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AUGUST 31, 2020

New Mexico Tourism Department

# Reflection: Tourism Economy

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# Where we started 2020



- **Nine Years** of Record-Breaking Growth
- 2019 Visitor Spending **\$7.4 Billion**, an 18% (or \$1B) increase since 2015
- **96,064 Jobs** supported by visitor spending, an increase of over 7% since 2015
- **\$737 Million** in 2019 state and local taxes
- Next to oil/gas, tourism is the **2nd Fastest Sector** in job growth

Albuquerque's annual percentage growth (2019 compared to 2018) related to 4 key hotel industry KPIs were among the top 10 in the country.

Source: Hotel News Now; Visit Albuquerque



Research



## The top 10 US markets in 2019 for each hotel KPI

20 FEBRUARY 2020 9:58 AM

### REVENUE CHANGE

US AVERAGE 3.0%

| MARKETS | TOP 25 MKT | ANNUAL % CHANGE |
|---------|------------|-----------------|
| 1       |            | 16.4%           |
| 2       | X          | 11.6%           |
| 3       | X          | 10.5%           |
| 4       |            | 10.1%           |
| 5       |            | 9.7%            |
| 6       |            | 9.0%            |
| 7       |            | 8.6%            |
| 8       |            | 8.5%            |
| 9       |            | 7.6%            |
| 10      |            | 7.5%            |

### OCCUPANCY

US AVERAGE: 0%

| MARKETS | TOP 25 MKT | ANNUAL % CHANGE |
|---------|------------|-----------------|
| 1       |            | 12.3%           |
| 2       |            | 5.1%            |
| 3       |            | 4.9%            |
| 4       |            | 4.3%            |
| 5       |            | 3.8%            |
| 6       |            | 3.6%            |
| 7       |            | 3.2%            |
| 8       |            | 3.1%            |
| 9       |            | 2.8%            |
| 10      |            | 2.5%            |



Research



## The top 10 US markets in 2019 for each hotel KPI

20 FEBRUARY 2020 9:59 AM

### ADR

US AVERAGE 1.0%

| MARKETS | TOP 25 MKT | ANNUAL % CHANGE |
|---------|------------|-----------------|
| 1       |            | 5.3%            |
| 2       | X          | 4.2%            |
| 3       | X          | 4.1%            |
| 4       |            | 3.8%            |
| 5       |            | 3.4%            |
| 6       |            | 3.4%            |
| 7       |            | 3.3%            |
| 8       |            | 3.2%            |
| 9       |            | 3.0%            |
| 10      |            | 3.0%            |

### REVPAR

US AVERAGE 0.9%

| MARKETS | TOP 25 MKT | ANNUAL % CHANGE |
|---------|------------|-----------------|
| 1       |            | 15.1%           |
| 2       |            | 10.4%           |
| 3       |            | 7.1%            |
| 4       |            | 6.9%            |
| 5       |            | 6.2%            |
| 6       |            | 6.0%            |
| 7       |            | 5.8%            |
| 8       |            | 5.4%            |
| 9       |            | 5.0%            |
| 10      | X          | 4.5%            |

# Thank you, Tourism Professionals!

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- Created jobs for our neighbors.
- Brought shoppers to our Main Streets, Frontier Communities, art galleries, museums, and restaurants.
- Shared our culture, heritage, and beautiful outdoor adventures.
- Produced experiences that all New Mexico get to enjoy and share.
- Welcomed corporate conferences, tradeshow and meetings from around the country; elevating our business community.
- Enhanced the quality of life for all New Mexicans.

# COVID & Tourism



## Visitor Spend (lost revenue)

- Losing an average of \$403 Million in visitor spending per month
- A loss of over \$2 Billion so far (March – July)
- Over \$82 Million in lost state GRT (March – July)
- Over \$22 Million in lost local GRT so far (March – July)

## Unemployment Insurance (new state expenses)

- As of August, there are 23,644 unemployed workers from the accommodations and food service sector
- Costing a cumulative total of \$271 Million (March – July)

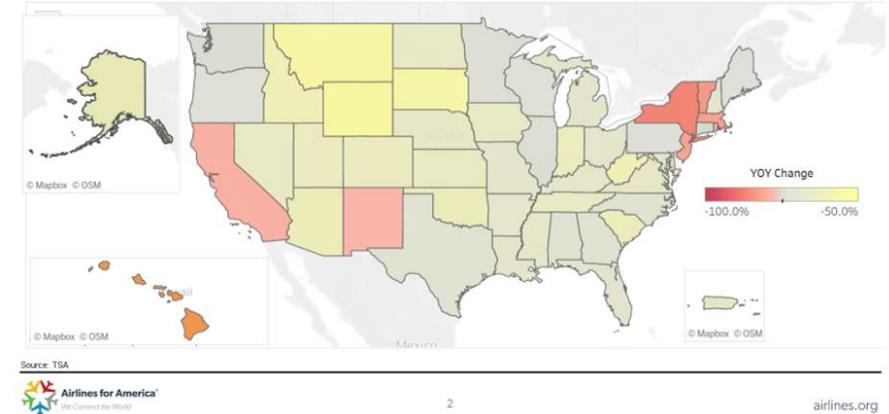
**Total 2020 *Projected***  
**Cost to State**  
**\$4.3 Billion**

in visitor spending, taxes and unemployment benefits

New Mexico among the 10 states and jurisdictions with the largest year-over-year declines in TSA checkpoint volume. (-78%).

Source: American Airlines study; Smith Travel Research; Visit Albuquerque

**In July, TSA Checkpoint Volumes Declined Most in New York, Hawaii, DC, Vermont and MA/NJ**  
% Change in Traveler Throughput by U.S. State – July 2020 vs. July 2019

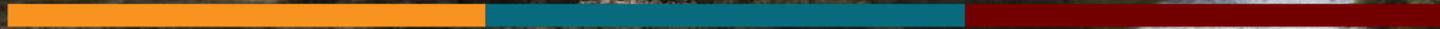


➤ **YTD ROOM REVENUE % CHANGE (JAN- JULY 2020 VS. JAN- JULY 2019)**

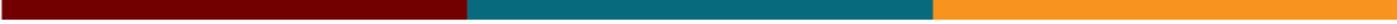
|                        |        |
|------------------------|--------|
| ABQ MARKET-WIDE        | -47%   |
| DOWNTOWN MTGS* SEGMENT | -61.9% |
| UPTOWN MTGS* SEGMENT   | -56.9% |
| AIRPORT MTGS* SEGMENT  | -60.5% |

\*Made up of the top 5 meetings (group) properties in each corridor

# Readiness: Our Current Focus

A scenic landscape photograph of a river winding through a lush, green valley. The river is the central focus, with a person standing in the water, likely fishing. The banks are covered in dense, vibrant green vegetation. In the background, rolling hills and mountains are visible under a soft, hazy sky, suggesting a sunrise or sunset. The overall mood is peaceful and natural.

# Research and Data

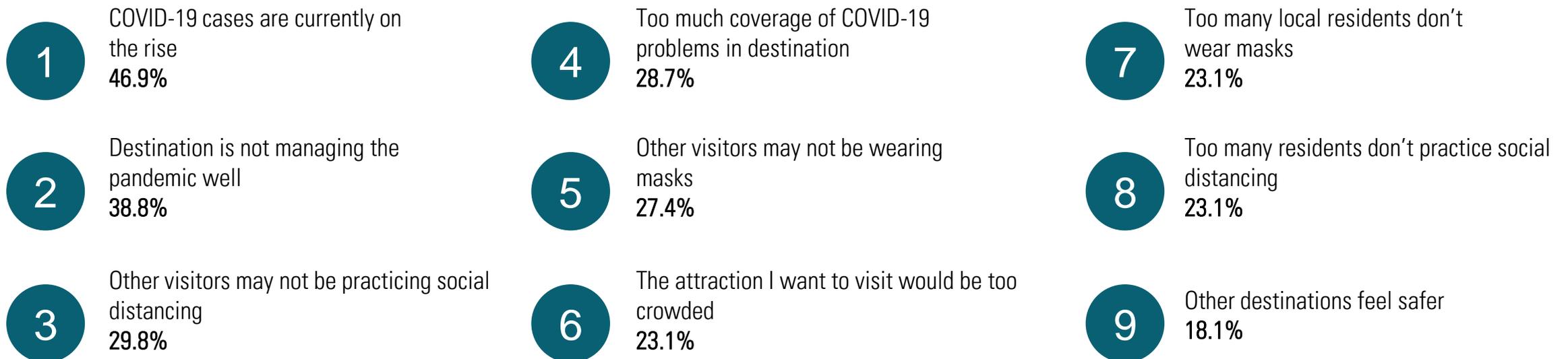


- Tourism Employment Study, first edition complete
- 2008 Tourism Recovery Model, in progress
- COVID-19 Economic Injury Survey, in progress
- Airport Business Development Assessment, in progress
- Resident Sentiment Survey
- Annual Economic Impact
- Annual Visitation Study

**TRUE TEAM CONTACT**  
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# Managing the Pandemic – the way to ignite recovery

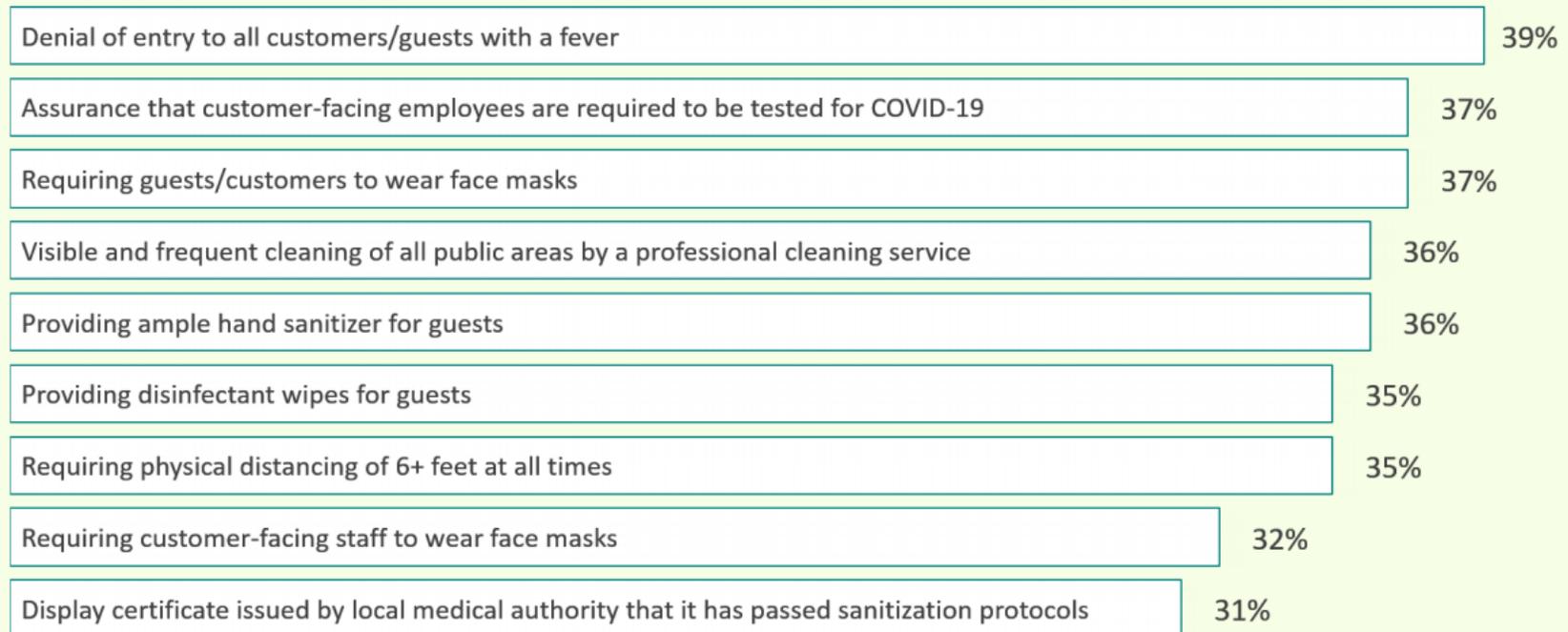
According to a recent study by Destination Analysts, the number of Americans who said they will no longer consider visiting a certain destination due to its handling of COVID-19 is growing.



# Perceptions of Safety - Hotels

## HOTELS NEED TO DO THIS

Percent of hotel guests who say this precaution would have a “top five” positive impact



n=301, Back to Normal Barometer – May 6, 2020

SPORTS &  
LEISURE  
RESEARCH GROUP

Engagious

ROK K  
SOLUTIONS



2020 BACK TO NORMAL BAROMETER

# Traveler's Perspective

## Which of These Will You Be Likely to Do on Your Next Trip?

(% of travelers selecting any of the following)



Carry hand sanitizer  
(65.5%)



Follow social distancing  
guidelines (64.4%)



Avoid crowds  
(58.5%)



Wear a face mask  
(57.3%)



Only eat restaurant  
take-out (28.3%)



Wear gloves  
(22.8%)



None of these  
(5.7%)

# Campaign #1 - New Mexico Safe Promise

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- Industry-led effort
- Inspire commitment to CSPs for tourism businesses
- Demonstrate New Mexico is safe and responsible
- Celebrity endorsements through NM Film Office
- Other corporate partners – NM United, PNM

# Campaign #2 - NM Safe Certified

FREE Workforce Training in COVID Safe Practices & Compliance



558

Businesses that have  
Completed the  
Program



80

NM Communities  
with Certified  
Businesses



1,920

Businesses Currently  
Registered



# CSP Training Modules Available

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- Hotel/Lodging
- Restaurants
- Tour Operators
- Golf Courses
- Museums
- Spa/Salons
- Retail
- Office/Call Centers
- Grocery Stores & Farmers' Markets
- Manufacturing, Warehouse, & Food Production
- Construction & Field Operations
- Farm, Ranch, Dairy Producers & Processors
- Automobile Dealerships & Services
- Gyms & Related Services
- Veterinarians & Pet Care Facilities

# Campaign #3 - New Mexico Safe Dining

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Download the App

- Expected Launch – October 1
- Promote NM Safe Certified Restaurants
- Partnering with nonprofit to run a promotion to encourage safe dining
- **FREE** for Restaurants to participate

## TRUE TEAM CONTACT

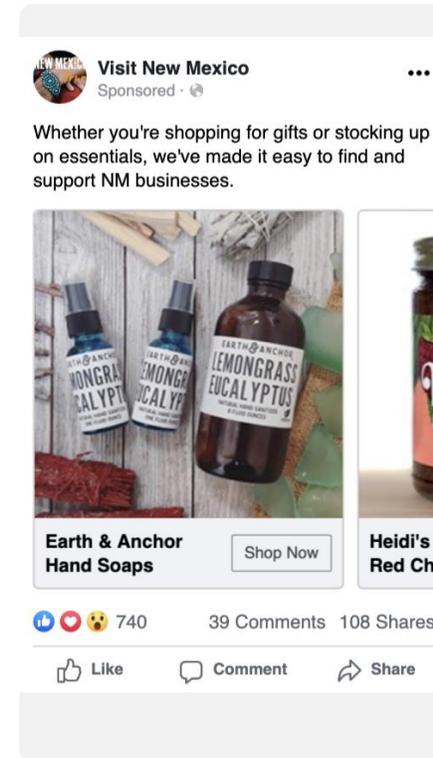
Helen Campion, Special Projects  
Helen.Campion@state.nm.us

# Campaign #4 - Shop Local

- New Mexico True Certified online shopping guide
- New Mexico True Certified Pandemic Product Guide
- New Mexico True Certified Holiday Gift Guide
- Partnership with Department of Agriculture

## TRUE TEAM CONTACT

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# Campaign #5 - Keep NM True

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Due to the significant increase of people experiencing New Mexico's outdoor recreation assets, we have seen an increase in litter.

In response, the Tourism Department launched this campaign in partnership with the following state agencies:

- Department of Transportation
- State Parks
- Game & Fish
- Office of Outdoor Recreation

# New Mexico Magazine

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## INNOVATE Business Practices

- Reduce the number of editions from twelve (12) to nine (9) for the calendar year 2021
- Expand advertiser base to include additional industries
- Launch New Mexico True Heroes program

## FORGE Strategic Partnerships

- Establish and build partnerships with KOB-4, KTRC Talk Radio and other media.
- Determine if there are opportunities to build new partnerships with state agencies for content and advertising placement within New Mexico Magazine.

## RETHINK Product Development

- 10 Things to Do each weekend during COVID-19
- Publish the first Travel Dream Journal of New Mexico.
- Launch new website with editorial and digital advertising optimization.

**TRUE TEAM CONTACT**  
Ed Graves, CEO of NM Magazine  
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# CoOp Marketing Program Pivot for Recovery Readiness

42 Industry Partners  
121 Total Initiatives

**OBJECTIVE:** Fortify New Mexico's online presence so we have our collective "best foot forward" when we can start actively marketing tourism again



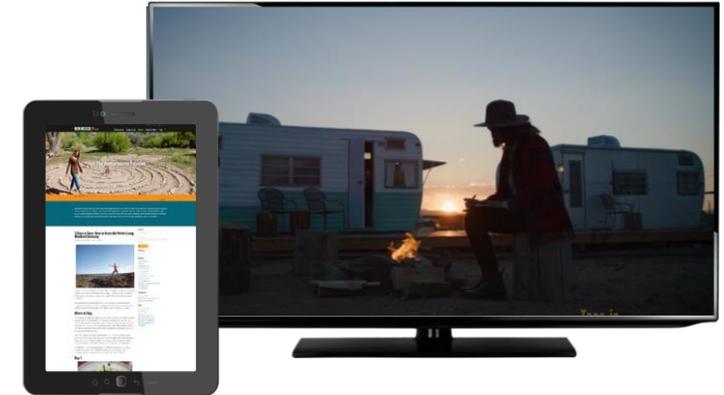
## GOOGLE 360 AMPLIFICATION

- ✓ GROW VIRTUAL TOURISM through 360 virtual tours
- ✓ UPDATE GOOGLE STREET VIEW to improve destination representation from afar



## SOCIAL / OWNED MEDIA OPTIMIZATION

- ✓ IDENTIFY OPPORTUNITIES to IMPROVE IMPACT of destinations' social channels and websites
- ✓ PROVIDE TECHNICAL ASSISTANCE & TRAINING for implementation



## CONTENT CREATION

- ✓ DEVELOP CUSTOM WRITTEN ARTICLES authored by NM Magazine writers
- ✓ PRODUCE COVID-Safe STILL PHOTOS & VIDEO VIGNETTES for partners' flexible, unlimited use

# Regional Creative Content Development

Content is king for destination marketing and can help prospective visitors visualize their journey when they visit New Mexico.

NMTD will be traveling to all corners of the state to capture new or update existing footage of New Mexico's tourism experiences. NMTD will package content together into itineraries that regions can pluck and repurpose for their own marketing and promotion. Through this project, NMTD will spotlight:

- Local restaurant + recipe
- Local editorial about a business or product
- Photo gallery
- Travel sweepstakes

## 3 Perfect Days in Old West Country

**DAY ONE:** Start in **Socorro**, where, if your schedule jibes, you can catch a chamber music concert from the New Mexico Tech Performing Arts Series. Tour the Bosque del Apache National Wildlife Refuge before grabbing lunch at Buckhorn Tavern, in San Antonio. From here, two options beckon. You can take a scenic drive west along U.S. 60 to Magdalena and Pie Town, or continue south on I-25 to Truth or Consequences, where you soak in a hot springs bath, tour Spaceport America, or explore with Ted Turner Expeditions.

**DAY TWO:** Continuing south to **Las Cruces**, spend a day on the golf course, or explore the town's historical side in Mesilla and the New Mexico Farm and Ranch Heritage Museum. More outdoor destinations await near Deming: City of Rocks State Park is 30 minutes north, and Rockhound State Park, where you're encouraged to take home a souvenir, is 20 minutes south.

**DAY THREE:** Take in Silver City's colorful art scene or continue on to the Gila National Forest, where you can extend your stay with a backcountry trip.

Featured Video [+](#) *NM True TV - Southwest*



### REGIONAL HIGHLIGHTS:



MORE FROM THIS REGION

# Economic Injury Research & Task Forces

NMTD has identified nine sectors within travel and tourism to gather real-time data.

This is necessary to:

- Help NMTD to understand the extent of economic injury in order to best serve the industry
- Help businesses to define their own economic injury to be prepared when applying for grants and assistance



**Destination Marketing Organizations**



**Hotels, Resorts & Lodging**



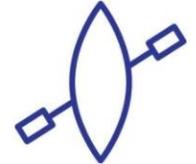
**Restaurants**



**Retail & Galleries**



**Events & Event Planners**



**Attractions & Cultural Institutions**



**Meetings & Conventions**



**Airports & Transportation**



**Tour Operators**

## **TRUE TEAM CONTACT**

Suzy Lawrence, Tourism Development Director  
Suzy.Lawrence@state.nm.us

# SBDC Tourism Business Consultation

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- NMTD partnered with SBDC to provide access to 7 tourism industry consultants
- Provides coaching and mentorship to help tourism businesses navigate financial aid, identify specialize training, and adjust to shifts in regulatory and competitive environments

#### **TRUE TEAM CONTACT**

Suzy Lawrence, Tourism Development Director  
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# Online Learning Center

## Learning Center

New Mexico's tourism economy is everyone's economy, and by assisting tourism businesses and Destination Marketing Organizations as they adapt to shifts in operations due to the COVID-19 pandemic, we will ignite the resiliency of New Mexico communities and our incredible industry.

The New Mexico Tourism Department has created a learning center to provide the necessary resources, tools, and support to ensure our industry survives and thrives.

Additionally, the New Mexico Tourism Department (NMTD) is partnering with the Small Business Development Center (SBDC) to provide business coaching and mentorship to tourism and hospitality businesses for immediate and sustainable support. Refer to the [Plan for Resiliency](#) page for more information.

## Ignite Commerce



Website Builder  
Resources

Training &  
Workforce...

Marketing

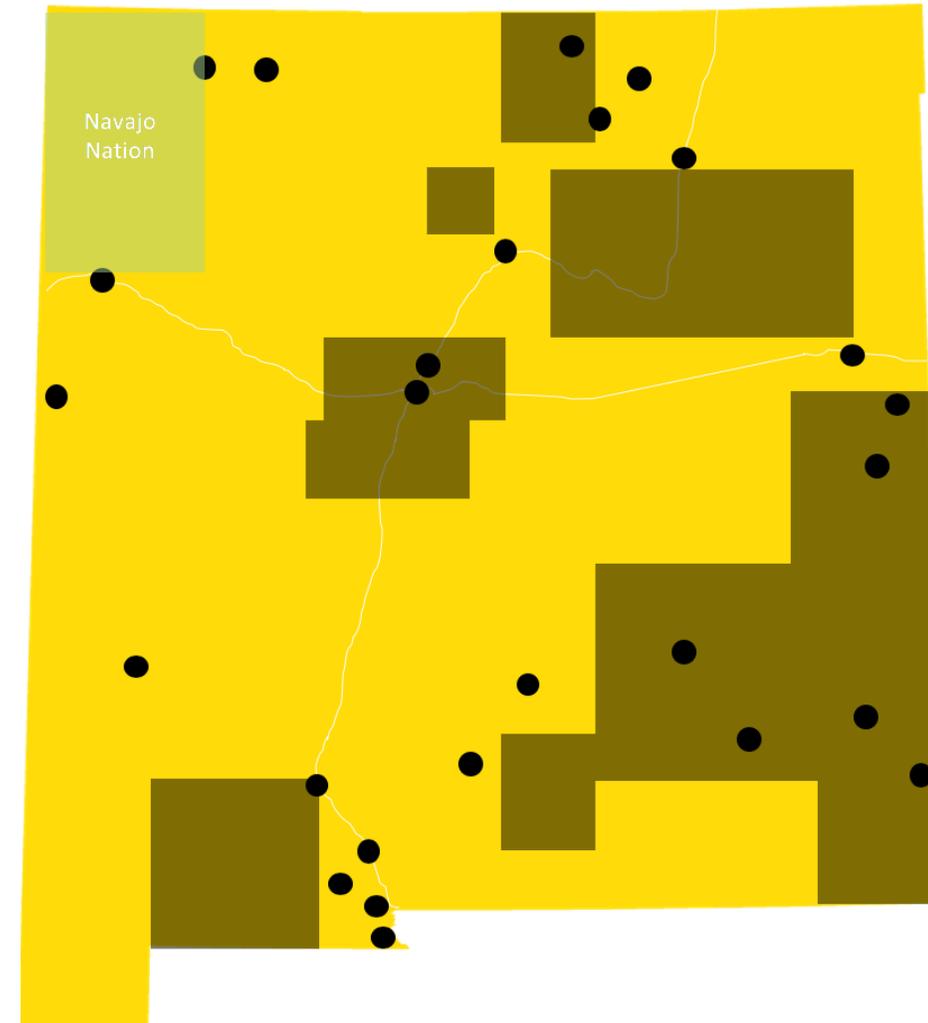
Plan for  
Resiliency

# FY21 Clean & Beautiful Program

- NMTD received 40 applications for FY21, totaling \$1,561,739.57
- NMTD awarded 37 applicants a total of \$778,676.60, nearly \$130K more than prior year
- Managing the grant awardee deliverables and providing technical assistance year round.

## TRUE TEAM CONTACT

Lucy Stanus, Clean and Beautiful Coordinator  
Lucy.Stanus@state.nm.us



# Tribal Tourism – Technical Assistance

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- COVID Resources for small businesses, artisans and tribal administrations Resources for COVID supply vendors
- Appropriate loan and grant opportunities specific to culturally focused businesses, projects, and communities
- Bi-weekly updates from the Department on the Industry Task Force meetings
- Google DMO participation
- Other appropriate communications, such as encouraging 2020 Census reporting, PHO updates, COVID-19 testing sites, and food distribution
- Assisting in negotiations with Cochiti Pueblo and BLM to establish an agreement for allowing metered visitation the park
- Advisory role in assisting tribal leaders plan for the resiliency of their community's tourism economy post COVID-19

**TRUE TEAM CONTACT**

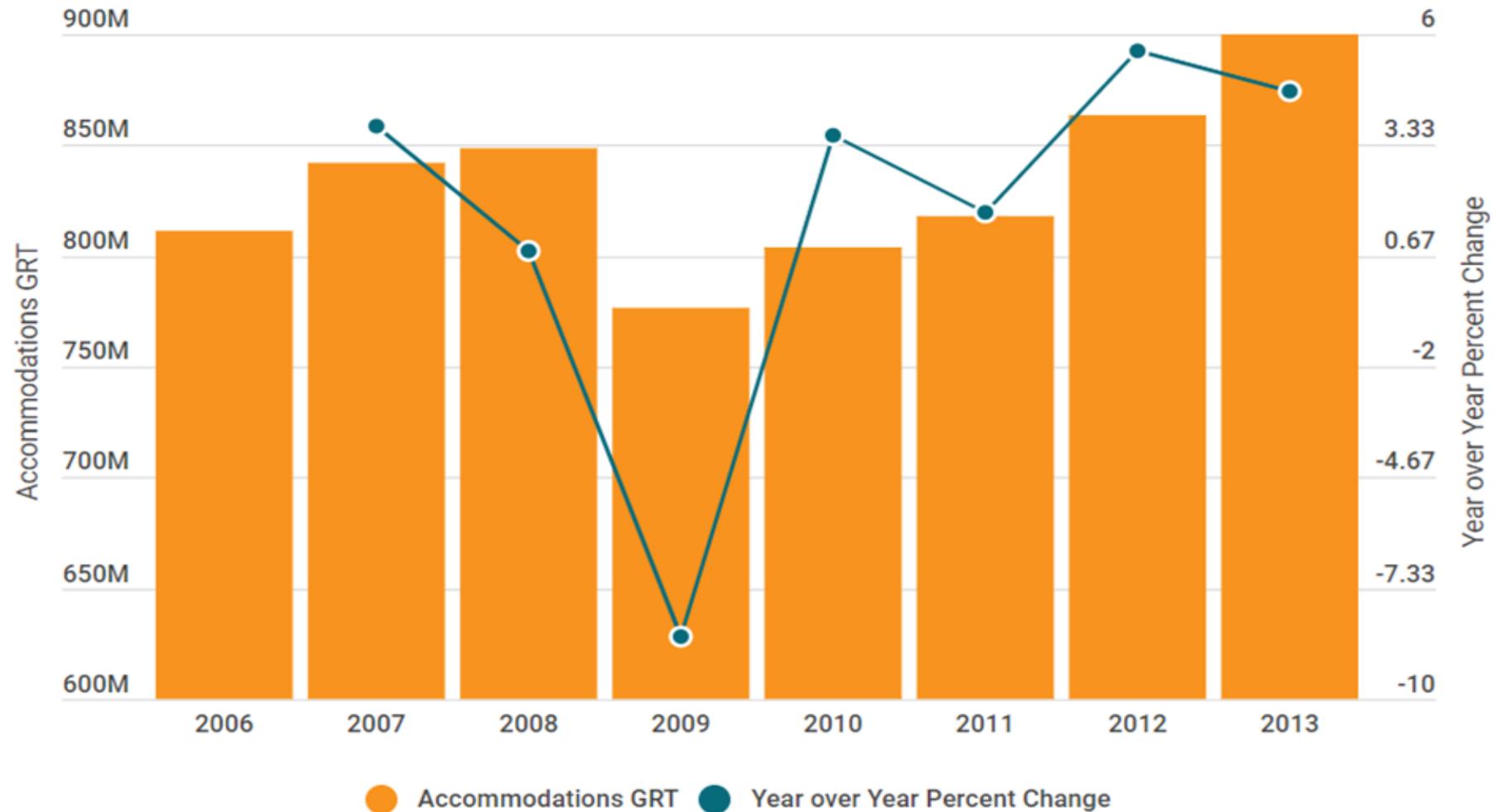
Deborah Torres, Cultural Heritage Coordinator  
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# Revitalization: Restart the Tourism Engine

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# 2008 Recession = 4 Year Tourism Recovery



# Consumer Insights

## IMPACT ON TRAVEL PLANS

### First Trip Travelers Plan to Take in the Next Six Months



# New Mexico vs. Competitive Set



| Activity/Interest      | New Mexico | US  | AZ  | UT  | CO  |
|------------------------|------------|-----|-----|-----|-----|
| Hiking/Backpacking     | 14%        | 7%  | 16% | 24% | 22% |
| National/state park    | 22%        | 10% | 17% | 23% | 20% |
| Nat. Am. Community     | 11%        | 4%  | 6%  | 2%  | 2%  |
| Landmark/historic site | 21%        | 12% | 16% | 19% | 16% |
| Museum                 | 18%        | 10% | 12% | 10% | 11% |
| Art Gallery            | 11%        | 4%  | 6%  | 4%  | 5%  |
| Breweries              | 10%        | 7%  | 6%  | 4%  | 11% |

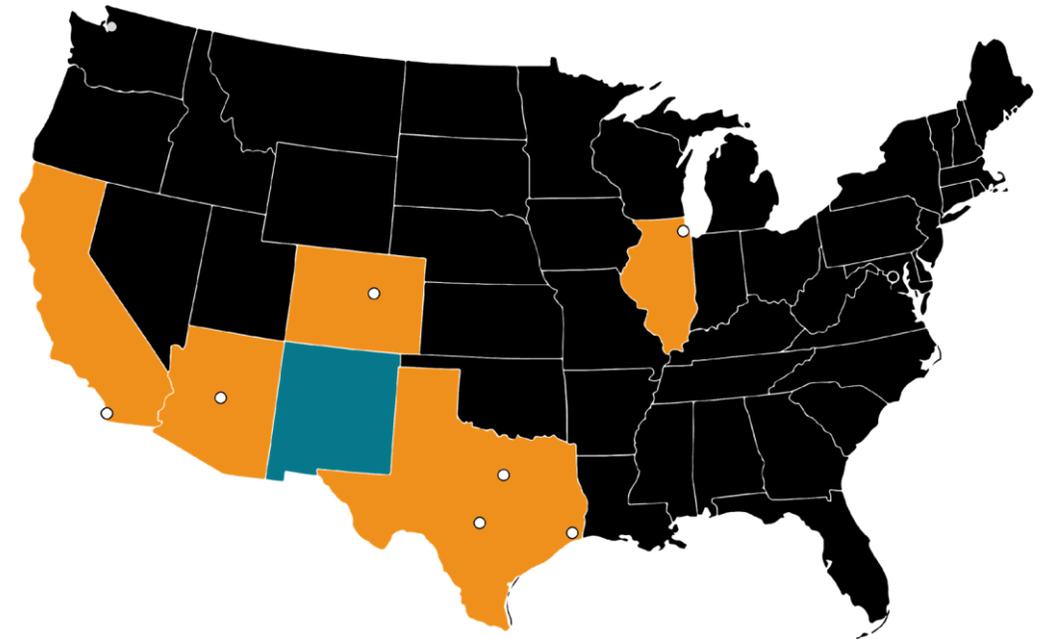
*Source: Longwoods International*

# Disciplined Advertising Assessment

## Assessment Criteria

- ✓ Venturesome Traveler Index  
Are they looking for what NM has to offer?
- ✓ Economic Development Index  
Do they have discretionary income to travel?
- ✓ Direct Flight Accessibility  
Can they get here easily?
- ✓ Media Cost Index  
Can we afford to breakthrough there?

## 2019 Target Markets



12 Weeks in Market  
Spring + Fall

# New reality requires reassessment

## Markets

- Appetite for travel more important than geography
- Fewer direct flights to NM

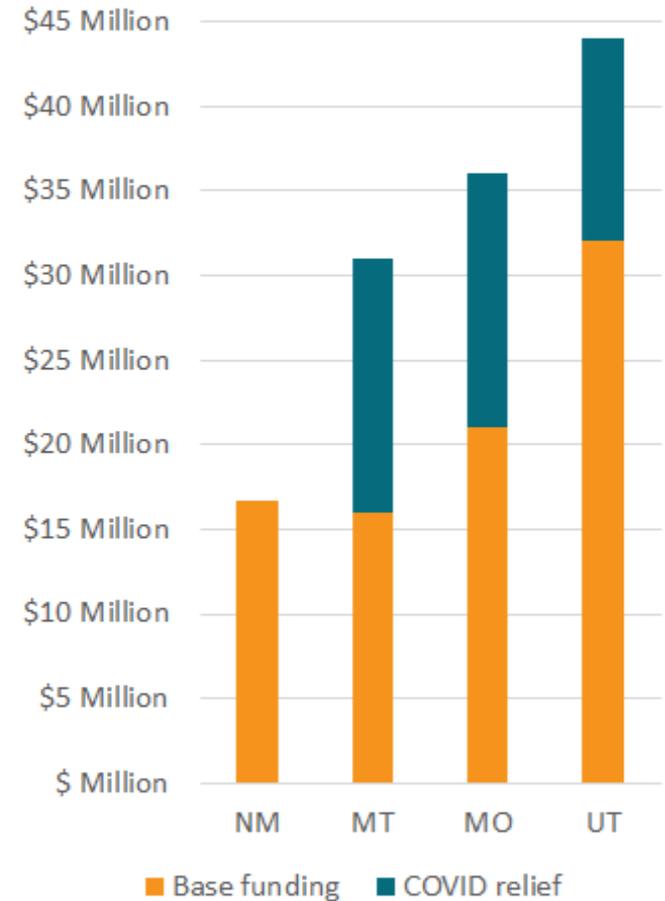
## Media

- Costs to reach our audience impacted by surge of spend to restore travel is expected

## Competitive Increased Investment

- Significant CARES Act relief funds allocated to tourism promotion

NMTD ad budget vs. competitive states

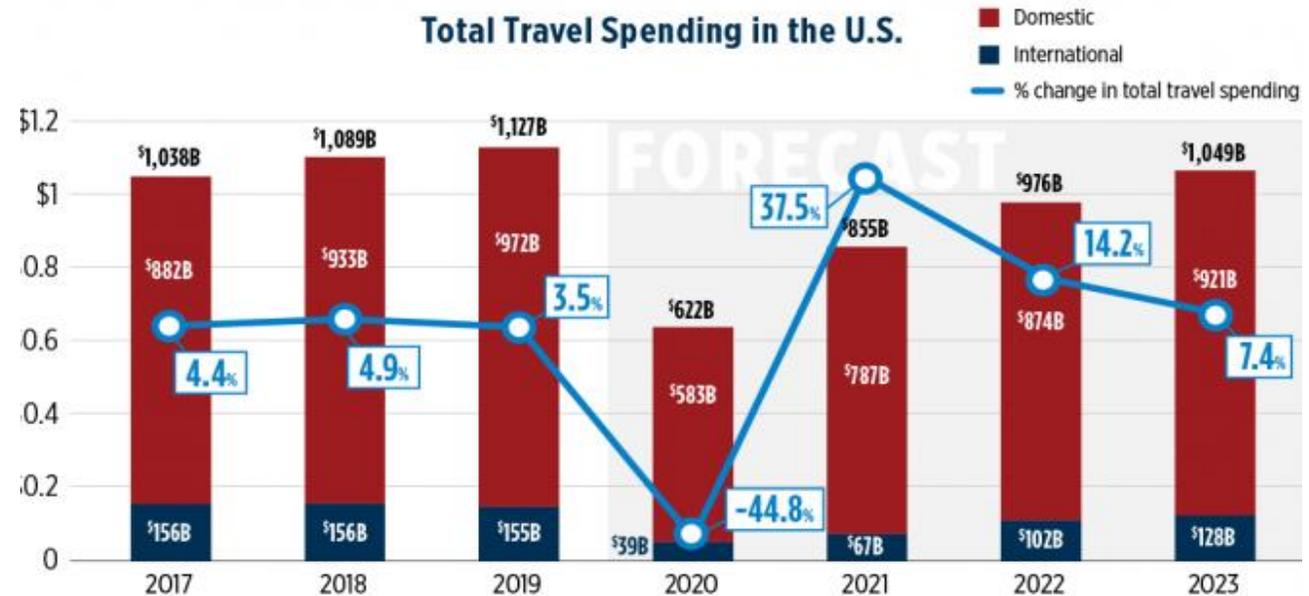


- *\$15M MS, MO, MT; \$12M UT; \$6M ID; \$5M VT—list of states continues to grow.*

# COVID-19 Declines Suggests 6 - 7 Year Recovery

Factors influencing New Mexico to have a slower recovery timeline:

- Reliance on oil and gas--our state's ability to spend is highly reliant on external factors
- The size and rural nature of our tourism industry--infrastructure and job loss will have disproportionately large effects
- The competitive nature of our surrounding states--they have more money to spend and an easier time maintaining awareness



Source: US Travel Association, in partnership with Tourism Economics

# Potential to Shorten Recovery to 3 Years



## Back to Work

Put 27,000 people back to work in 3 years.

- Year 1: 40-50% recovery
- Year 2: 75% recovery
- Year 3: 90% recovery

Save the state \$1B in unemployment insurance.

- Year 1: \$244M saved
- Year 2: \$365M saved
- Year 3: \$438M saved

## Visitor Spend

Increase state and local tax revenue by 10-15% each year.

### State GRT

- Year 1: \$328M
- Year 2: \$377M
- Year 3: \$433M

### Local GRT

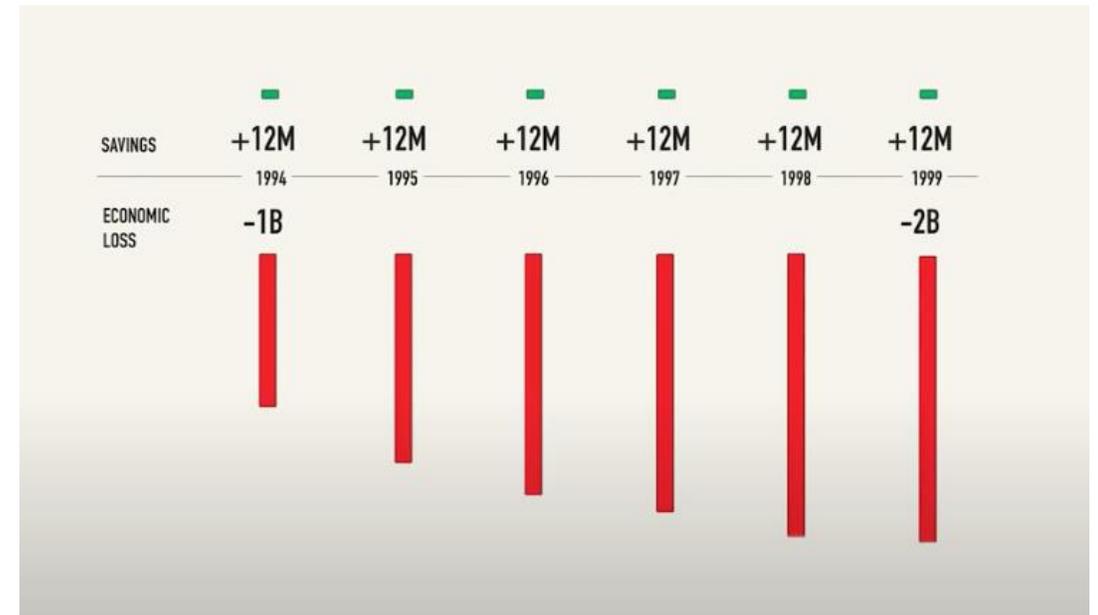
- Year 1: \$178M
- Year 2: \$196M
- Year 3: \$216M

# Lessons Learned

An aerial photograph of a desert valley. A winding asphalt road with yellow and white lane markings curves through the landscape. In the foreground, a cluster of trees with bright yellow-green foliage is situated near a small white building and other structures. The surrounding terrain is arid, with reddish-brown soil and sparse vegetation. In the background, layered rock formations and mountains are visible under a sky filled with large, white and grey clouds.

# Colorado Tourism Case Study

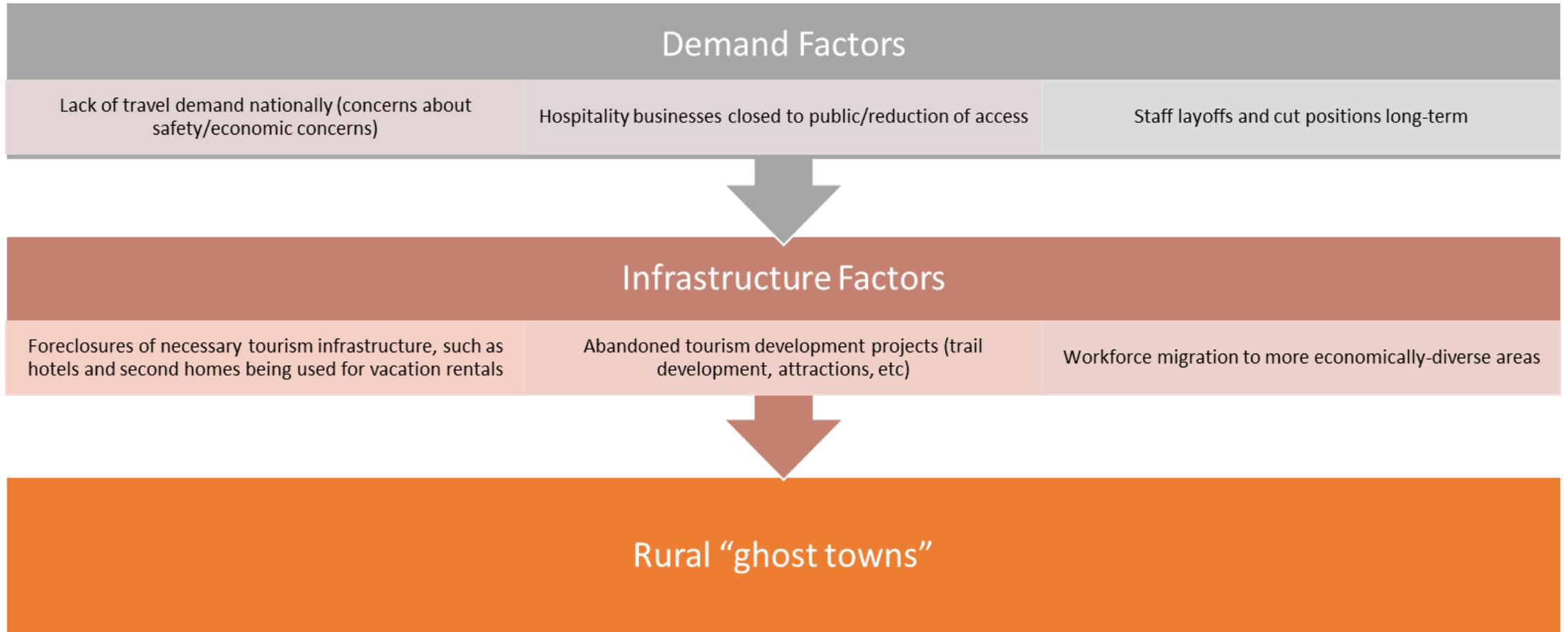
- Legislature cut \$12M annual budget in 1993
- The NEXT YEAR, they went from #1 summer resort destination to #17, and saw their tourism economy **shrink by \$1B**
- Year over year declines meant a **\$76M “savings” => \$10B in economic losses**
- Because competitive destinations gained as Colorado slipped, It took TWO DECADES to regain market share. **Colorado has never returned to #1**



*KEY TAKEAWAY: Reducing tourism investment will result in compounding annual losses for New Mexico's economy*

Source: [Longwoods Int'l](#)

# Factors Affecting Tourism Recovery



# At Risk Destinations - by county

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- Over 20% of workforce is supported by direct visitor spending
  - Santa Fe
- Over 25% of workforce is supported by direct visitor spending
  - Taos, Lincoln, Catron
- Over 30% of workforce is supported by direct visitor spending
  - Colfax, Hidalgo, Quay
- Over 50% of workforce is supported by direct visitor spending
  - Guadalupe

A scenic mountain landscape featuring a hiker with a backpack and a dog walking through a lush green meadow. The background shows dense evergreen forests and rugged mountains under a blue sky with scattered white clouds. The hiker is seen from behind, wearing a plaid shirt and shorts, with a black dog walking alongside them. The overall atmosphere is peaceful and adventurous.

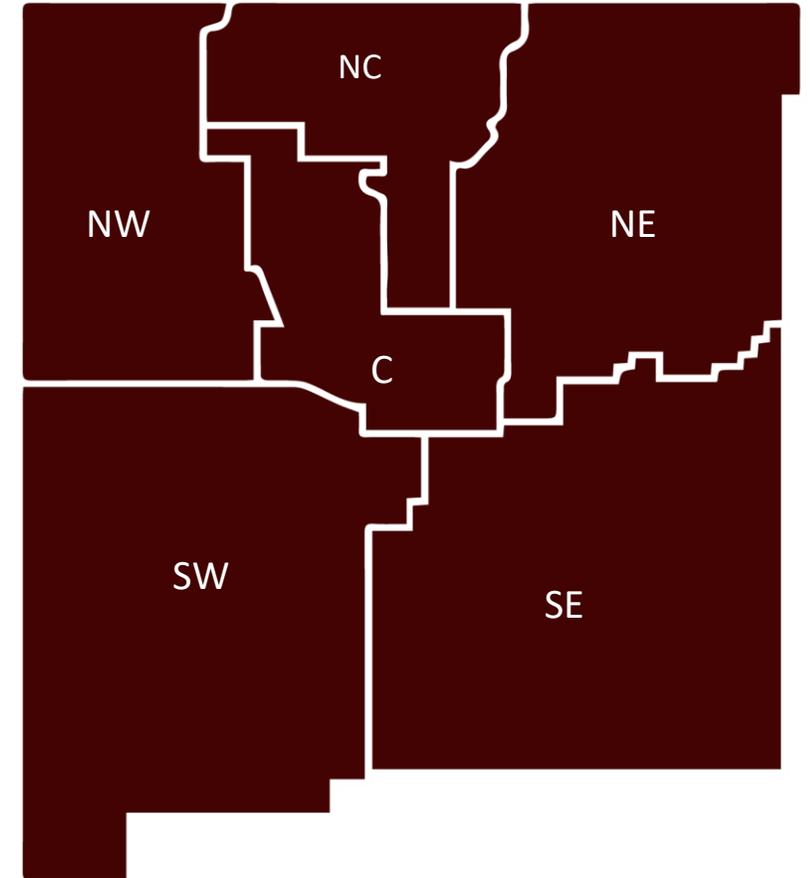
# Looking Forward: Partner with NM Tourism Department

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# Regional Tourism Town Halls

The New Mexico Tourism Department, alongside the New Mexico Hospitality Association, will host virtual town halls for all six tourism regions. NMTD will have the opportunity to hear directly from constituents about the pandemic's impact on the tourism economy for their region and address questions and concerns about recovery.

- Sept. 21 – 9:00 am – Central Region
- Sept. 21 – 11:00 am – Southeast Region
- Sept. 23 – 9:00 am – Southwest Region
- Sept. 23 – 11:00 am – North Central Region
- Sept. 25 – 9:00 am – Northwest Region
- Sept. 25 – 11:00 am – Northeast Region



**TRUE TEAM CONTACT**  
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# Small Business Resiliency Virtual Event

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- FREE to attend
- Tuesday, October 27, 2020
- One-on-one business consulting
- Partnership with Small Business Development Corporation
- Partnership with New Mexico Hospitality Association

**TRUE TEAM CONTACT**

Suzy Lawrence, Tourism Development Director  
Suzy.Lawrence@state.nm.us

# The Future of Tourism – Virtual Summit

## NEW MEXICO *True*

- FREE to attend
- Virtual Summit
- Tuesday, October 27, 2020





# A Tourism Rebound is New Mexico's Recovery

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