



TEMPE TOURISM OFFICE

ANNUAL REPORT FY 19/20

A man and a woman are walking on a paved sidewalk. The man is wearing a light blue polo shirt and dark trousers, and the woman is wearing a black top and colorful striped pants. They are both smiling and looking at each other. In the background, there is a historic building with a blue awning that reads "BOXTY HOUSE RESTAURANT" and "SADDLERY SHOP". A large clock tower is visible on the left side of the image.

VISION

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

MISSION

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

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Dear Friends and Colleagues:

The Tempe Tourism Office is pleased to present our Annual Report, reflecting 2019-2020 results. As always, attracting visitors to Tempe and creating a positive economic impact for our community remains our primary goal.

This was certainly an interesting year, and we started out with solid gains in key areas like hotel rooms rented and revenue generated. The positive impact to our community from visitors to Tempe continued. And, then, everything changed in March with the spread of COVID-19 in the U.S. and around the world. We added a section in this report that specifically speaks to the effects of COVID-19 on Tempe's tourism industry.

Before the pandemic's negative impact, Tempe's hospitality industry was moving in the right direction. A little over 1.6 million rooms were rented in Tempe hotels in 2019 – 38,461 more than the year before. Also, in 2019, we saw gains in average daily rate, \$115 compared to \$111 in 2018, and in revenue per available room, \$84 compared to \$79 the prior year.

This fiscal year, we completed a comprehensive research project, conducted by Tourism Economics, that detailed the economic impact of the tourism industry in Tempe. This research showed that in 2018, 4 million visitors to Tempe were responsible for \$851.5 million in direct spending on tourism.

In March 2020, as COVID-19 reached pandemic levels in the U.S., the Tempe Tourism Office team reacted to the changes from both travel restrictions and consumer sentiment.

- The entire team quickly adjusted to working from home in mid-March.
- We shifted our advertising to focus on locals, relying heavily on social media promotion.
- Our summer campaign started in mid-June and featured a "Social + Distancing" message to promote Tempe staycations.
- We increased the frequency of our partner newsletters to keep our constituents informed about new ordinances, programs to assist businesses financially and updates from the state, the city and the Arizona Office of Tourism.
- Our communications team wrote blog posts that were appropriate for the current times, including topics such as restaurants that offer takeout and delivery and outdoor activity options.
- The group sales team stayed in contact with sports and event planners, updating them about the current situation in Tempe and assisting, when necessary, as meetings and events were cancelled or postponed.

As you review our accomplishments from last year and how we responded to the pandemic, please reach out to us with any comments or questions. We are stronger together and are looking forward to a recovery that will benefit our tourism partners and our community.



BRIAN MCCARTIN
PRESIDENT & CEO



JUDI YATES
BOARD CHAIR

THE EFFECTS OF COVID-19

In early March, the tourism industry, along with the entire country, were wondering what the effects of coronavirus would be. By mid-March, when the NBA cancelled their season in the middle of a game and then the MLB cancelled Cactus League Spring Training the next day, the gravity of the situation was just setting in when travel, and life as we knew it, came to an abrupt halt.

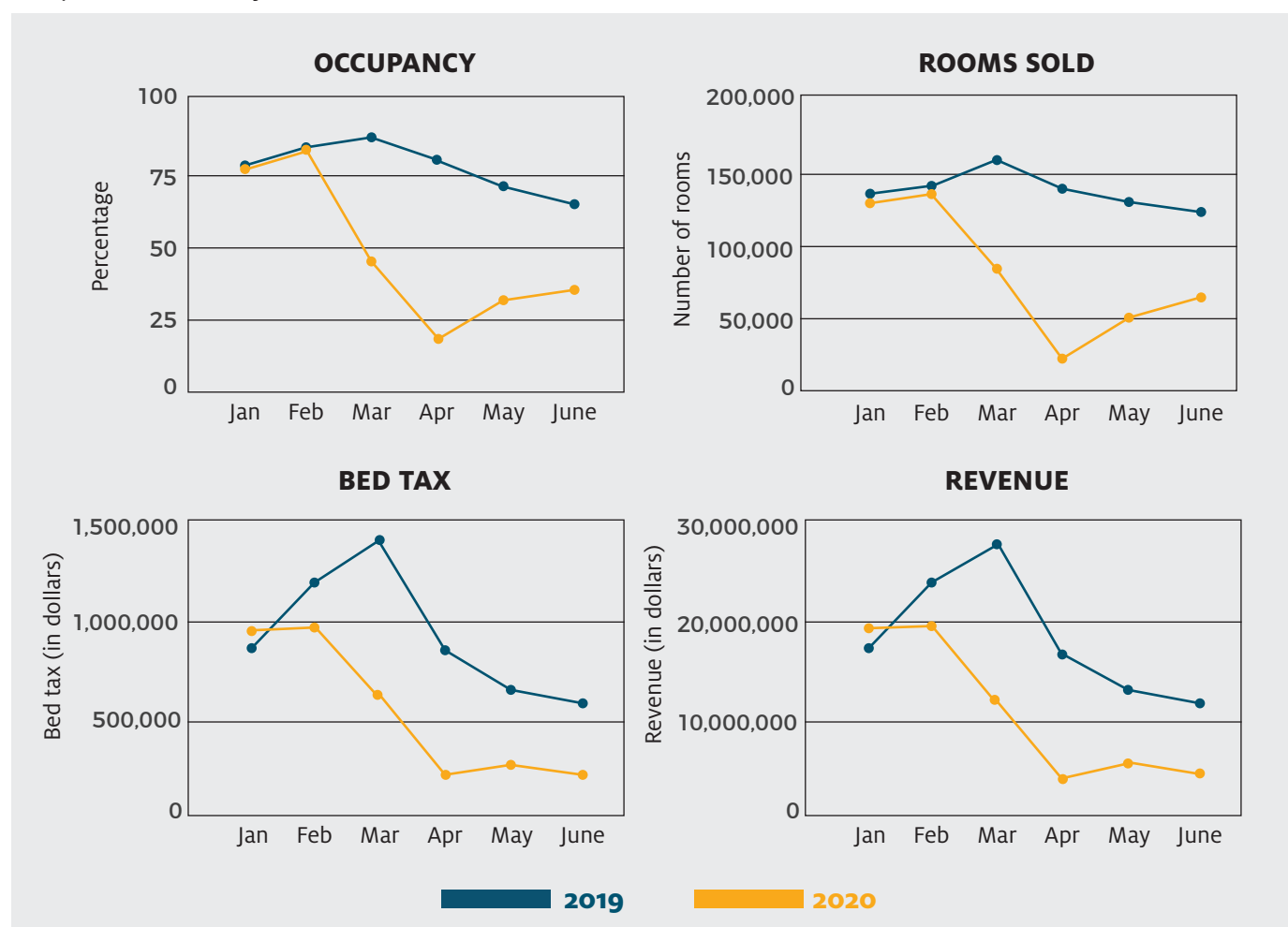


COVID-19 IMPACT ON: HOTEL PERFORMANCE

In Tempe, we began to see substantial declines for our hotels starting in March 2020. In total, 78,120 less rooms were rented in Tempe hotels this March compared to last year. And for the month of March, Tempe hotel occupancy was 47.1%, a significant decrease from 88.7% in March 2019. As well, the average hotel room rate in March 2020 was \$151.60 - down 11.4% from the \$171.15 in March 2019. All told, room revenue was almost \$13.5 million less than the \$26.4 million in March 2019. We also saw the temporary closure of 7 hotels in spring 2020.

While March results were down dramatically, the effects of COVID-19 in April were devastating. Our hotels ran only a 20% occupancy when they historically run around 78%. Normally in April there are over 4,700 hotel rooms rented per day; this year it was just 1,027. And this April, the \$2.1 million in hotel room revenue was 87.3% less than the \$17 million of April 2019.

From a low of 16.4% for the week of April 5-11, we've seen occupancy gradually improving. In May, the average occupancy of 30.2% was a welcome uptick from April, but still well below the 70.4% of May 2019. And in June, occupancy improved to 38.8% although still down from the 66.3% of June 2019. Hotel occupancy in June 2020 was almost double the 20.0% of April and continued to show improvement compared to the May numbers.



GROUP SALES AND SPORTS MARKETING

The Tempe Tourism Office group sales team was on pace to exceed the prior year's total number of leads and bookings until the effects of COVID-19 interrupted their progress. However, they still finished the year only three leads and six bookings below FY 2018-2019. In similar fashion, compared to FY 2018-2019, sports sales exceeded prior year leads by three and bookings were only down by five.

Lost business as a result of COVID-19 from March to June 2020:

54

Cancelled
bookings and
lost leads

\$16.9M

Lost
Economic
Impact

12,549

Lost hotel
room nights

6,249

Attendees
lost

AIRPORT ARRIVALS

In 2019, Phoenix Sky Harbor International Airport set a record for passenger traffic with nearly 46.3 million travelers. This was an impressive 3% increase over 2018 when the airport handled just under 45 million passengers.

However, the crippling effect of COVID-19 caused passenger traffic to fall. In fact, for the month of June 2020, passenger traffic at the airport totaled 1,102,143, which was a dramatic drop from the 3,830,012 passengers who traveled through the airport in June 2019. While the numbers are staggering, the airport is beginning to see recovery with passenger traffic improving each month since April 2020.

HOW DID THE TEMPE TOURISM OFFICE RESPOND?

Because people were not traveling to Tempe like they had in years past, we paused our pay per click ads in late March and shifted our marketing and social media promotion to target locals in Tempe and metro Phoenix. Our consumer, sports and meeting planner newsletters were put on hold. And, our weekly events email to hotel partners changed into a weekly update with links to blog posts with timely topics, such as local restaurants offering takeout and activities that could be enjoyed in the summer. We continued to communicate with our partners via email newsletters, phone calls, emails and regularly scheduled virtual meetings. We also launched our summer campaign in mid-June, targeting locals and a statewide audience.

As fiscal year 19/20 came to a close, we continued to monitor hotel performance data weekly and track consumer confidence in travel to inform our marketing efforts and programs for the next fiscal year.



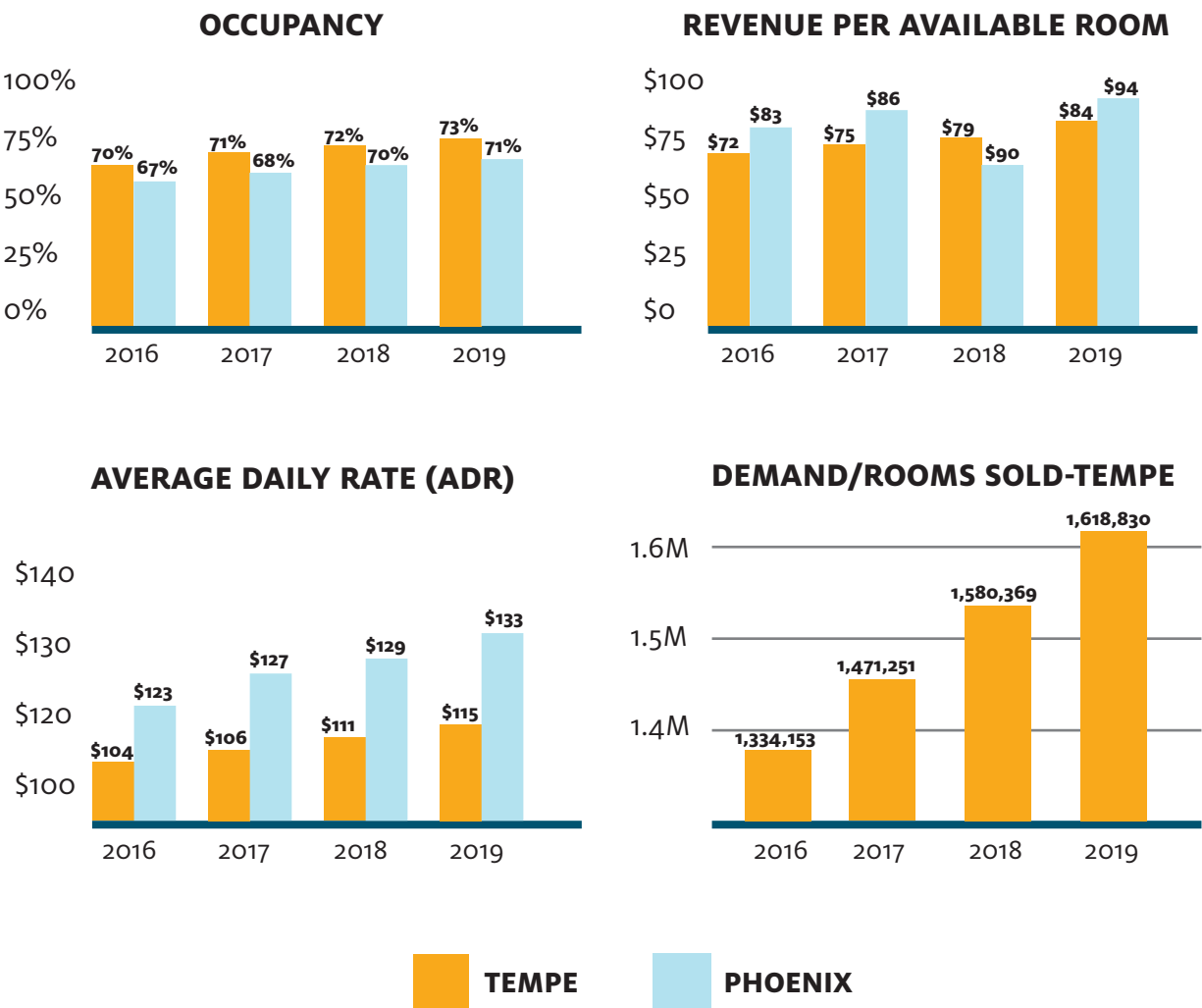
RESEARCH & BUDGET

Photo by: @smithculberson



2019 TEMPE LODGING MARKET

Tempe and the Phoenix market experienced very strong demand in 2019. In fact, Tempe sold a total of 38,461 more rooms than in 2018, even though we did not add any new hotel rooms to the inventory in 2018 or 2019. While several hotels were under construction in 2019, they did not open until 2020. These include the Canopy by Hilton Tempe Downtown, Hyatt House Tempe/Phoenix/University and Hyatt Place Tempe/Phoenix/University. Looking forward, we currently have one hotel, the Westin Tempe, under construction and it is slated to open in late spring 2021.

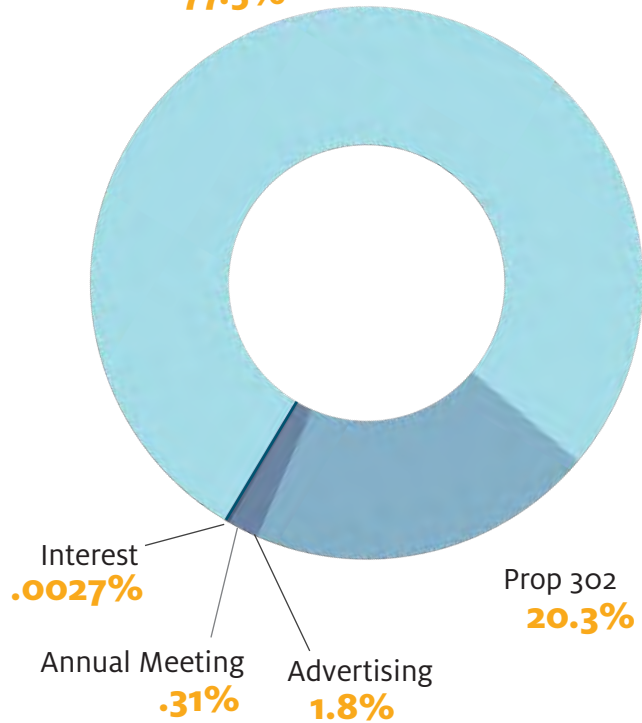


2019-2020 REVENUE & EXPENSES

REVENUE SOURCES

City of Tempe Bed Tax

77.5%



City of Tempe Bed Tax:

\$2,773,507

Prop 302:

\$727,877

Advertising:

\$64,513

Annual Meeting:

\$11,225

Interest:

\$98

In-kind:

\$0

TOTAL:

\$3,577,220

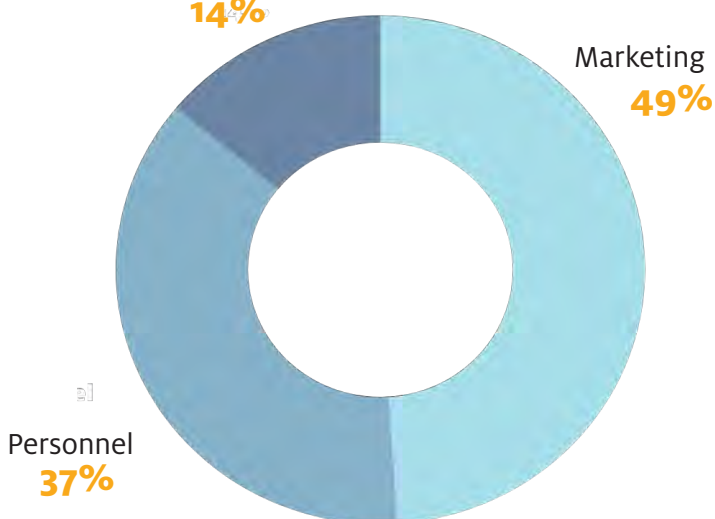
EXPENSES

Operations

14%

Marketing

49%



Marketing:

\$1,577,067

Personnel:

\$1,190,849

Operations:

\$444,102

In-kind:

\$0

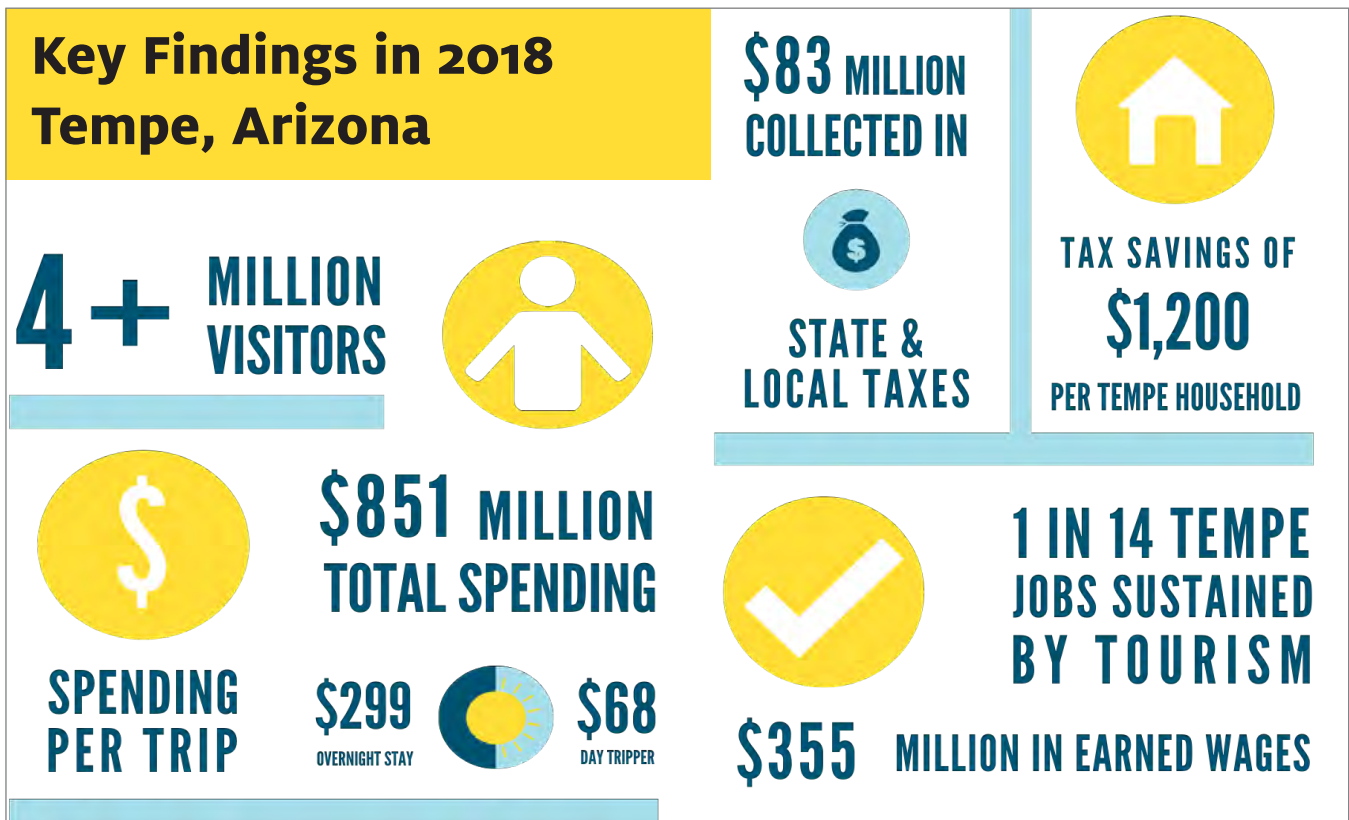
TOTAL:

\$3,212,018

New research about Tempe’s Tourism industry

In January 2020, the Tempe Tourism Office released the findings from a comprehensive research project, conducted by Tourism Economics, that details the economic impact of the tourism industry in Tempe.

The study, “The Economic Impact of Tourism in Tempe, Arizona,” provides a detailed look at the positive effect of tourism in terms of visitor spending, income, employment and tax revenues in the calendar year 2018.



2018 IMPACT OF TOURISM IN TEMPE RESEARCH BY TOURISM ECONOMICS

A scenic view of a park with palm trees and a body of water. The image shows a calm body of water in the foreground, reflecting the sky and the palm trees. Several tall palm trees are scattered throughout the scene, with some in the foreground and others in the background. The sky is clear and blue. A dark blue rectangular box is overlaid on the left side of the image, containing the text "MARKETING & DIGITAL OUTREACH" in white, bold, sans-serif capital letters.

MARKETING & DIGITAL OUTREACH

ADVERTISING PLACEMENTS

Year-round:

- » TripAdvisor
- » Pride Guides Magazine – Colorado, California, Arizona
- » Pride Guides Online – Colorado, California, Arizona, New Mexico

Fall & Spring

- » ADARA
- » ESPN.com
- » Pandora
- » Sunset Magazine
- » Sunset E-Newsletters
- » SURF Rideshare Platforms
- » Viant
- » Weather.com
- » Tu Casa Nueva – Mexico
- » Fashionista – Mexico
- » Imagen Magazine – Mexico
- » Amor & Radio Disney – Mexico

Meetings Industry

- » Connect Meetings
- » Cvent Meetings

Canada - Spring

- » StarMetro Media Canada
- » Bell Media Canada
- » WeatherNetwork.com

Summer 2020

- » Expedia
- » Raising Arizona Kids
- » Arizona Parenting Magazine
- » Entercomm Radio
- » Univision Spanish Radio
- » AZFamily.com
- » Right Choice Digital
- » Clear Channel Outdoor

60,744,864
Total impressions

6,850,930
Total circulation

67,595,794
Total

Requests for Information:

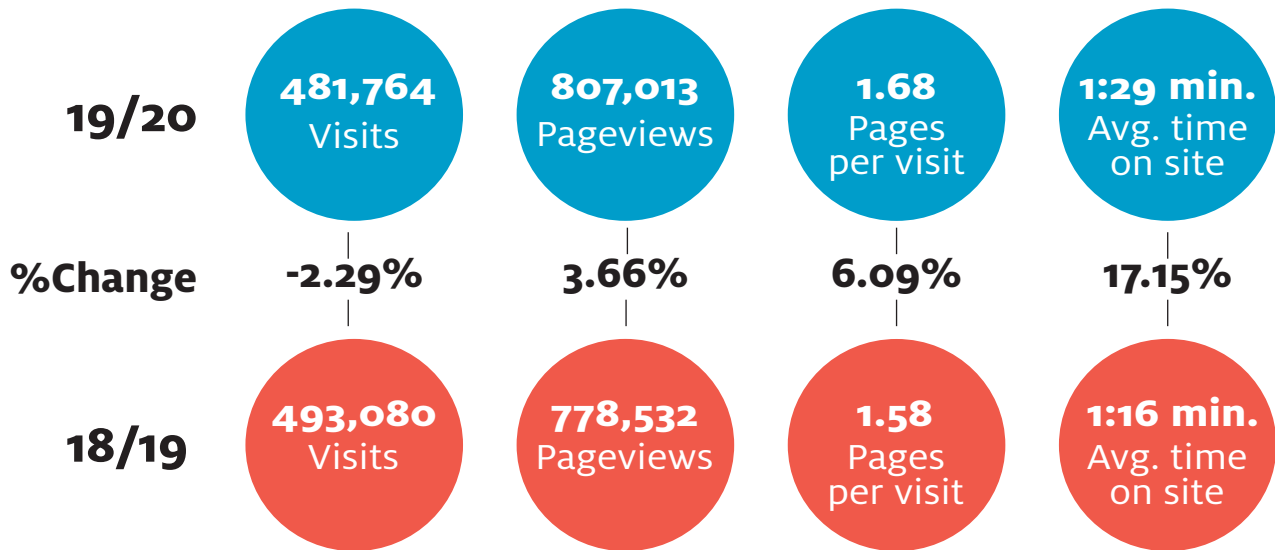
FY 17/18: **21,304**

FY 18/19: **16,327**

FY 19/20: **6,651**

WEBSITE PERFORMANCE

YEAR-OVER-YEAR

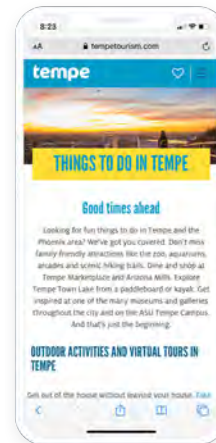
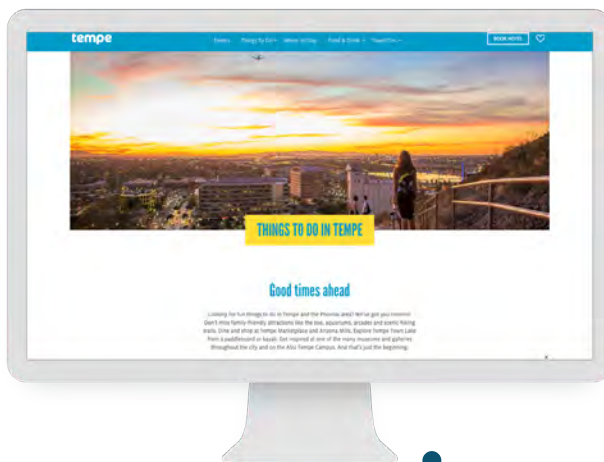


Search Engine Optimization efforts resulted in an **82.8%** keyword visibility on Google and Bing.

1,871,266 Pay-Per-Click Video Views	9,638,007 Impressions	20.58% Click-thru- Rate	\$0.05 Cost-Per- Click
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NEW WEBSITE

The new Tempe Tourism Office website launched in August 2019. The site is highly customized for the mobile experience, keeping with Google's "mobile first" platform.

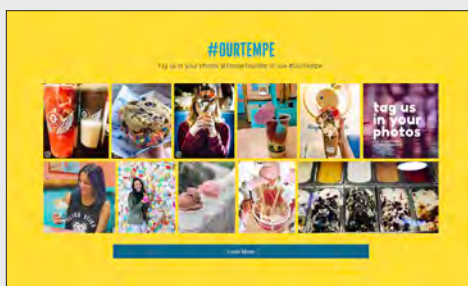


AVERAGE LOAD TIME:

11.34
seconds
(old site)

V.

5.05
seconds
(new site)



Blog pages now include the capability of adding images and videos throughout the page, Crowdriff Instagram photo galleries and customized links to related blogs.



Our spring training landing page features a game schedule that is designed to be especially easy to navigate on a mobile device.

E-NEWSLETTERS

PARTNER NEWSLETTER

Newsletters sent: **13**

Average number of recipients: **318**

Average open rate: **31.05%**

CONSUMER NEWSLETTER

Newsletters sent: **19**

Average number of recipients: **9,578**

Average open rate: **16.09%**

WEEKLY EVENTS NEWSLETTER

Newsletters sent: **50**

Average number of recipients: **350**

Average open rate: **20.48%**

MEETING PLANNER NEWSLETTER

Newsletters sent: **4**

Average number of recipients: **4,668**

Average open rate: **14.54%**

SPORTS PLANNER NEWSLETTER

Newsletters sent: **3**

Average number of recipients: **517**

Average open rate: **29.36%**



A woman with long dark hair, wearing a wide-brimmed straw hat and a sleeveless striped dress, is sitting on a white cushioned boat seat. She is looking towards the camera with a slight smile. The boat is on a body of water, and in the background, a city skyline is visible under a soft, hazy sky. The word "COMMUNICATIONS" is written in large, white, bold, sans-serif capital letters on a dark blue rectangular background that overlaps the right side of the image.

COMMUNICATIONS

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

Photo by: @saraoutfall

MEDIA OUTREACH

Hosted **19** travel writers/journalists/social media influencers



Tempe Tourism participated in media events including the **Visit Phoenix missions** in New York City and Los Angeles, **TBEX (Travel Blogger Exchange)** in Billings, MT and **IMM (International Media Marketplace)** in New York City.

Publications: *Windy City Times, Traveling Mom, Curbfree with Cory Lee, Travel + Leisure (Mexico), The Knockturnal, Whiskey Advocate, Passport Magazine, LA Times, Passports & Grub, Roamaroo, One Girl One World, SightDoing, Trips with Tykes, El Universal, Smart Meetings, Pride Journeys*

45
articles

44,451,197
impressions

Collateral Production



Official Tempe Visitor's Guide

75,000
printed copies

968
Digital Downloads

10,000
Fall Brochures

5,000
Spring Brochures

VIDEO CONTENT

The majority of video projects were used on a variety of platforms, such as YouTube, Facebook, Instagram and TikTok, in various cuts and lengths.

- » USA Triathlon Collegiate Club and High School National Championships in Tempe, AZ
- » Fate Brewing Company in Tempe
- » Spring Training in Tempe, Arizona
- » Mural Drive Tour in Tempe
- » Kayaking at Tempe Town Lake
- » AC Hotel: Gatherings Re-imagined
- » Tempe Local Business: Mango Rabbit
- » Frozen Treats in Tempe
- » Top 5 Summer Activities in Tempe
- » Cocktails to-go in Tempe, Arizona

Tastefully Tempe series

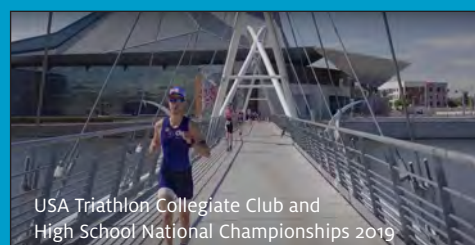
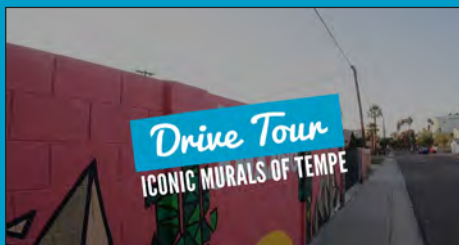
- » Tastefully Tempe: Cotton & Copper
- » Tastefully Tempe: Ghost Ranch
- » Tastefully Tempe: Hachi Ramen
- » Tastefully Tempe: 5 Favorite Cocktails in Tempe Arizona

Breathe with Tempe series

- » Papago Park
- » Old Main at Arizona State University
- » “A” Mountain
- » Tempe Town Lake
- » E-bike Tour
- » Desert Botanical Garden

COVID-19 Videos

- » Together Tempe
- » Welcome back to Tempe, Arizona
- » Welcome back to Tempe, Arizona- We're open!



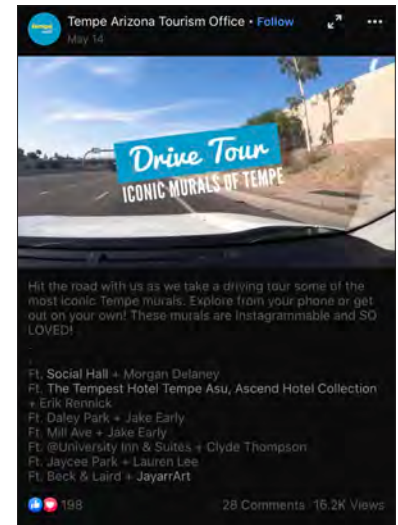
SOCIAL MEDIA



Now verified on Instagram



Top performing post on Instagram



Top performing video on Facebook

VIEWS

Facebook Video Views **103,919** | LY 79,746 **+30.31% YOY**

Instagram Stories **191,675** | LY 93,443 **+105.13% YOY**

YouTube Views **1,563,467** | LY 1,128,177 **+38.58% YOY**

IGTV Views **5,089** | LY 1,749 **+190.97% YOY**

INTERACTIONS

Facebook Interactions **49,825** | LY 20,923 **+138.14% YOY**

Instagram Interactions **27,776** | LY 13,985 **+98.61% YOY**

Twitter Interactions **1,617** | LY 797 **+102.89% YOY**

Pinterest Interactions **8,302** | LY 1,907 **+335.34% YOY**

TOTAL FOLLOWERS AT YEAR END

Facebook: **22,461**

Instagram: **5,560**

Twitter: **3,323**

Pinterest: **595**

YouTube: **785**

KEY:

Instagram Television (IGTV): a platform within Instagram where users can upload video footage up to 10 minutes in length that post a one-minute preview in feed and live in full form on each user's Instagram profile page.

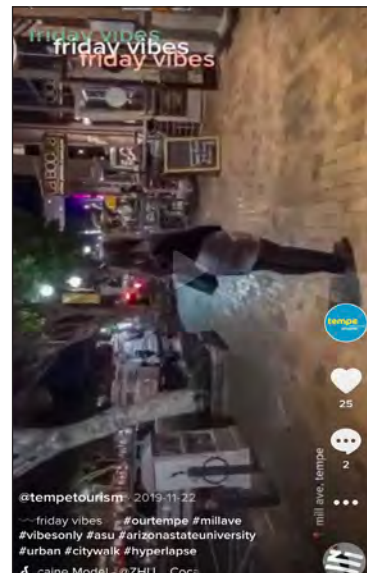
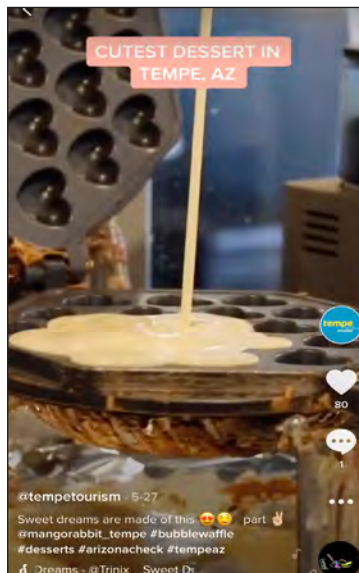
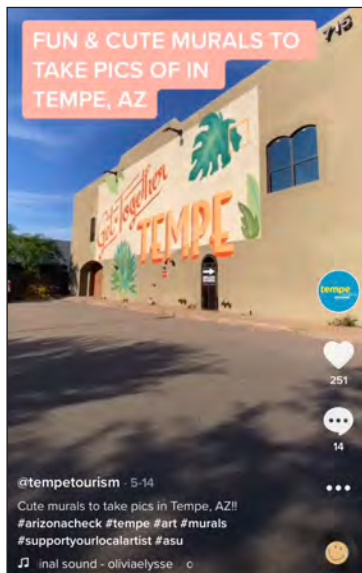
Instagram Story: a photo, video or combination of both typically presented with animation that lasts for 24 hours.

Interactions are defined as likes, shares, comments, retweets, pins, etc. This does not include Instagram Story and IGTV video views or Facebook and YouTube video views.

NEW TO SOCIAL



In FY 2019-2020, @tempetourism started a TikTok account. We explored and quickly discovered we were one of the first destination marketing organizations on this platform. TikTok is used to create short, music, lip-sync, dance, comedy and talent videos of 3 to 15 seconds, and short looping videos of 3 to 60 seconds.



FY 19-20 TikTok reporting

Videos posted: **19**

Engagements (likes, comments & shares): **811**

Video views (for new videos): **8,521**

A scenic view of a lake with a wooden pavilion on the right and a golf course in the background. The pavilion has a dark wooden roof and white pillars. A person is sitting on a bench under the pavilion. The lake is calm with some ripples. In the background, there is a green golf course with trees and a clear blue sky with a few wispy clouds.

GROUP & SPORTS SALES

GROUP SALES



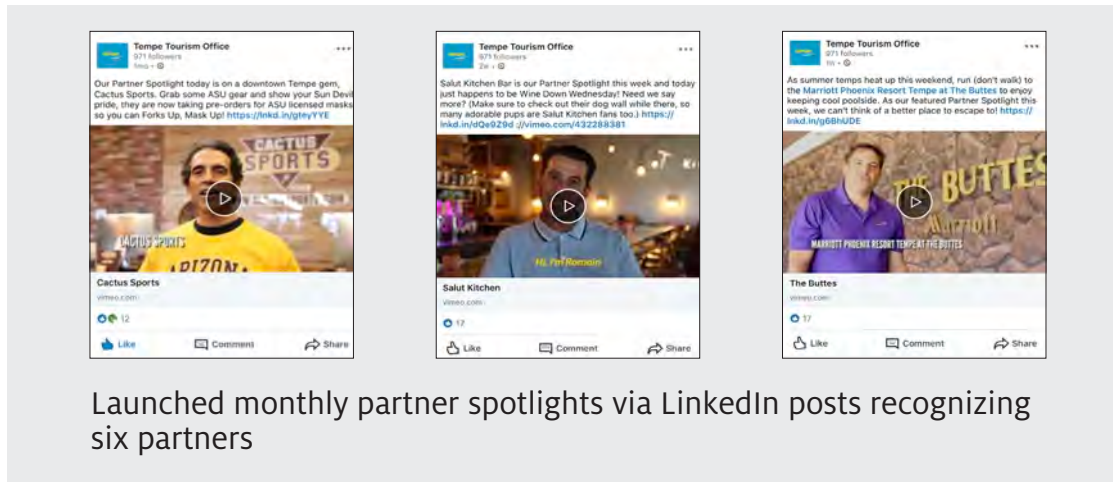
Leads by Group Segment:	Leads YOY change by 3rd Party Partnerships:
Association: 68	American Express: +38%
Corporate: 178	ConferenceDirect: +29%
Government: 4	Cvent: -10%
Rooms only: 9	GlobalCynergies: +14%
SMERF: 26	HelmsBriscoe: -19%
Space only: 5	

Group Tradeshows and Connections

- | | |
|---|--|
| » AMEX INTERaction: 35 planners | » HelmsBriscoe Arizona Presentation: 8 associates |
| » ConferenceDirect Forum: 35 planners | » HelmsBriscoe Destination Webinar: 69 associates |
| » ConferenceDirect Digital Annual Partners Meeting: 20 appointments | » Senior Planners Industry Network SPIN CON: 50 planners |
| » Connect Diversity/Financial: 30 planners | » Senior Planners Industry Network AZ Local Chapter: 10 planners |
| » Connect Marketplace: 80 planners | » Senior Planners Industry Network CVB Panel: 198 participants |
| » Connect Southwest: 20 appointments | |
| » Connect Texas: 26 planners | |
| » Destination Arizona: 25 planners | |
| » GlobalCynergies Destination Webinar: 33 associates | |

Group Sales Highlights

- » Hosted nine group sales site inspections
- » Launched Senior Planners Industry Network partnership this fiscal year to increase awareness with a new segment of meeting professionals



- » Increased new LinkedIn followers by 66%



- » Created content for:
 - Two HelmsBriscoe Partner Buzz articles
 - Three MPI AZ newsletters blasts/social media posts as a part of our annual partnership
- » Olivia Hall joined the team when Sofia Preston left after nearly 20 years with Tempe Tourism office
- » Melora Hathaway completed Cvent Supplier Network Professional Certification

SPORTS SALES

61

Leads

34

Bookings

36

Service
Requests

10,434

Room Nights

12,863

Attendees

\$23.1M

(EEI) Estimated
Economic Impact

Sports Tradeshows and Connections

Connect Sports: **46** rights holders

Connect Women in Sports: **20** rights holders

TEAMS Sports Expo: **40** rights holders



Major Events Hosted

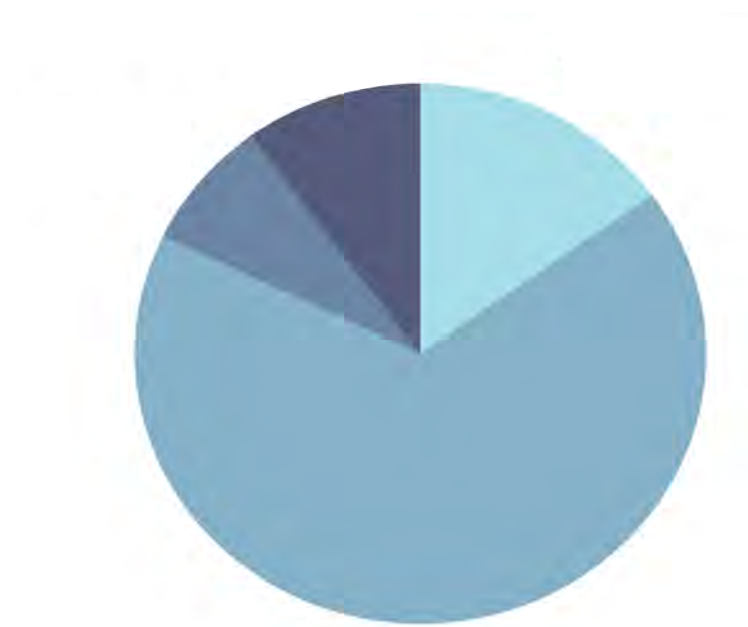
- » Outspoken Women's Summit November 2019: 250 attendees, **\$132k** EEI
- » Ironman AZ 70.3 October 2019: 1,600 athletes, **\$2.4M** EEI
- » Ironman AZ November 2019: 2,676 athletes, **\$4.1M** EEI
- » Rock 'n' Roll Arizona Marathon & ½ Marathon January 2020: 2,865 athletes, **\$8.3M** EEI
- » Triathlon Business International Conference January 2020: 280 attendees, **\$537k** EEI
- » Triple Crown Sports March 2020: 702 athletes, **\$1.8M** EEI

Sports Sales Highlights

- » Hosted six sports client site inspections
- » Sport Spring Training FAM - Hosted six clients in partnership with three CVBs
- » Hosted Connect in Women Sports off-site client networking event
- » Acknowledged as the 2019 Destination of the Year from Compete Sports Diversity Council
- » Secured the Super League Triathlon for May 2021 after 2020 was cancelled due to COVID-19 at Tempe Beach Park. This will be Super League Triathlon's first event in the United States with 1,200 athletes and \$3.1M EEI.
- » Created student partnership program that incorporated both volunteer and internship opportunities
- » Alicia Kentz became a member of Sports ETA's Young Professionals
- » Alicia Kentz completed Cvent Supplier Network Professional Certification



TOTAL ESTIMATED ECONOMIC IMPACT: 2019-2020



Group Bookings*:	\$5,170,692
Sports*:	\$23,135,226
Advertising**:	\$2,661,468
Website**:	\$3,475,277
Total:	\$34,442,663

*Economic impact formula for daily spending is based on the Destinations International Event Impact Calculator.

**Economic impact formula for daily spending based on 2018 Tourism Impact Study.



TEMPE TOURISM OFFICE

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