



**Sedona Chamber of Commerce Tourism Bureau
Report to City of Sedona
April 2008**

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The following results represent January – March, 2008.

The Tourism Bureau measures success by the following indicators:

I. External Performance Indicators

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II. Internal Performance Indicators

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V. Exhibits

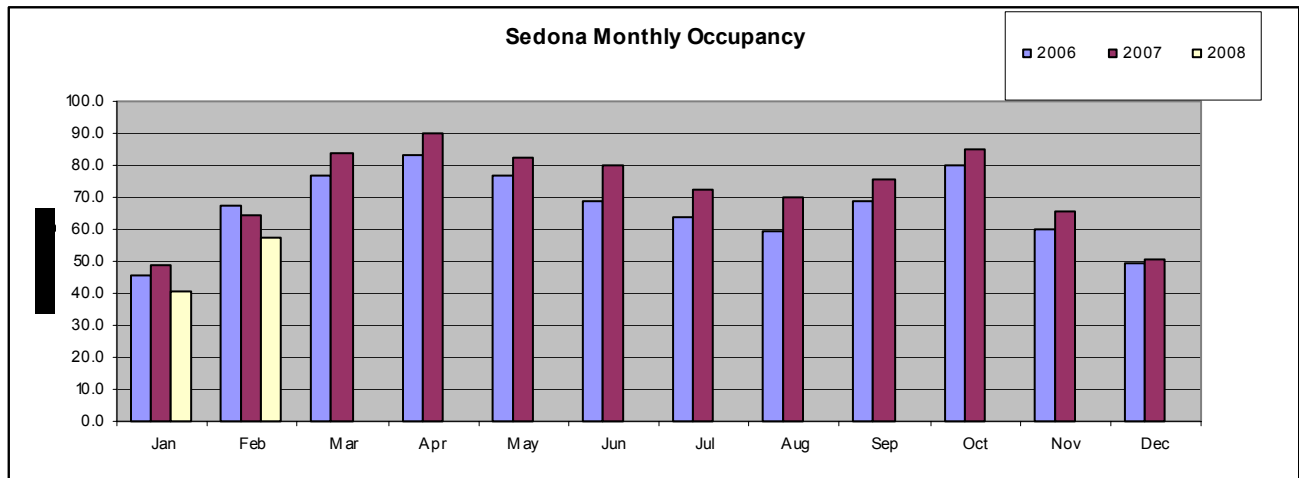
A. Ad-Value Editorial Generated	Exhibit A
B. Executive Summary – 2008 Marketing Plan	Exhibit B
C. 2008 Annual Report	Exhibit C

Please note: All figures represent data through March, 2008 unless otherwise indicated.

I. External Performance Indicators YTD-March 2008

A. Hotel Tax Revenue Collections:

Hotel-Motel Tax Collections				
Month	FY06	FY07	FY08	% Change FY 07 vs. 08
July	\$184,217.27	\$94,650.90	\$163,160.88	72%
Aug	\$136,112.13	\$122,283.00	\$152,134.89	24%
Sep	\$114,015.59	\$119,166.84	\$141,835.00	19%
Oct	\$146,060.10	\$150,950.86	\$152,308.10	1%
Nov	\$199,131.78	\$180,805.40	\$208,043.90	15%
Dec	\$129,326.98	\$126,480.79	\$136,371.88	8%
Jan	\$117,279.10	\$107,550.93	\$103,361.48	-4%
Feb	\$89,604.83	\$88,817.19	\$88,676.95	0
March	\$155,919.93	\$123,906.55		
April	\$180,252.28	\$194,141.72		
May	\$203,431.33	\$215,565.95		
June	\$86,333.31	\$178,827.06		
YTD Total	\$1,115,747.78	\$990,705.91	\$1,145,893.08	16%
Total	\$1,741,684.63	\$1,703,147.19		

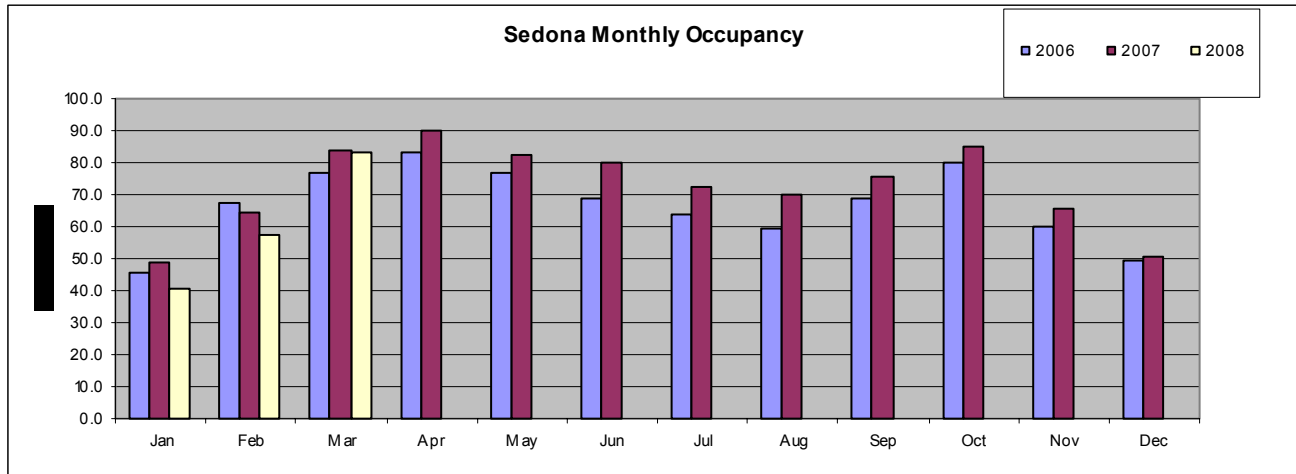


Analysis – Hotel-motel tax revenue is up YTD 16% through February 2008 vs. YTD February 2007.

Please note that the above collections represent the previous month's performance.

B. Smith Travel Research: A monthly report that is standard throughout the tourism industry to provide a snapshot of the hotel industry.

The Tourism Bureau uses the report to gauge the occupancy percentages and average daily rate (ADR) on a monthly basis. This report reflects 10 average-sized properties within the '86336' zip code and represents properties that report to Smith Travel Research.



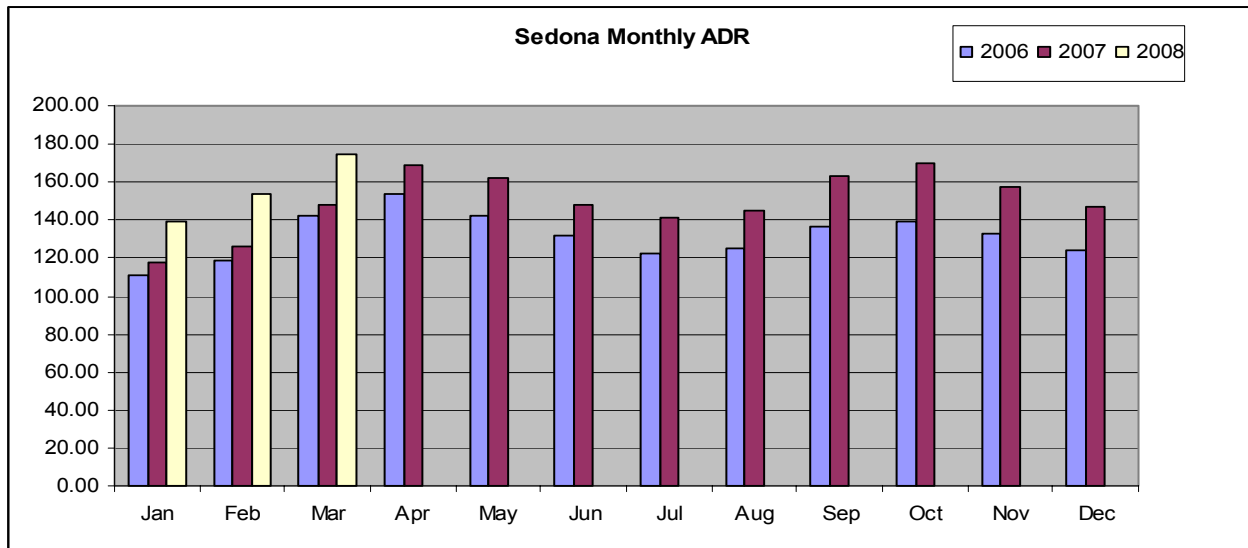
**Comparative Cities Report
YTD 2007 vs. 2008**

Segment	Occupancy Percent		
	2007	2008	% Chg
Santa Fe MSA	61.7	61.4	-0.5
Summit County, UT	67.2	68.9	2.5
Santa Barbara County, CA	67.5	70.2	4.0
Teton County, WY	59.8	55.4	-7.4
Scottsdale, AZ	85.8	81.6	-4.9
Sonoma County, CA	58.6	57.3	-2.2
Napa County, CA	63.8	64.2	0.6
Monterey County, CA	61.7	62.9	1.9
Yavapai County, AZ	75.8	75.2	-0.8
Coconino County, AZ	55.9	61.6	10.2
Arizona (state)	75.5	70.3	-7.0

Analysis – hotel occupancy YTD is down 8.3% over March 2007; The State is also experiencing an overall decline of 7% over last March 2007. Coconino County occupancy is up 10%. Several comparative cities are experiencing declines in occupancy.

* Occupancy figures are comparisons of YTD percentages (March YTD 2006 vs. March YTD 2007 vs. March YTD 2008).

Sedona Average Daily Rate



Segment	Average Room Rate		
	2007	2008	% Chg
Santa Fe MSA	90.54	91.35	0.9
Summit County, UT	326.79	340.26	4.1
Santa Barbara County, CA	126.76	128.69	1.5
Teton County, WY	189.95	217.89	14.7
Scottsdale, AZ	224.13	251.51	12.2
Sonoma County, CA	104.06	103.94	-0.1
Napa County, CA	138.30	142.94	3.0
Monterey County, CA	160.32	166.24	3.7
Yavapai County, AZ	106.93	111.09	3.9
Coconino County, AZ	62.44	65.54	5.0
Sedona, AZ	140.42	160.37	16.0%
Arizona (state)	138.56	145.95	5.0%

Analysis

- The Average Daily Rate (ADR) in Sedona continues to increase. The ADR has increased from \$140.42 in FY 2007 to \$160.37 in FY 2008. Sedona ADR continues to outpace the overall state rate; both ADR's have increased over FY 2007.

C. Ad Value Editorial Generated:

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

Ad-value = \$929,000 as of March, 2008. Goal for calendar year 2008 = \$5.0 million.

Please see attached Ad-value editorial generated log – Exhibit A.

II. Internal Performance Indicators:

A. Leads Generated and Distributed:

Leads generated = the number of qualified referrals distributed to businesses.

One measurement of success for the Tourism Bureau is leads generated. Leads are broken out into three sectors of the tourism industry: *The following results are based on YTD (January – March 2008).*

Media Leads

**Goal for calendar year 2008 = Generate 180 inquiries / media leads
YTD (as of March 2008) = 42 Travel Writers Assisted/6 leads sent to members. Media leads are used to generate the ad-value editorial.**

Travel Leads

**Goal for calendar year 2008 = Generate 30 qualified leisure trade leads
YTD (as of March 2008) = 82 travel professionals assisted, 19 qualified leads**

Meeting / Group Leads

**Goal for 2008 calendar year = Generate 85 qualified corporate group leads
YTD (as of March 2008) = 46 meeting planners assisted, 26 leads to members**

Examples Include:

- Gift & Home Trade Association
- AZ Association for Education
- ASU School of Computing Informatics
- Solmonte Hospitality
- ADK International
- AMRC
- Keystone Montessori
- Texas Instruments
- The Apothecary Shop
- Worldwide Meetings and Motivation
- AZ Veterinary Medical Association
- Strategic Communications
- Humana
- AAED

B. Internet Statistics - Internet Statistics are measured by user sessions and page views. User Session = the number of unique visitors to the website. Page views = the number of pages that the visitor saw. *Stats have been collected using Webtrends data.

	User Session			% change 07 vs. 08	Total Page Views			% change 07 vs. 08
	2006	2007	2008		2006	2007	2008	
Jan	73,351	73,459	87,753	19.4%	471,546	575,449	609,198	6%
Feb	68,337	73,488	88,028	20.0%	438,672	569,085	612,425	8%
Mar	77,497	87,765	104,470	19.0%	503,319	682,612	712,048	4%
April	72,545	77,416			456,308	557,316		
May	79,112	68,818			487,354	502,304		
June	81,573	64,123			410,936	461,784		
July	63,983	68,208			361,846	479,563		
Aug	72,898	68,458			420,448	482,278		
Sep	66,885	81,368			387,686	444,796		
Oct	68,552	87,277			390,553	479,559		
Nov	60,807	73,483			350,648	398,550		
Dec	59,227	67,841			345,529	365,497		
YTD	219,185 YTD	234,712 YTD	280,251 YTD	19.4% YTD	1,413,537 YTD	1,827,146 YTD	1,933,671 YTD	6% YTD
Totals	844,767	891,704			5,024,845	5,998,793		

Analysis

1. The website continues to be an important way for visitors to get information about a destination. Visitors are viewing the website longer than previous years, indicated by a continued increase in page views, which could correlate to a more serious vacationer.
2. User sessions for **visitsedona.com** are up 19% above last year at this time. Page views are up 6% over last year's views (YTD comparisons).
3. More people are using the Internet to research and book travel. 60% of all travel is being booked online (In 2002, 4% of travel was booked online).

C. Fulfillment

Fulfillment = the number of Experience Sedona Guides (ESG) mailed to consumers requesting information about Sedona. Consumers request information via website, toll-free phone number and reader service cards (reader service cards are usually included with paid advertising in travel publications.)

	2006	2007	2008	% Change
Jan	9,795	9,404	7,652	-18.6%
Feb	9,801	10,462	8,484	-18.9%
March	4,434	8,350	6,356	-24.0%
April	5,555	6,663		
May	5,864	6,232		
June	4,436	5,361		
July	5,048	3,829		
Aug	4,278	3,441		
Sep	3,578	4,530		
Oct	5,947	3,926		
Nov	4,549	4,477		
Dec	4,550	2,859		
YTD	24,030	28,216	22,492	-21%
Total	67,835	69,534		

Analysis

1. 2008 Experience Sedona Guide fulfillment is down 21% in the first quarter. We attribute this in part to the delay in releasing the 2008 ESG. The guide underwent substantial re-design for 2008 to make it more user-friendly for the visitor.
2. Even though mail fulfillment is down, our **overall distribution of the Guide has increased 20%** over last year at this time (37,699 distributed so far in 2008 vs. 31,463 distributed last year at this time). We have increased the number of locations where the guide is distributed including concierge desks at Valley hotels and car rental agencies in the Valley. We have also seen an increase in requests for the guide at both Sky Harbor airport and the Tucson airport.
3. The ESG is available online using Nextbook Turnpage technology. Placing the Experience Sedona Guide online provides visitors immediate, 24/7 exposure to the guide.
4. The ESG was placed online last July 2007. From July thru December, the guide received 234,474 page views and logged more than 2,100 unique user sessions.
5. The 2008 ESG was placed online March 19 and has received 12,320 page views (as of April 22), and logged 1,879 unique user sessions.
6. The top 5 countries viewing the online guide are the U.S., Canada, the Netherlands, the United Kingdom, and Japan.

D. Inquiries by City

The top cities report illustrates the importance of Sedona’s target markets. Based on research, the Sedona Tourism Bureau targets the following markets:

Phoenix

Las Vegas

Tucson

Southern California

Items in **pink** indicate the months and markets in which Arizona Office of Tourism implemented target cities marketing campaigns. Items in **green** indicate the months where the Sedona Chamber of Commerce Tourism Bureau implemented aggressive television advertising campaigns.

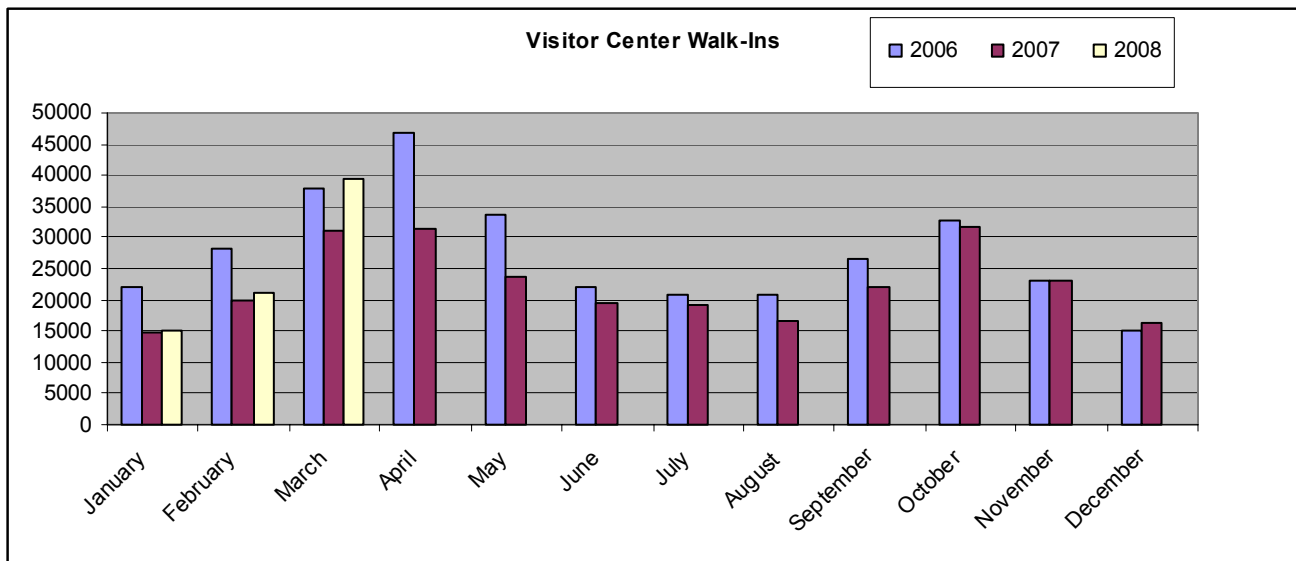
2007 Top Five Cities - Inquiries Fulfilled					
January	Chicago	Albuquerque	Las Vegas	San Diego	Littleton, Co
February	Phoenix	Las Vegas	Tucson	San Diego	Chicago
March	Tucson	Phoenix	Las Vegas	Chicago	Houston
April	Tucson	Phoenix	Houston	Chicago	Las Vegas
May	Las Vegas	Tucson	Phoenix	Houston	Chicago
June	Tucson	Phoenix	Las Vegas	Mesa	Gilbert
July	Tucson	Phoenix	Las Vegas	Mesa	Albuquerque
August	Phoenix	Tucson	Las Vegas	Los Angeles	Mesa
September	Phoenix	Tucson	Mesa	Las Vegas	Houston
October	Phoenix	Tucson	Las Vegas	Mesa	Houston
November	San Diego	Phoenix	Tucson	Las Vegas	Los Angeles
December	Chicago	Houston	Las Angeles	Phoenix	Brooklyn

2008 Top Five Cities - Inquiries Fulfilled					
January	Chicago	Houston	Phoenix	San Diego	San Antonio
February	Las Vegas	Phoenix	San Diego	Albuquerque	Tucson
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

E. Visitor Center Walk-ins

Walk-ins at the Official Chamber of Commerce Visitor Centers have increased 16% in the first quarter of 2008.

Month	2006	2007	2008	% Change 07 vs. 08
January	22,044	14,660	15,150	3%
February	28,357	19,804	21,106	6%
March	37,767	30,972	39,383	27%
April	46,760	31,480		
May	33,768	23,834		
June	21,987	19,688		
July	23,056	19,192		
August	21,389	16,796		
September	26,488	22,014		
October	32,750	31,864		
November	23,218	23,003		
December	14,946	16,356		
YTD	88,168	65,436	75,639	16%
TOTALS	332,530	269,663		



Highlights of the Sedona Chamber of Commerce Tourism Division First Quarter (January thru March, 2008)

Interactive Internet Kiosks have been installed in the Uptown Visitor Center on Forest Road. These internet Kiosks will provide visitors yet another avenue for obtaining travel information on the Sedona area. Tourism Bureau Members listed on the kiosk are able to manage their own listings and can update or change photos, specials, etc. The kiosks are paperless so visitors cannot print out a specific listing; however, visitors are able to send a text message of the desired information from the kiosk to their PDA's within a matter of seconds.

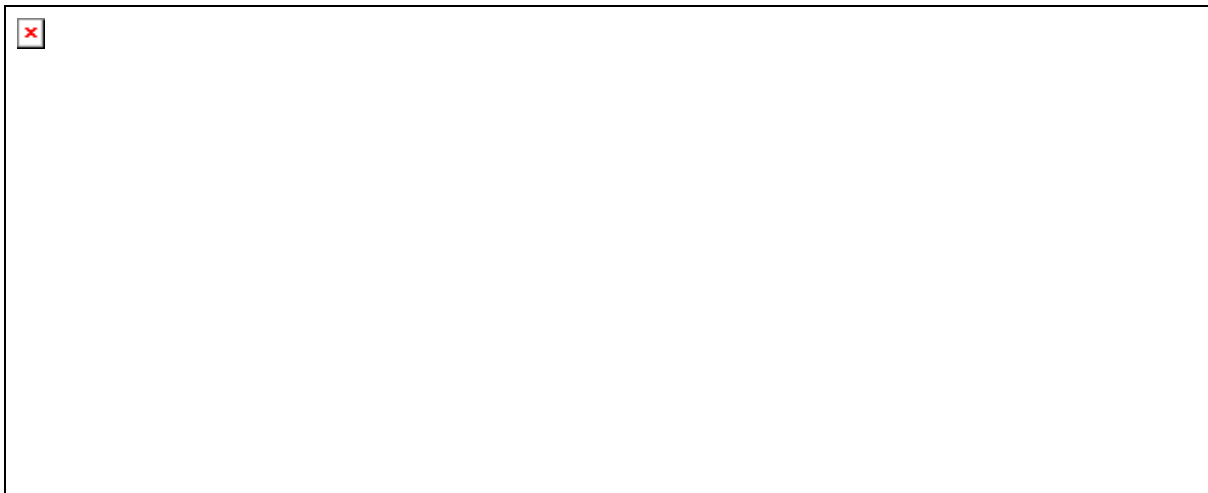
We have hired a Marketing/PR Coordinator to further assist with our marketing and public relations efforts. This coordinator will begin work May 1.

Our television ad campaign will begin in late May and continue through the first part of August. This campaign will be through Cox Media in Phoenix, Tucson, Las Vegas and Southern California. A series of .15 second commercials will appear on targeted cable channels, those that match our desired demographic.

A consumer email newsletter is sent once a month to people who have registered their emails with us while visiting our website (www.visitsedona.com). These people have indicated a desire to receive updates and news on Sedona. The email list is comprised of over 41,000 email addresses.

The Chamber, along with the City of Sedona, and the Arizona Department of Transportation are working together in order to lessen impacts of the construction along a very important two mile business corridor of Highway 179. The Follow the Red Rock Road campaign was developed through extensive input from community partners, business owners, city officials and chamber members. This fun, inventive campaign is designed to help residents and visitors navigate through the construction zone with ease. Campaign components include:

- Seven personalized Javelina Guide characters
- Brochure/map,
- Scavenger hunt,
- Consistent signage,
- Fully integrated website promotion (www.followtheredrockroad.com)



Travel Outlook for 2008 – Some Fast Facts:

Although U.S. Economic Indicators are not painting a particularly good picture for 2008, many economists and travel industry analysts are not ready to give up on 2008. A few interesting trends and news bites have crossed our desk recently, including:

1. The continuing **trend towards smaller meetings** – good for Sedona and our smaller hotel meeting venues. According to PricewaterhouseCoopers more than two-thirds of meetings consist of 50 or fewer participants. That means they cost less than big meetings and can be held at smaller venues. Along with the trend toward smaller is better, the style of the typical meeting is changing, too, with the goal of keeping the participants from nodding off. “Companies now want a meeting to be a creative experience,” said Christine Duffy, president of Maritz Travel. Instead of booking partitioned hotel meeting rooms known for their blandness, companies are turning to chic boutique hotels where the setting for a two-day gathering may be a lounge, library, rooftop or pool”

2. The British pound is weaker than the Euro. Bad for them, but it could drive the Brits over to the U.S. where the pound continues to do much better than the dollar.

3. The Canadian travel market continues to perform well, although there is some speculation that **Canadian business travel may be slowing**. The U.S. and Canadian economies often perform very closely and when one slows down the other follows. That impact could be felt in the business travel market.

4. Use of **Social Media** (Trip Advisor, GoSeeTell, etc.) continues to grow and destination marketing organizations (DMO's) must not ignore the user-generated content they contain. Social media offer a treasure trove of information – information that can be mined using monitoring and analysis technologies to uncover insights about things like customer satisfaction with a company's direct marketing tactics, campaign performance and the viral spread of marketing messages. “Social media monitoring gives direct marketers an opportunity to keep their fingers on the pulse of how consumers are responding – to what extent current campaigns are successful, how they need to refine campaigns over time and, ultimately, the business outcomes,” said Jeff Zabin, research fellow at Boston-based Aberdeen Group.

5. **Skyrocketing Gas Prices May Help Travelers Save Money** - From big-name hotels to tiny bed-and-breakfasts, the lodging industry has started rolling out incentives that help guests offset the costs of hitting the road. Some are offering prepaid gasoline cards, ranging from \$10 to \$50; others are extending cash bonuses or reduced room rates to guests who drive a hybrid vehicle or take a train or bus to their destination. *(Page D5, Wall Street Journal)*

6. **Americans appear to be sticking to summer vacation plans**. Business travelers are still moving about the country. But the one evident change is a newfound emphasis on cutting costs. “Leisure travel is kind of like food and rent – it's considered an essential cost within a relevant range,” said Bjorn Hanson, of PricewaterhouseCoopers. The number of people traveling set records in 2007 and those figures are holding steady so far this year. Although the airlines are struggling with skyrocketing fuel prices, aging planes and calls for tighter regulation, one bright spot is that passengers are still filling up seats and booking flights. Airlines are not having deep discount airfare sales, so far. Hotels have followed suit in not doing much discounting. Room rates in the United States were up 6 percent in 2007, to an average of \$104 a night. One factor bolstering this demand is the influx of foreign travelers. In 2007, some 57 million foreigners traveled to the United States, spending \$123 billion – a record on both counts, according to the Department of Commerce. *(Report by David Wilkening, TravelMole e-Newsletter)*