

NEW MEXICO  **TRUE**

New Mexico Tourism Department

2021 Los Angeles Campaign ROI Research Report

December 2021

Background & Objectives

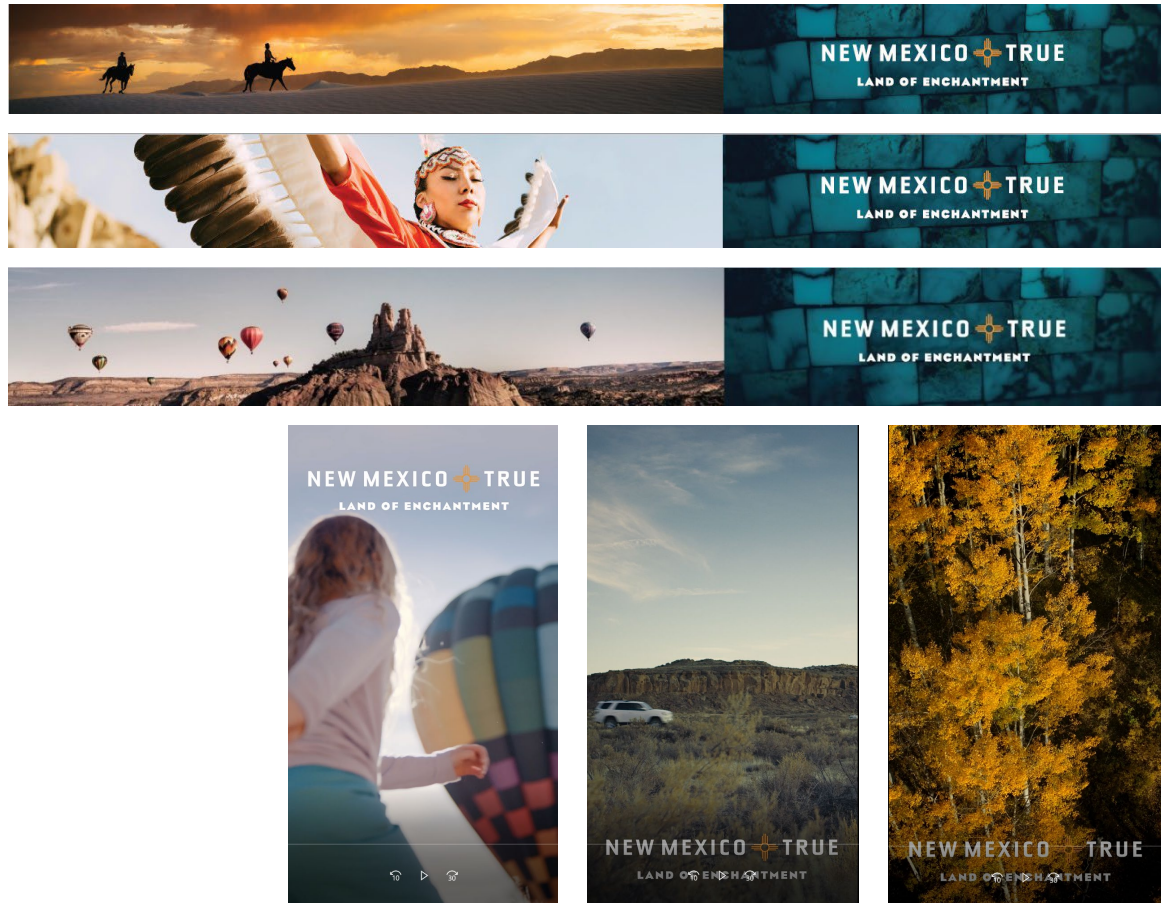
- The New Mexico Tourism Department broadened its leisure travel advertising campaign by targeting the Los Angeles DMA for the first time in 2021. While New Mexico has targeted “venturesome travelers” in its advertising in years past, the LA effort was not specifically aimed at this subset, but broadly targeted LA travelers.
- The Department partnered with Strategic Marketing & Research Insights (SMARInsights) to evaluate the effectiveness of the advertising effort. Specific goals were to:
 - Measure reach of the advertising among LA travelers
 - Evaluate the creative in terms of its strength at communicating key messages and motivating visit interest and behaviors
 - Gauge ad-influenced visitation and ad impact on future New Mexico visit intent
 - Measure New Mexico trip spending from Los Angeles visitors
 - Calculate the return on investment for the Los Angeles ad spending

Methodology

- The research reflected the advertising investment targeted toward travelers age 18+ residing in the Los Angeles DMA.
- The advertising effectiveness methodology requires respondents to view the actual ads in order to gauge awareness, so SMARInsights developed and programmed an online survey. National sample vendors provided a link to the survey to potential respondents. In order to qualify for the survey, respondents had to be travelers who take overnight leisure trips and are travel decision-makers for their households. In early December 2021, SMARInsights conducted 400 surveys.
- In pre-pandemic research, the leisure travel incidence was 83% domestically. As of the fielding of this research, travel incidence is 75%. This reflects the hesitance of some typical leisure travelers to resume travel yet.
- Upon completion of data collection, the data were cleaned and coded.
- The following report summarizes the results of the survey. Overall results are presented at a confidence interval of 4.9%. A copy of the questionnaire used for data collection appears in the Appendix to this report.

Campaign

- Ads ran from May through September and included out-of-home executions at LAX, digital, and online video; creative was a mix of existing and new creative.
- Three digital videos and three static digital ads were tested.
- The marketing investment in the LA market supporting these creative executions was \$1.9 million.



Key Considerations

- Pre-pandemic, advertising awareness could be fairly well predicted from the dollar amount invested in the media buy, size of the target population, and strength of the advertising at communicating key messages. Now, however, a host of variables complicates that formula, including:
 - **COVID-19** – This is the most obvious and most disruptive element in the landscape, interrupting travel plans, reducing likelihood to travel, and changing the way people choose and get to destinations.
 - **Non-travelers paying less attention to travel ads** – SMARInsights has seen that travelers who are not intending a trip in the near future are less aware of travel ads. This makes intuitive sense, since relevance is one element of ads that break through the clutter of media messaging.
 - **Higher media costs** – SMARInsights is seeing higher costs per impression for social and digital placements, and we are seeing lower awareness with higher media spending.
 - **New creative** – Even prior to the pandemic, a new campaign typically had lower awareness than a campaign that had run for several seasons and had had time to wear in with consumers.
- It is important to keep these key considerations in mind when reviewing the results of this advertising effectiveness research. While we are eager to get back to a “normal” measure of “normal” campaign performance, the data give us reasons for a more nuanced analysis of the reach and impact of New Mexico’s advertising.

Insights

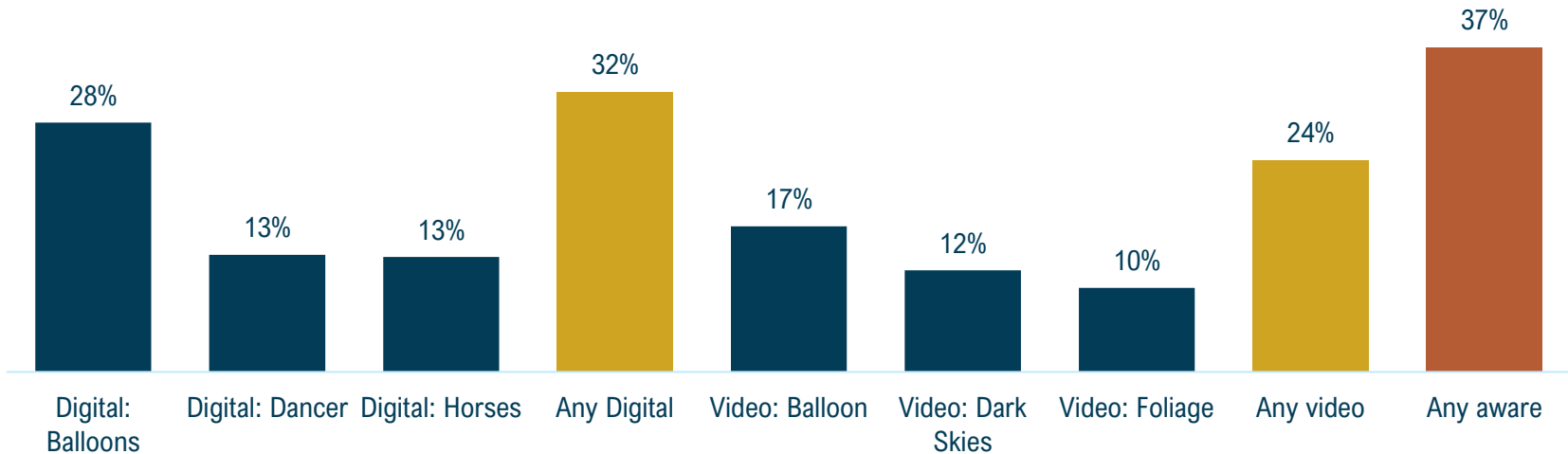
- NMTD's 2021 advertising campaign focused on the Los Angeles market influenced nearly 80,000 New Mexico leisure trips and visitor spending of \$107 million. With advertising investment of \$1.9 million, this means that for every dollar invested in the advertising, LA visitors influenced by the campaign spent \$56 in New Mexico.
- The ads reached just over a third of traveling households. The campaign reached 1.6 million LA households with messaging about New Mexico's leisure product. As NMTD continues to advertise in this market, we would expect awareness to grow and efficiency and impacts to increase.
- The advertising positively impacts familiarity, likelihood to recommend, agreement that New Mexico is an enjoyable place to visit, and likelihood to visit. Those aware of the ads rate New Mexico higher on all image attributes, with higher positive impacts on those attributes highly correlated with likelihood to visit. The ads boosted New Mexico visitation by 5 points.
- Travelers gave the ads excellent ratings for making the state look like a great place for outdoor adventures, giving a positive view of the state, featuring authentic experiences, and making the state seem welcoming.
- The campaign nearly reaches the top 25% threshold for making people want to learn more about things to see and do in New Mexico. It is above average for generating interest in visiting.

Awareness

- Overall, the campaign reached 37% of LA travelers.
- The static digital ads had higher reach than the video ads. The balloons static ad had the highest reach of any individual execution.



Awareness of Individual Ads



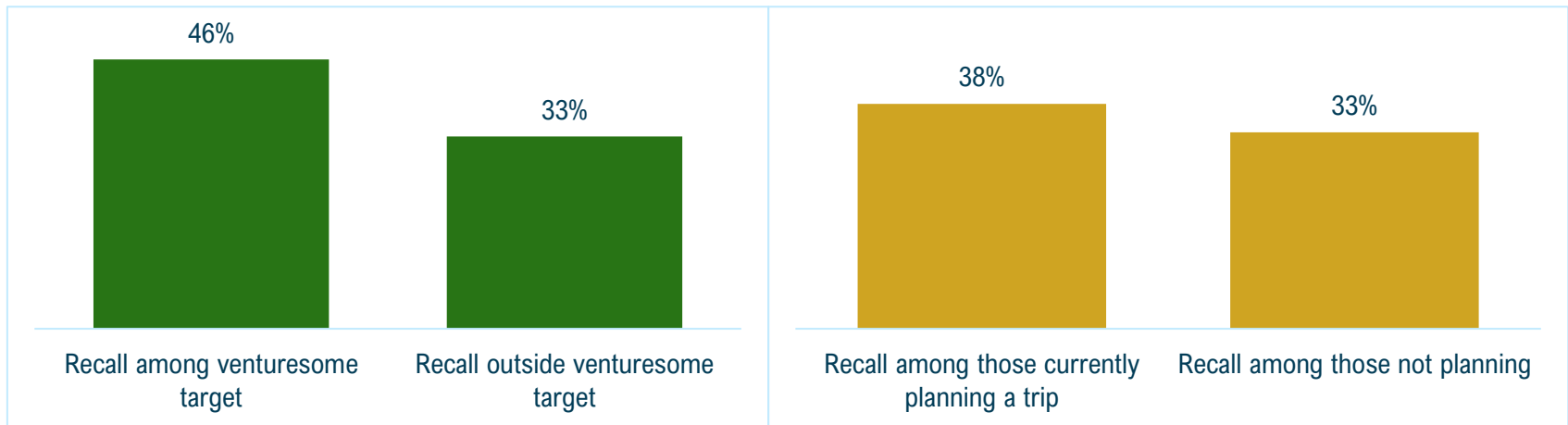
Demographics of those aware of the ads

- Ad awareness is similar across age groups.
- A higher share of ad-aware travelers has kids at home than the overall traveling population.
- Education, marital status, and income are similar among those aware of the ads as among travelers overall.
- A higher share of Hispanic travelers recall the ads.
- Most are vaccinated, but 11% of those aware of the ads don't intend to get the vaccine.

		Ad Aware	Overall
Age	18-34	33%	32%
	35-54	33%	33%
	55+	34%	35%
Household	Married/Domestic partnership/Civil union	50%	49%
	Single/Never married	35%	37%
	LGBTQ+	7%	6%
	Kids in HH	33%	25%
Education	High school or less	13%	10%
	Some college/technical school	22%	25%
	College graduate	46%	49%
	Post-graduate degree	20%	17%
Income	< \$75K	56%	54%
	\$75K+	44%	46%
Ethnicity	Hispanic	31%	22%
	Caucasian/White	64%	65%
	African-American/Black	5%	5%
	Asian	24%	26%
	American Indian or Alaska Native	2%	2%
	Native Hawaiian or Other Pacific Islander	0%	0%
	Other	7%	6%
COVID-19 vaccine status	I have received the vaccine	86%	89%
	I have not yet received the vaccine but I intend to	3%	3%
	I have not received the vaccine and I do not intend to	11%	9%

Awareness among Venturesome target and travel planners

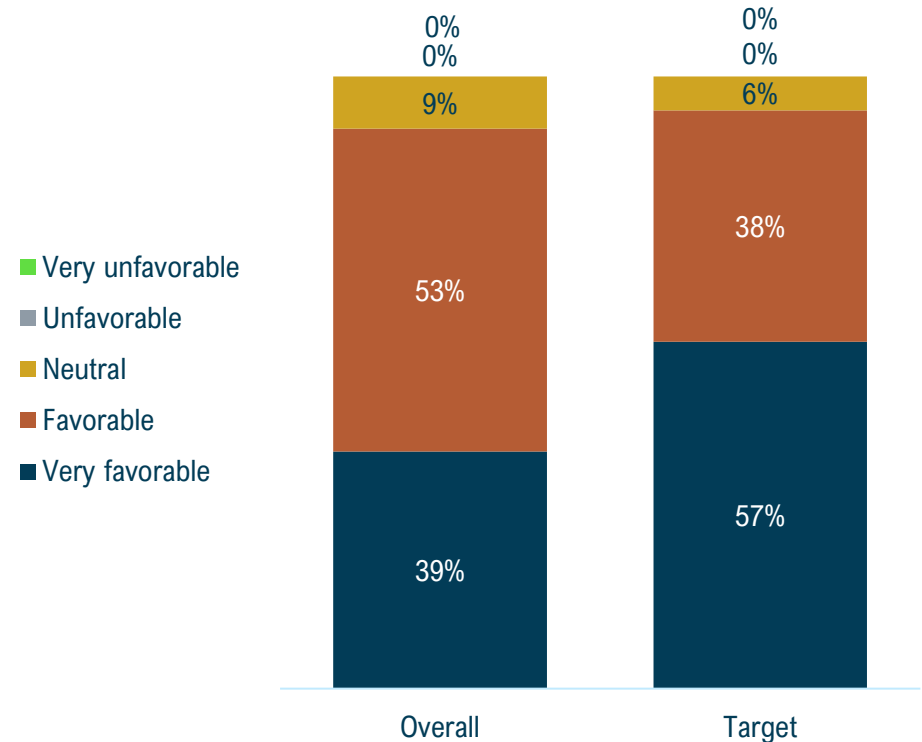
- The Venturesome traveler target – defined behaviorally as those for whom interesting local cuisine, culture, and history are very important when selecting a destination for a leisure trip – represents a third of the travelers in Los Angeles. Among these travelers, awareness of the campaign is significantly higher at 46%.
- Ad awareness is also higher among those currently planning a trip. Typically, ads that are relevant to a consumer are more likely to generate recall, so this makes sense. As of early December, 71% of LA travelers are currently planning a leisure trip.



Overall reaction to creative

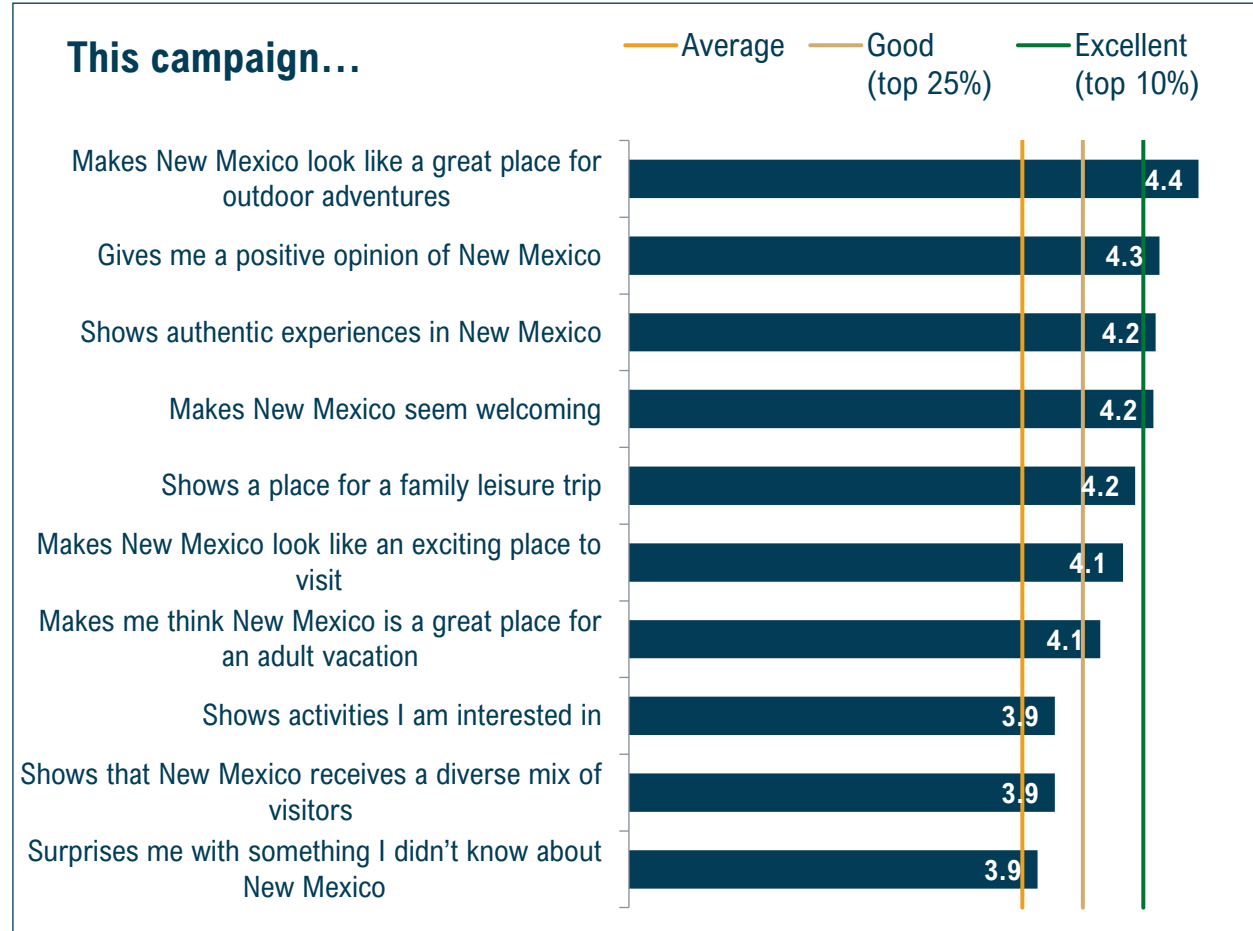
- Most LA travelers had a favorable or very favorable reaction to the New Mexico campaign.
- Notably, none reacted unfavorably to the campaign.
- The venturesome traveler target was even more favorable toward the ads than non-target travelers.
- Favorability is important, but it is not by itself an adequate gauge of whether the ads impact consideration of New Mexico as a leisure destination. We will look next at measures of how well the ads inform travelers of the state's leisure benefits.

What is your overall reaction to this campaign?



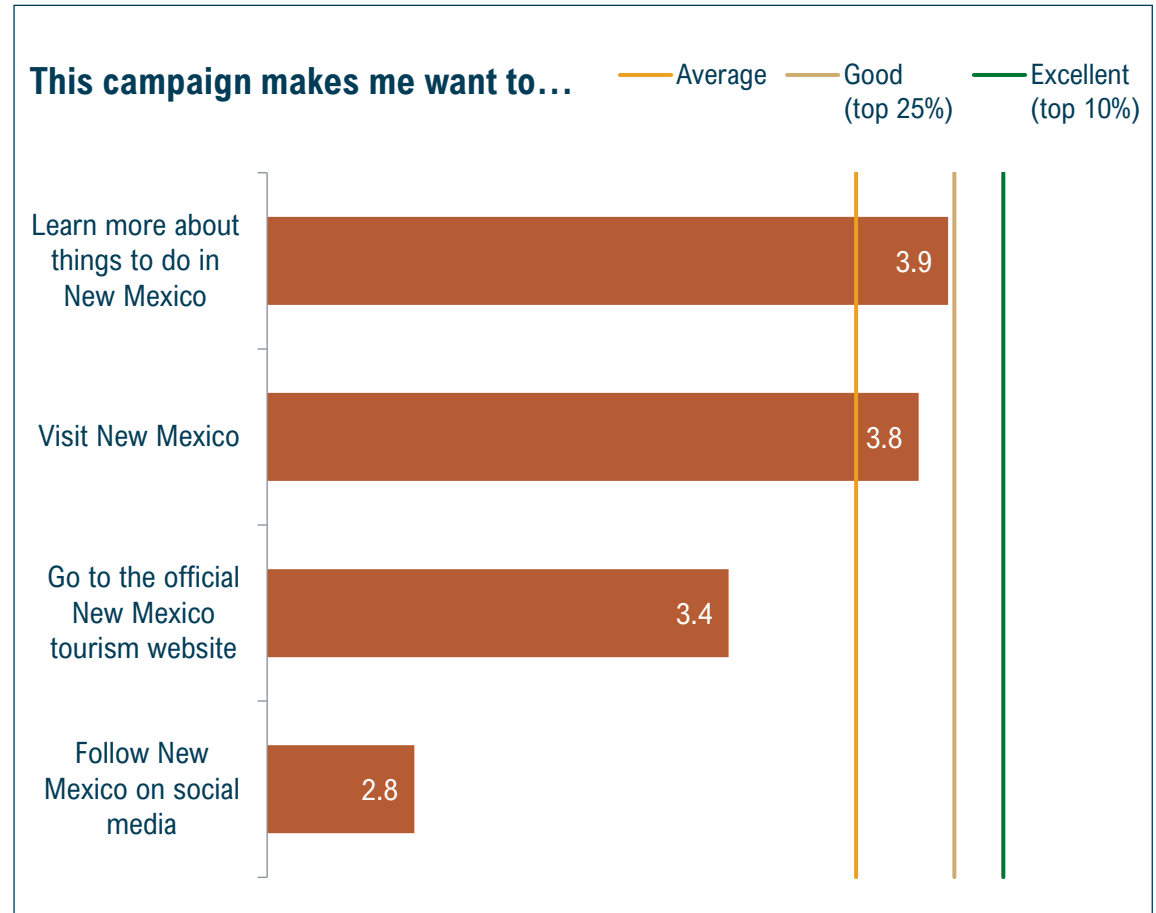
Communication ratings

- The campaign receives excellent ratings (in the top 10% of ads SMARInsights has tested) for making the state look like a great place for outdoor adventures, giving a positive view of the state, featuring authentic experiences, and making the state seem welcoming.
- The ads receive good ratings (top 10%) for showing a place for a family trip, an adult trip, and an exciting place to visit.



Impact ratings

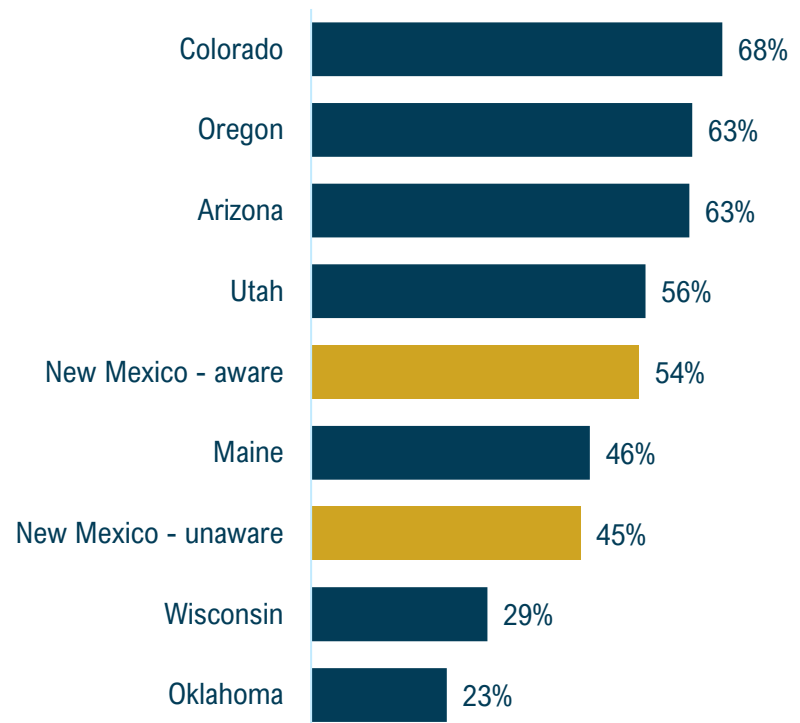
- The campaign nearly reaches the top 25% threshold for making people want to learn more about things to see and do in New Mexico. It is above average for generating interest in visiting.
- Stronger ratings for communication attributes than impact suggests that the ads have just begun to inform travelers of what the state has to offer. It may take longer for that messaging to generate consideration and interest.



Ad impact on place I'd enjoy visiting

- Results fall out similarly for the competitive set for being a place LA travelers would enjoy visiting. This again is a function of familiarity. As ads continue to inform travelers of what New Mexico has to offer as a leisure destination, familiarity will increase and being a place one enjoys visiting would follow – among those for whom the leisure product is relevant.
- The 2021 campaign generated a 9-point lift in this measure, bringing New Mexico in line with Utah.

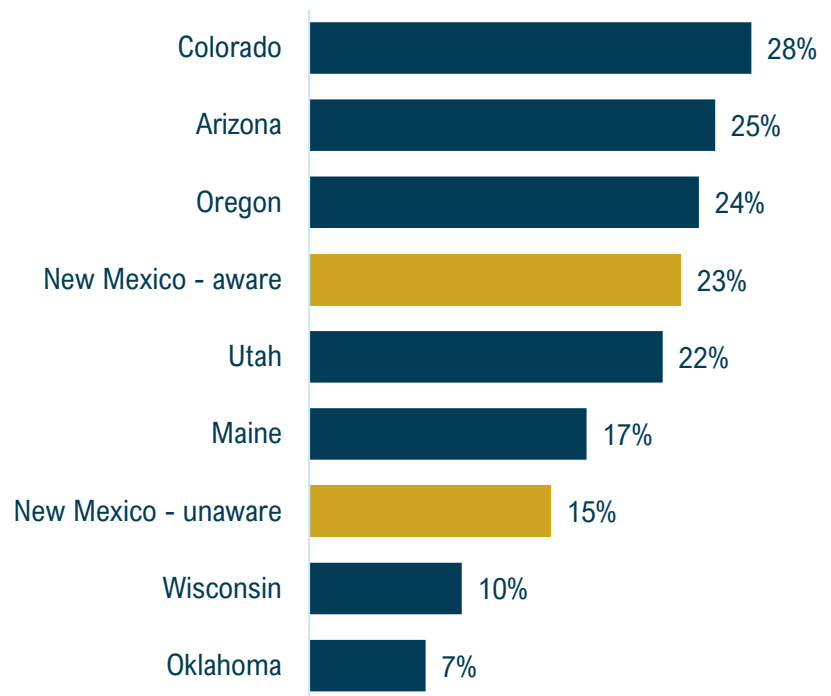
How much do you agree that each destination is a place you would really enjoy visiting?
(Top 2 box agreement)



Ad impact on likelihood to recommend

- Likelihood to recommend New Mexico as a place to visit for a leisure trip follows a similar pattern: Colorado, Arizona, and Oregon represent the top tier; New Mexico and Utah are a second tier; Maine, Wisconsin, and Oklahoma are the bottom tier.
- In this case, the 2021 advertising lifts New Mexico into the top tier, above Utah and in line with Oregon. This is a positive result.

How likely is it that you would recommend each of these states to a friend or colleague as a place to visit for a leisure trip? (Top 2 box)



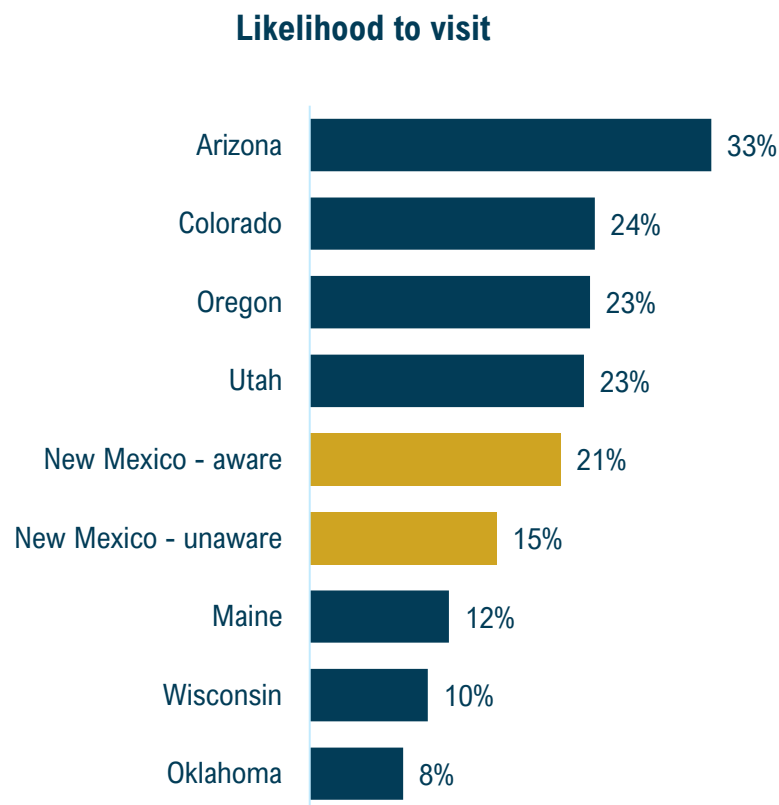
Ad impact on image

- The ads positively impact New Mexico's image among LA travelers.
- Among those unaware of the ads, many of the attribute ratings are in the neutral, mid-3-point range, indicating a lack of information.
- Among ad-aware travelers, most of the ratings are in the 4-point range.
- Highlighted attributes are those with high correlations to likelihood to visit, so improving these perceptions is likely to generate visit intent.

Please rate how well each statement describes New Mexico.	Unaware	Aware	Diff.
A place everyone should visit at least once	3.7	4.1	0.4
Interesting cities	3.6	3.9	0.3
A place I would enjoy returning to often	3.3	3.6	0.3
An exciting place	3.4	3.7	0.3
Interesting small towns/villages	3.8	4.1	0.3
A fun place for a vacation	3.7	4.0	0.3
Colorful	3.8	4.1	0.3
Comfortable	3.6	3.9	0.3
A place I would feel welcome	3.8	4.0	0.3
Interesting history/historical sites	4.0	4.2	0.3
Would be a good place to live	3.2	3.5	0.2
Good for viewing wildlife/birds	3.7	4.0	0.2
Authentic	3.9	4.1	0.2
Great for skiing/snowboarding	2.9	3.1	0.2
Great for experiencing native cultures/customs/traditions	4.1	4.3	0.2
Great nature travel/eco touring	3.8	4.0	0.2
Would be a good place to work	3.2	3.4	0.2
Would be a good place to raise a family	3.3	3.5	0.2
Interesting culture	3.9	4.1	0.2
Interesting local cuisine	3.8	4.0	0.2
Excellent outdoor activities, such as hiking, backpacking, camping, fishing	4.0	4.1	0.1
Is a great place for a health and wellness trip	3.6	3.6	0.1
Artsy	3.8	3.9	0.1

Ad impact on likelihood to visit

- The ads generate a 6-point boost in likelihood to visit New Mexico. As with likelihood to recommend, this means that the ads lift New Mexico from the high side of the bottom tier to the top tier.
- The ads bring New Mexico in line with Colorado, Oregon and Utah for visit consideration.
- Continuing to inform travelers about New Mexico's assets and, specifically, what differentiates the state from these other destinations is likely to grow interest and visitation over time.

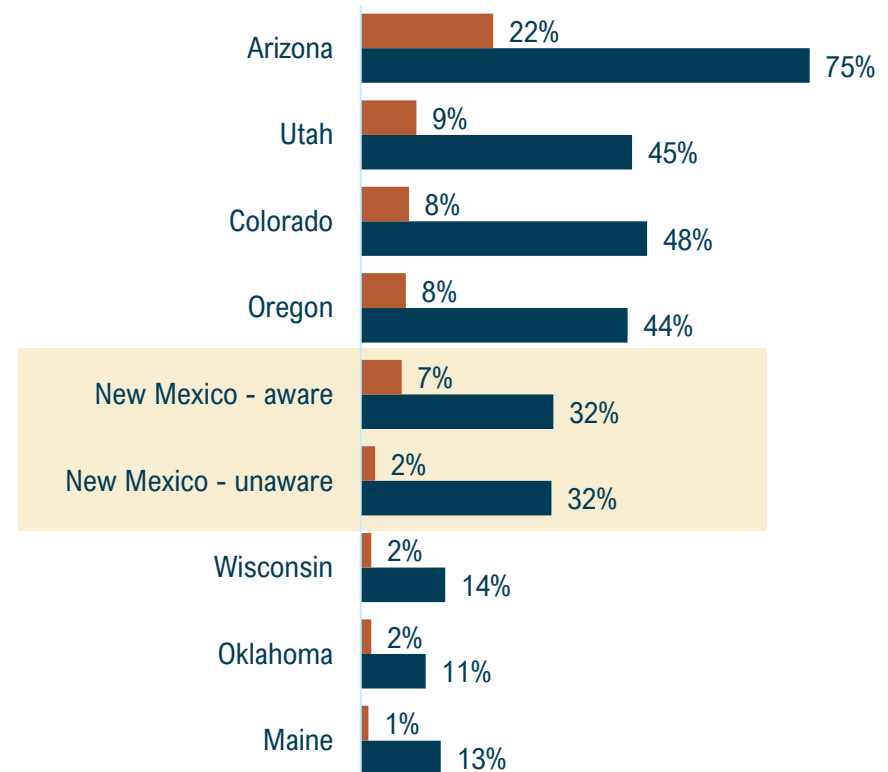


Ad impact on visitation

- Not surprisingly, visitation follows the same pattern as familiarity as well. The highest levels of visitation are for Arizona, followed by Utah, Colorado and Oregon.
- One-third of LA travelers have ever visited New Mexico.
- The ads boosted recent visitation, which we will look at next.

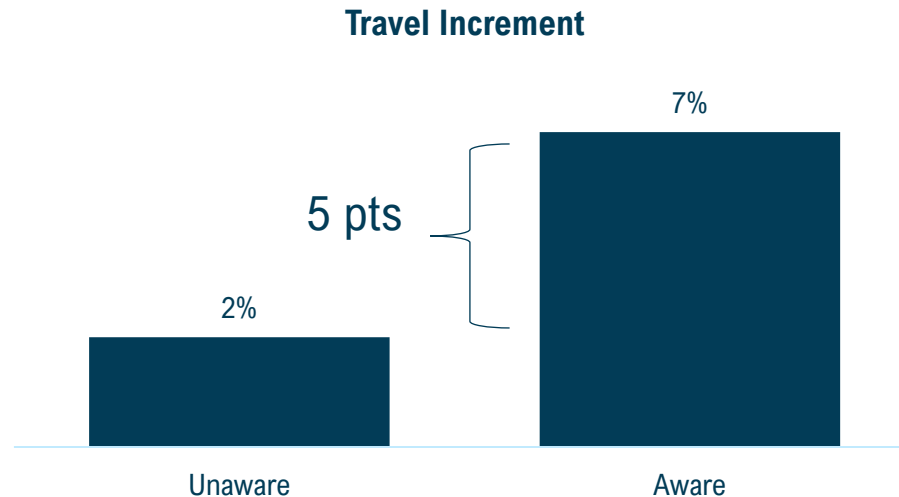
Which of these states have you visited...?

■ In the past year ■ Ever



Ad impact on recent visitation

- New Mexico's 2021 ad campaign increased visitation from Los Angeles by 5 points.
- The level of New Mexico visitation by those unaware of the advertising represents the baseline – the level of visitation we could expect from the LA market had NMTD not advertised there.
- The difference between the ad-aware and unaware levels of travel – in this case, 5 points – is attributable to the influence of the advertising.



Return on Investment

- Applying the 5-point increment to the 1.6 million LA households that recall NMTD's ad campaign points to nearly 80,000 New Mexico leisure trips attributable to the campaign.
- With average trip spending of \$1,354, the campaign influenced more than \$107 million in visitor spending in the state this year. This is slightly lower than the \$1,446 spot market spending measured in 2019, pre-pandemic.
- With \$1.9 million invested in the campaign, the return in \$56. For every dollar spent on the 2021 leisure travel advertising campaign, visitors spent \$56 in New Mexico.
- This is a positive result, particularly in a year where the pandemic continues to impact leisure travel and not all leisure travelers have returned to this activity yet.

2021 Los Angeles Market ROI	
HH	4,301,423
Awareness	37%
Aware HH	1,580,773
Increment	5%
Incremental trips	79,039
Trip spending	\$1,354
Influenced trip spending	\$107,018,316
Media spending	\$1,900,000
ROI	\$56

Reasons for non-visitation

- When asked why they did *not* visit a particular place, most travelers typically answer that they went somewhere else instead. People seldom choose *against* a destination – rather, they consider a few places and then pick one.
- However, in this instance, the share of non-visitors who said, “I wanted to visit other places first” is dwarfed by the share who did not visit due to “concerns over the pandemic.” Half of the LA travelers who did not visit New Mexico said COVID-19 was a factor in their decision not to visit.

Why was your trip this year not to New Mexico?

