component of their travel trip to Santa Fe. This is even more acute for Air Transportation (83.4%) than for Ground Transportation modes (67.4%).

The transportation as part of the overall components to a travel trip can be a closing feature to the selection of a trip destination and appears by nature of its placement in the trip component purchase hierarchy to strongly influence this destination decision.

TOURISM Santa Fe and its partners should promote air and train travel deals to their prospective guests and visitor databases.

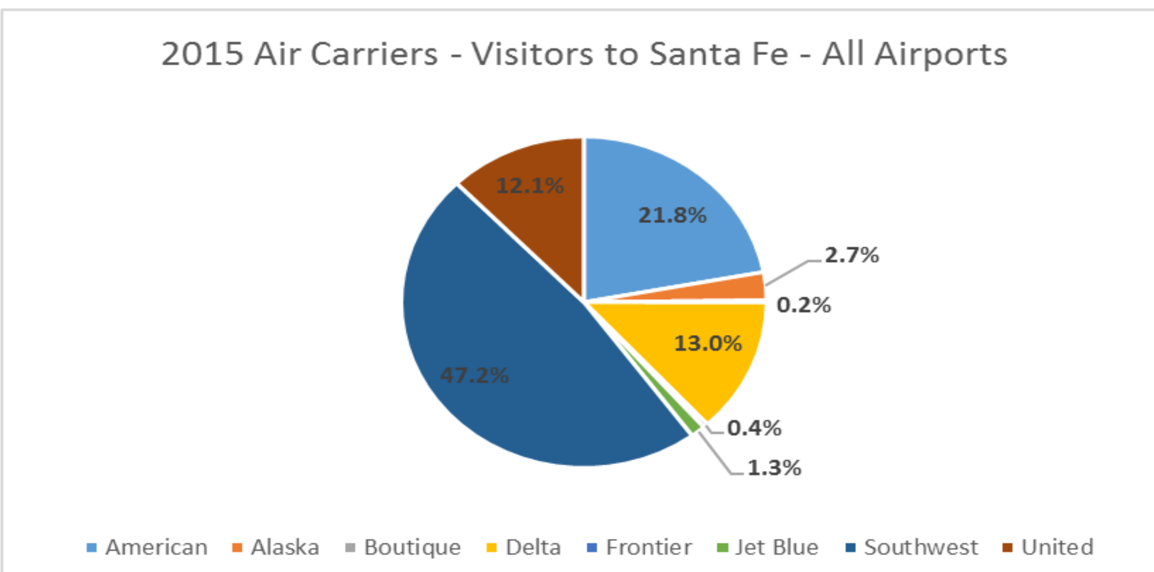


Chart 12.4

Southwest Airlines is clearly the dominant carrier for visitors that fly as part of transportation to Santa Fe. At 47.2% of all air traffic, Southwest is currently capturing almost 1 in 2 air travelers.

Almost all of these Southwest Airlines travelers are flying to Albuquerque then renting a car to get to Santa Fe.

American Airlines is the second most flown carrier at 21.8%. American serves both Albuquerque and Santa Fe airports. Delta is the third most used (13.0%) and currently only serves Albuquerque airport. Santa Fe Tourism should consider supporting air service to Santa Fe airport on Delta should additional airlines be considered for pursuing additional air service at the Santa Fe airport. *(Note: Southwest Airlines flies large aircraft which are not operationally feasible for Santa Fe airport).*

The other carriers listed in Chart 12.4 above as flown airlines only account for 4.6% of all air visitors coming to Santa Fe. Of these, Jet Blue carries 1.3% of all travelers. The Albuquerque Jet Blue service from New York City (JFK), is relatively new, however, so this may be a low representation of potential traffic from NYC on this new flight.

What Carriers did you Fly?	Air Carriers N = 1049							
	American	Alaska	Boutique	Delta	Frontier	Jet Blue	Southwest	United
Fly ABQ	16.9%	3.2%	0.1%	13.6%	0.2%	1.5%	54.6%	9.9%
Fly SAF	58.9%	0.0%	0.8%	8.5%	0.8%	0.0%	7.0%	24.0%
Fly Drive	15.8%	0.0%	0.0%	21.1%	5.3%	5.3%	10.5%	42.1%
All	21.8%	2.7%	0.2%	13.0%	0.4%	1.3%	47.2%	12.1%

Table 12.5

Chart 12.5

Santa Fe Airport captures the highest average airfare of flying travelers to Santa Fe at almost $450 round-trip. Albuquerque captures an average round-trip fare from visitors of $373.06. This compares to an overall average fare for Santa Fe of $625.76 round-trip and $470.90 round-trip from Albuquerque in 2015. Leisure flyers are more price point sensitive than business flyers accounting for the difference in average ticket spend between the survey participants and the D1B1 transportation data from the federal government. Both sets of results, however, show the typically higher fare scenario for Santa Fe.

When cost is a driver visitors are typically using Albuquerque; when convenience is the driver they are using Santa Fe airport.

Average Flight Cost by Airport										
	Less $200	$201 to $250	$251 to $300	$301 to $350	$351 to $400	$401 to $450	$451 to $500	$501 to $550	$551 to $600	$600+
ABQ	4.7%	12.0%	14.7%	14.2%	20.0%	11.1%	8.0%	3.6%	4.6%	7.7%
SAF	3.6%	4.3%	10.9%	8.0%	12.3%	13.0%	12.3%	5.8%	7.2%	18.1%
Other	5.9%	0.0%	17.6%	11.8%	23.5%	5.9%	4.9%	5.9%	0.0%	23.5%

Table 12.6

Table 12.6 shows the percentage of tickets purchased at the different ticket range, which indicates that Santa Fe airport again shows a greater percentage of higher ticket price purchases than the Albuquerque airport. This is most noticeable for tickets costing $351 or more.

When the additional approximately $35 shuttle cost is factored in, Santa Fe airport becomes a more viable option on a total air cost basis in some of these markets. In fact, on a total air cost basis, flying into Santa Fe can actually be less costly than flying into Albuquerque. If this information was tracked regularly, communicated to the tourism community and conveyed to potential guests, it could drive more Santa Fe airport passenger bookings.

Tourists who fly into Santa Fe stay longer and spend more. Increasing the number of tourists flying into Santa Fe directly would likely contribute to an increase in ADR and RevPAR for accommodations in and around Santa Fe.

Top 10 Santa Fe Flight Origination Markets - Price Check			
As of 6/23/16	ABQ	SAF	SAF vs ABQ
Los Angeles	$157	$249	$92
San Francisco	$257	$367	$110
Dallas	$239	$286	$47
Houston	$325	$367	$42
New York City	$252	$289	$37
Chicago	$321	$367	$46
Minneapolis	$266	$301	$35
Austin	$168	$223	$55
Philadelphia	$404	$407	$3
San Diego	$208	$283	$75

Dates Checked 10/11-10/18 +/- 3 Days

Lowest Fare one plane change or less

Table 12.7

Tables 12.8 and 12.9 show the Top 20 Santa Fe Visitor Origination Markets:

Mode of Transportation by DMA - Top 20 DMA's											
Origination Airport	SAF Dist	Drive Time	Bus	Car	Motorcycle	RV	Train	Fly ABQ	Fly SAF	Fly Other	Private Air
Denver, CO	400	6h 5m	0%	95%	0%	0.4%	0%	3%	1.5%	0%	0%
Albuquerque, NM	58	56m	0%	91%	0.4%	0%	5%	2%	1%	0%	0%
Dallas-Ft Worth, TX	646	10h 16m	0%	60%	0%	0.5%	0.5%	28%	11%	0%	0.5%
Los Angeles, CA	841	13h 11m	0%	35%	0%	0%	1%	60%	4%	0%	0%
Houston, TX	883	13h 46m	0%	36%	0%	0%	0%	58%	5%	0%	0%
Phoenix, AZ	518	8h 4m	0%	74%	1%	1%	3%	21%	0%	0%	0%
Oklahoma City, OK	543	8h 17m	1%	93%	0%	0%	0%	3%	1%	0%	1%
Austin, TX	702	11h 17m	0%	76%	0%	0%	0%	28%	7%	1%	1%
Colorado Springs/Pueblo, CO	330	5h 11m	1%	96%	1%	0%	1%	0%	0%	0%	0%
San Francisco, CA	1141	18h 10m	3%	21%	0%	0%	0%	74%	1%	0%	0%
New York, NY	1999	31h 11m	0%	10%	0%	0%	2%	69%	18%	2%	0%
EL Paso, TX	319	4h 54m	0%	98%	0%	0%	0%	2%	0%	0%	0%
San Antonio, TX	726	11h 23m	0%	68%	2%	0%	0%	24%	4%	0%	2%
Amarillo, TX	287	4h 27m	0%	100%	0%	0%	0%	0%	0%	0%	0%
Chicago, IL	1274	20h 11m	0%	23%	0%	2%	2%	62%	4%	2%	4%
Tucson, AZ	504	7h 45m	0%	87%	0%	0%	3%	10%	0%	0%	0%
Minneapolis, MN	1199	18h 48m	0%	28%	0%	0%	0%	66%	6%	0%	0%
San Diego, CA	865	13h 29m	0%	34%	0%	0%	6%	53%	6%	0%	0%
Philadelphia, PA	1934	29h 35m	0%	10%	3%	0%	0%	67%	17%	0%	0%
Grand Junction-Durango, CO	234	3h 54m	0%	96%	0%	0%	0%	0%	4%	0%	0%

Table 12.8

The above origination markets are ranked by total travelers. 7 of the top 10 have car as the dominant mode of transportation despite some long travel distances. For example, even though there is non-stop flight service from Dallas to Santa Fe on American, 60% of travelers drive the approximately 650 miles from Dallas to Santa Fe.

Mode of Transportation by DMA - Top 20 DMA's											
Origination Airport	SAF Dist	Drive Time	Bus	Car	Motorcycle	RV	Train	Fly ABQ	Fly SAF	Fly Other	Private Air
San Francisco, CA	1141	18h 10m	3%	21%	0%	0%	0%	74%	1%	0%	0%
New York, NY	1999	31h 11m	0%	10%	0%	0%	2%	69%	18%	2%	0%
Philadelphia, PA	1934	29h 35m	0%	10%	3%	0%	0%	67%	17%	0%	0%
Minneapolis, MN	1199	18h 48m	0%	28%	0%	0%	0%	66%	6%	0%	0%
Chicago, IL	1274	20h 11m	0%	23%	0%	2%	2%	62%	4%	2%	4%
Los Angeles, CA	841	13h 11m	0%	35%	0%	0%	1%	60%	4%	0%	0%
Houston, TX	883	13h 46m	0%	36%	0%	0%	0%	58%	5%	0%	0%
San Diego, CA	865	13h 29m	0%	34%	0%	0%	6%	53%	6%	0%	0%
Austin, TX	702	11h 17m	0%	0%	0%	0%	0%	28%	7%	1%	1%
Dallas-Ft Worth, TX	646	10h 16m	0%	60%	0%	0.5%	0.5%	28%	11%	0%	0.5%
San Antonio, TX	726	11h 23m	0%	68%	2%	0%	0%	24%	4%	0%	2%
Phoenix, AZ	518	8h 4m	0%	74%	1%	1%	3%	21%	0%	0%	0%
Tucson, AZ	504	7h 45m	0%	87%	0%	0%	3%	10%	0%	0%	0%
Denver, CO	400	6h 5m	0%	95%	0%	0.4%	0%	3%	1.5%	0%	0%
Oklahoma City, OK	543	8h 17m	1%	93%	0%	0%	0%	3%	1%	0%	1%
EL Paso, TX	319	4h 54m	0%	98%	0%	0%	0%	2%	0%	0%	0%
Albuquerque, NM	58	56m	0%	91%	0.4%	0%	5%	2%	1%	0%	0%
Colorado Springs/Pueblo, CO	330	5h 11m	1%	96%	1%	0%	1%	0%	0%	0%	0%
Amarillo, TX	287	4h 27m	0%	100%	0%	0%	0%	0%	0%	0%	0%
Grand Junction-Durango, CO	234	3h 54m	0%	96%	0%	0%	0%	0%	4%	0%	0%

Table 12.9

A review of the top markets for Santa Fe visitors tends to indicate that 800 miles is the critical distance for determining whether a visitor drives or flies to Santa Fe. As the distance from Santa Fe increases, a higher percentage of travelers choose to fly to Santa Fe.

With the loss of non-stop service from Los Angeles to Santa Fe on American Airlines in the coming year, TOURISM Santa Fe should watch closely where Los Angeles falls in the list of top 20 DMAs. Los Angeles visitors may shift to Albuquerque flights, or may choose an alternative destination.

Air Travelers Skew Older and at a Higher Income Level

In general, air travelers are older (average age over 40) and have higher incomes see Table 12.10. Almost 48% of travelers earning $140,000+ are traveling by air, while only about 31% of travelers earning under $100,000 are traveling in by air. Only about 30% of air travelers are under 40 years old and this share increases to about 40% for travelers' age 40+.

2015 Age & Income by Transportation Mode						
	AGE			Income		
% at Age by Transportation	Under 40 N=174	40-59 N=974	60+ N=1490	Under $100,000 N=973	$100,000 – $139,999 N=617	$140,000 + N=886
Bus	0.0%	0.4%	0.1%	0.1%	0.3%	0.3%
Car	70.1%	57.6%	59.0%	65.8%	61.6%	51.0%
Motorcycle	0.0%	0.4%	0.2%	0.4%	0.2%	0.2%
RV	0.0%	0.1%	0.5%	0.5%	0.2%	0.0%
Train	0.0%	1.2%	1.5%	2.1%	0.8%	0.5%
Fly ABQ	23.0%	33.3%	32.9%	26.4%	31.8%	39.4%
Fly SAF	6.3%	5.3%	4.7%	3.6%	4.7%	6.4%
Fly Other	0.6%	1.1%	0.7%	1.0%	0.5%	1.0%
Private Air	0.0%	0.5%	0.4%	0.1%	0.0%	1.1%
All Fly/Drive	29.9%	40.1%	38.7%	31.1%	37.0%	47.9%

Table 12.10

Air Travelers to Santa Fe Stay Longer

Air travelers stay more than a half a day longer than visitors traveling to Santa Fe via a ground mode of transportation (4.6 nights air versus 4.0 nights ground), see Chart 12.6. This difference in length of stay is even more pronounced for visitors who fly into Santa Fe (SAF) airport where the average length of stay is 5.2 nights compared to the average length of stay of 4.0 nights for visitors who travel to Santa Fe by ground or car.

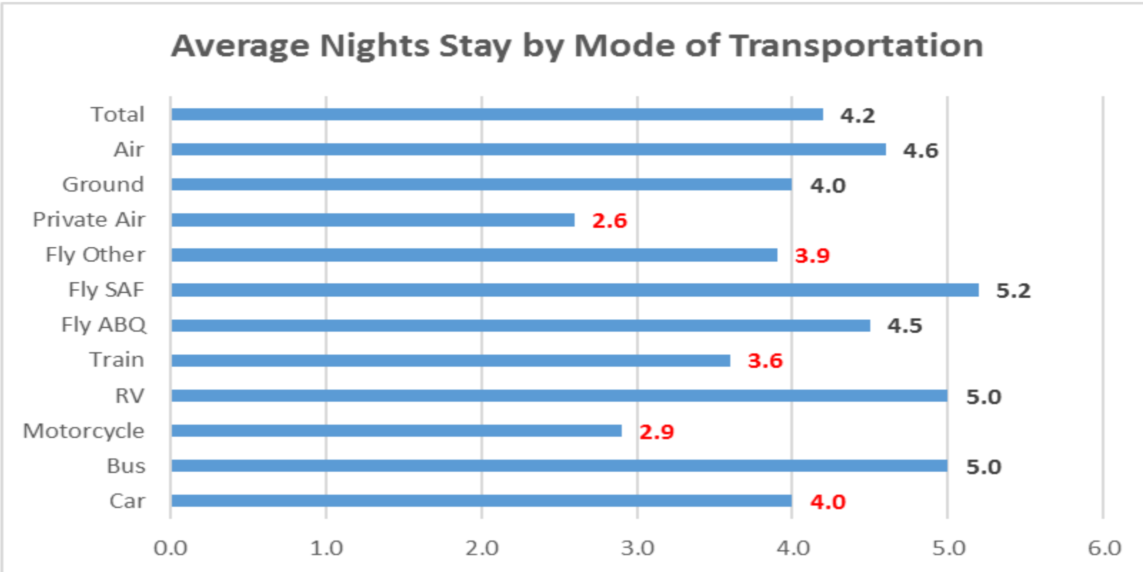


Chart 12.6

Air Travelers to Santa Fe Spend More

On a trip basis, the total average trip spend of a Santa Fe visitor arriving by air service versus a visitor arriving by ground transportation is about $486 more per trip. Air travelers spend about 53% more than ground travelers.

This effect is magnified for air travelers arriving into Santa Fe directly. Visitors arriving at the Santa Fe airport spend $363 more on average than those air travelers arriving in Albuquerque (26% more) and $809 more than visitors arriving in Santa Fe by ground transportation (83% more).

Understanding the Santa Fe Airport visitor and targeting programs and actions to these visitors flying into the Santa Fe airport could positively increase ADR, Rev Par and other tourism revenue metrics.

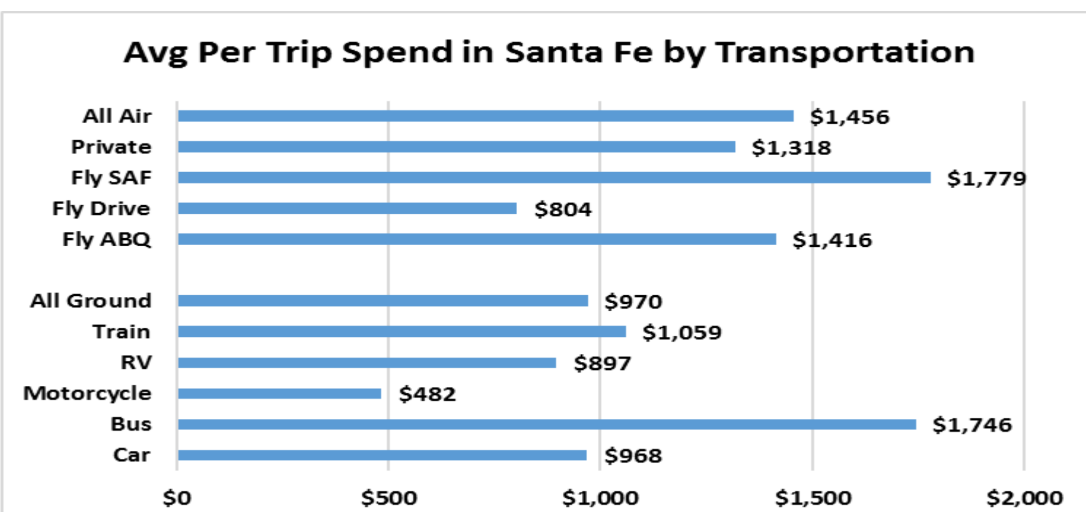


Chart 12.7

Note: RV, Motorcycle and Bus visitors represent a small sample size in the chart above.

Air Travel is Strongest in Santa Fe's Peak Months

On both a breakout by month and in relation to other ground modes of transportation, air travel is strongest in Santa Fe's peak months. In the month of February, visitors arriving by air represent 47% of all visitation.

2015	Month of Travel by Mode of Transportation												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Car	67%	53%	58%	57%	65%	63%	65%	57%	56%	56%	58%	61%	59%
Bus	0%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Motorcycle	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
RV	0%	0%	1%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
Train	2%	0%	1%	2%	1%	2%	0%	1%	1%	2%	1%	0%	1%
Fly ABQ	25%	42%	33%	34%	29%	28%	29%	35%	36%	34%	34%	31%	33%
Fly SAF	6%	5%	3%	6%	5%	4%	4%	6%	5%	5%	5%	7%	5%
Fly Other	0%	0%	1%	1%	0%	0%	1%	2%	1%	1%	1%	0%	1%
Private Air	0%	0%	1%	1%	0%	0%	0%	0%	0%	1%	2%	0%	0%
Ground	69%	53%	62%	59%	66%	67%	66%	58%	58%	59%	59%	62%	61%
Air	31%	47%	38%	41%	34%	33%	34%	42%	42%	41%	41%	38%	39%

Ground = Car+Bus+Motorcycle+RV+Train & Air Equals all other above

Table 12.11

2015	Monthly % of Travel for Each Mode of Transportation											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Car	4%	3%	6%	7%	10%	8%	10%	12%	12%	13%	6%	9%
Bus	0%	0%	20%	0%	0%	40%	0%	20%	20%	0%	0%	0%
Motorcycle	0%	0%	0%	0%	14%	0%	14%	14%	43%	0%	0%	14%
RV	0%	0%	22%	0%	0%	11%	0%	11%	0%	44%	0%	11%
Train	6%	0%	6%	13%	9%	16%	3%	6%	6%	28%	6%	0%
Fly ABQ	3%	5%	6%	8%	8%	6%	8%	13%	14%	14%	6%	8%
Fly SAF	5%	4%	4%	9%	9%	7%	8%	14%	12%	12%	7%	11%
Fly Other	0%	0%	11%	5%	5%	5%	11%	26%	16%	16%	5%	0%
Private Air	0%	0%	9%	9%	0%	9%	0%	0%	9%	36%	27%	0%
Ground	4%	3%	6%	7%	10%	8%	10%	12%	12%	13%	6%	9%
Air	3%	4%	6%	8%	8%	6%	8%	13%	14%	14%	7%	8%

Ground = Car+Bus+Motorcycle+RV+Train & Air Equals all other above

Table 12.12

Implications of Fuel Price Trends

January of 2016 saw a low point in both auto and aviation fuel pricing. AAA observed this was the second lowest level for fuel prices in a decade. When oil prices decline, gasoline prices tend to fall by a greater percentage than aviation fuel. Thus, lower price troughs can drive more price point sensitive travelers to use their cars than to fly.

GasBuddy.com projects that gas prices will rise through July 2016 then start to drop again down to an average of $2.01 for gas for December 2016. The average gas price for 2016 is expected to be $2.28 vs. the 2015 average of $2.40.

With a similar expected pricing environment in 2016 to 2015, we would expect pretty similar usage of the modes of transportation for travelers to Santa Fe. Note: Fuel prices can be very volatile and sensitive to global wars, economic downturns and other impacts that can throw forecasts off. This volatility also makes it difficult to come up with very accurate long-term fuel price forecasts.

13. Summary

This report outlines the general demographic and geographic profiles of 2015 visitors to Santa Fe, including visitor preferences. As a research-based marketing organization, TOURISM Santa Fe will be able to develop marketing messages for each visitor based on the information acquired in this study.

Research-based marketing strategies will segment visitors by geographic market, month of visitation, travel method, and many other factors. For example, a breakdown by month of visitation shows niche opportunities for marketing Santa Fe's most popular activities. Identifying Santa Fe's top competitors, based on the opinions of Santa Fe's visitors, allows TOURISM Santa Fe to better differentiate the Santa Fe experience from those of its true competition.

The potential for exploiting the data presented in this report is only limited by the number of questions that can be asked of it. For instance, how does the profile of visitors planning to return within the next year compare to those who do not plan to return? Is there a correlation in income, residence and activities visited? How does the average reservation lead time compare for Cerrillos Road properties to that of downtown properties? Individual properties may take insight from this study to improve their own marketing initiatives. The possibilities for further analysis and customization of marketing messages are limitless.

Advance reservation data should be collected as a key part of a long-term marketing platform. This information would allow TOURISM Santa Fe to forecast periods of both strong and weak sales growth, as well as strengths and weaknesses of geographic markets. For example, knowing well in advance that reservations from New York are weak in September and October of the current year, TOURISM Santa Fe could focus effort into that specific market with a campaign focused on New Yorkers in a more meaningful manner. Basing such a campaign on research and analysis will allow TOURISM Santa Fe to communicate with guests in a more meaningful manner, and likely deliver a more meaningful response.

This research and analysis will support Santa Fe's comprehensive marketing plan and will contribute to a long term destination market research program.

14. Appendices

A. Survey instrument
B. List of properties submitting zip code data
C. Open comments
    a. TSF information sources useful?
    b. Decision factors
    c. Why did you choose to visit Santa Fe on your most recent trip?
    d. Attractions and activities experienced
    e. Favorite attraction
    f. Special events attended
    g. Brand attributes
    h. Net promoter
    i. Lodging
    j. Travel method
    k. Transportation factors
    l. Transportation purchase
    m. Likelihood of visit in next five years

This Visitors Information Survey was sponsored and directed by Tourism Santa Fe on behalf of the area' s tourism dependent businesses, and produced by a team of destination travel research experts, anchored by DestiMetrics LLC, a Denver based destination travel research company, who was selected by TSF based on a related RFP.

Key contributors to the initiative include the following, in addition to the TSF management, Randy Randall, CEO, and Cynthia DelGado, Director of Marketing.

Jeff Moffett, Team Lead, Principal of Triple Point Strategic Consulting LLC
Jeff has three decades of experience in the fields of data modelling, resort marketing, revenue management, and statistics, and economic analysis. Jeff began his career in environmental economics and forest resources, before transitioning to the ski industry where he has specialized in pricing, marketing and central reservations. Three years ago Jeff launched Triple Point to provide marketing and pricing strategies to resort and travel industry clients. Jeff earned an M.S. in econometrics and Ph.D. in applied statistics from the University of Washington.

Aaron Huckstep ("Huck"). Principal, Huckstep Law
Huck served two terms as Mayor of the Town of Crested Butte, Colorado, from November 2011 to November 2015. During his tenure, he worked diligently to strengthen relationships with other local governments and businesses. Huck was a Board Member of the Colorado Association of Ski Towns between October 2012 and November 2015, serving as the President in 2015. Huck served as the Chair of Crested Butte's local organizing committee for the USA Pro Cycling Challenge for three years. In addition to his public service commitments, Huck's professional career is extensive, including work with Ernst & Young, LLP, and running his law firm serving clients throughout Colorado. From 2006 through 2008, Huck lived and practiced law in New Mexico.

Ralf Garrison, Founder/Principal of DestiMetrics and Advisory Group Inc.
Ralf leads a Denver-based, travel research company and its parent Advisory Group Inc., a strategic marketing and consulting services company. Established in 1984, the Group has grown to provide a family of destination marketing and research services, with dozens of destinations and resorts, hundreds of lodging properties and several thousand subscribers, that all focus on destination resort communities and their tourism-dependent businesses. The Advisory Group stewards a number of businesses including the Mountain Travel Symposium, Central Reservations Association, Destination Summit and ASSEMBLY.

Tom Foley, Director of Operations and Senior Analyst at DestiMetrics, LLC
Tom presents from a unique perspective regarding macro and micro economic trends and conditions in destination travel markets that makes presentations informative and actionable. Foley's foundation in research-based marketing metrics and a deep background in leisure travel provide him with a solid foundation from which he writes, presents and consults on DestiMetrics' behalf to the destination marketing organizations and their tourism-dependent businesses in mountain and warm-weather markets across the country that make up DestiMetrics' subscribers.

Scott Stewart, President of Community Flights
Scott has held management positions in the airline and tourism industries for over 25 years. Scott has a history of helping communities expand their tourism reach through effective utilization of their air service and in turn increasing tourist visitor spending. Community Flights is an air service support, development and management company, whose current clients include Crested Butte Mountain Resort and the Durango La Plata County Airport. Former clients and employers include Telluride Ski Resort, Colorado Flights Alliance, Purgatory Ski Resort, Reno Airlines and American Airlines.