



COLORADO  
TOURISM OFFICE



# Colorado Tourism Roadmap

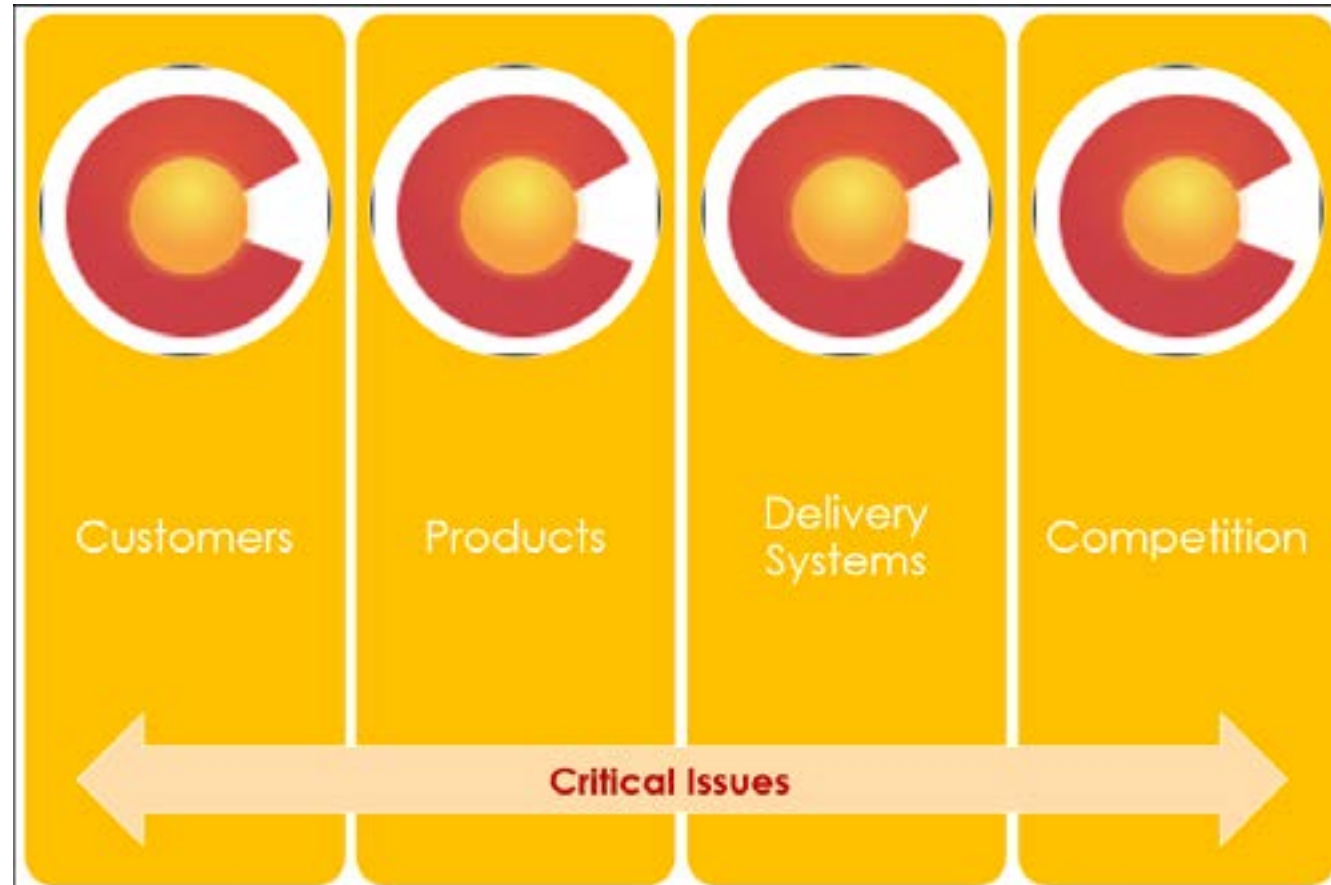
Critical Issues Facing Colorado's  
Tourism Industry

# Tourism Roadmap - SOI

1. Outline preliminary findings
2. Identify critical state issues – ways to act on
3. Receive feedback – direction
4. Use as team refines and develops strategies and recommendations

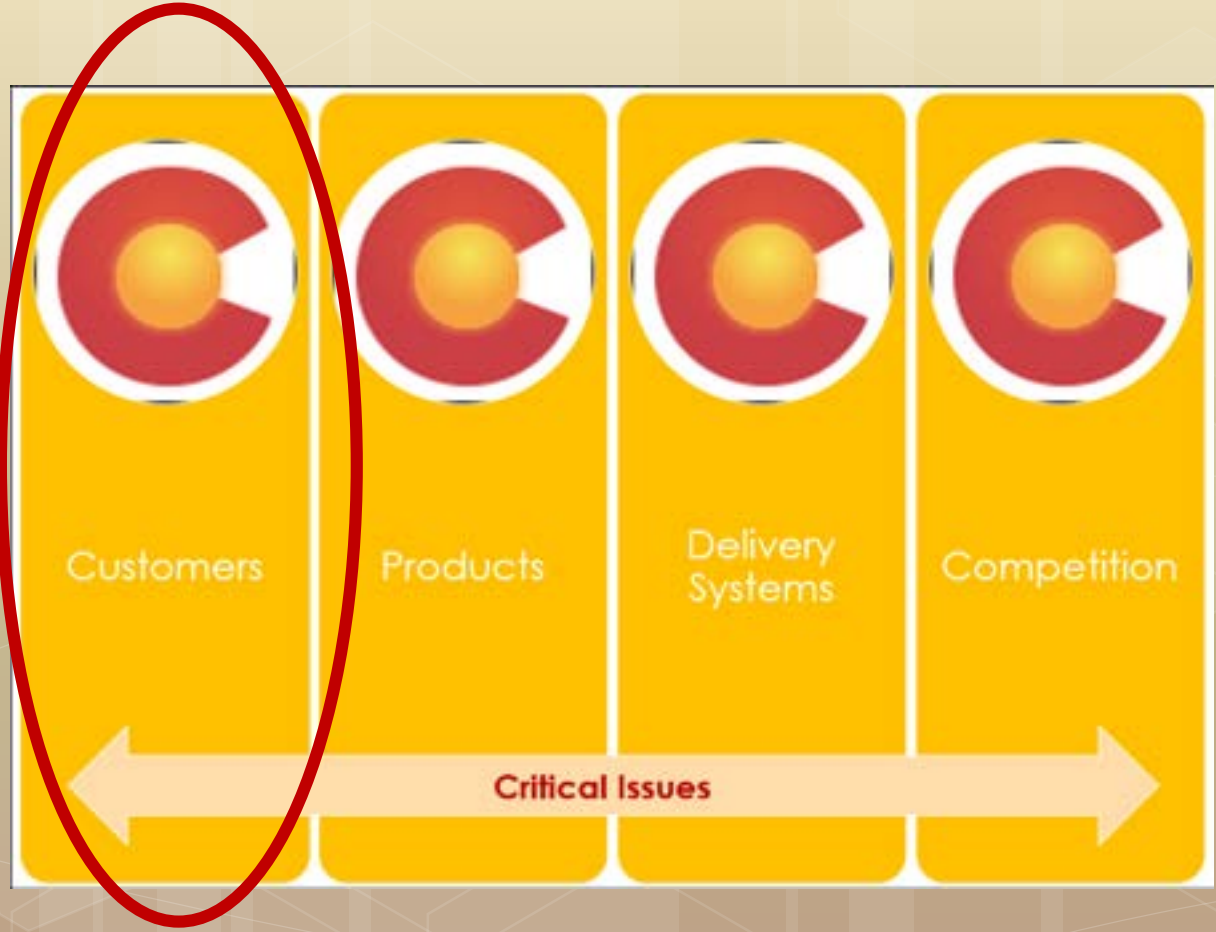


# Building the Foundation



# Connecting With the Industry





# Colorado Tourism Roadmap

Customers and Market Performance

# The Size of Colorado's Visitor Market

## Scale

36 million overnight - 41.7 daytrips – 77.7 million total

\$19.1 billion in total spending

Source: Longwoods International 2015

# Very Strong Growth Rates

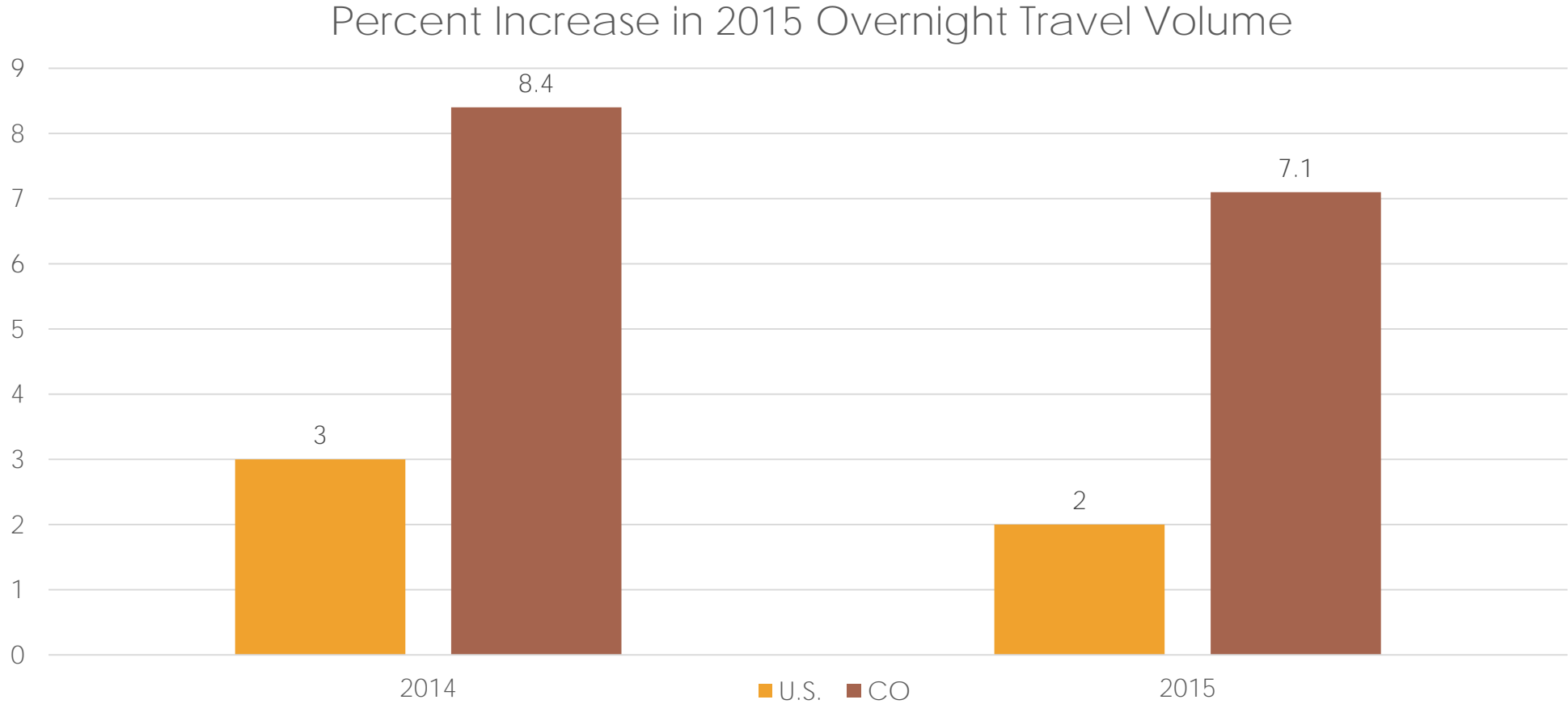
- Growth in overnight trips has increased significantly over the past 5 years
- Overnight currently makes up 46% of total Colorado visitor trips

## % Growth in Visitor Trips

Year	Overnight	Daytrips	Total
2011	0.3%	10.3%	5.1%
2012	1.7%	6.6%	4.1%
2013	5.1%	9.1%	7.1%
2014	8.4%	12.2%	10.4%
2015	7.1%	10.6%	9.0%

Source: Longwoods International 2015

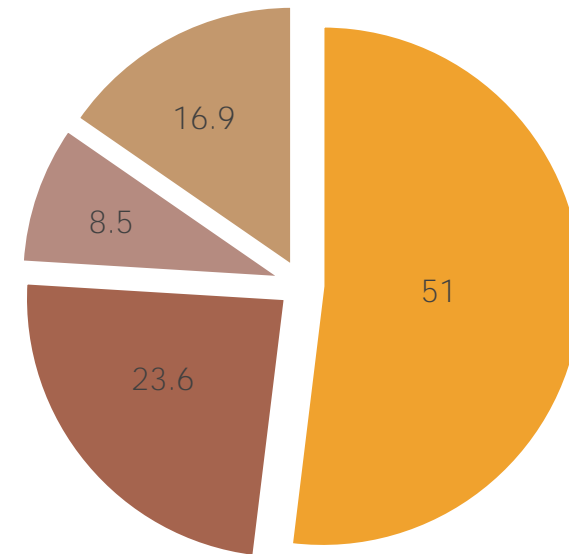
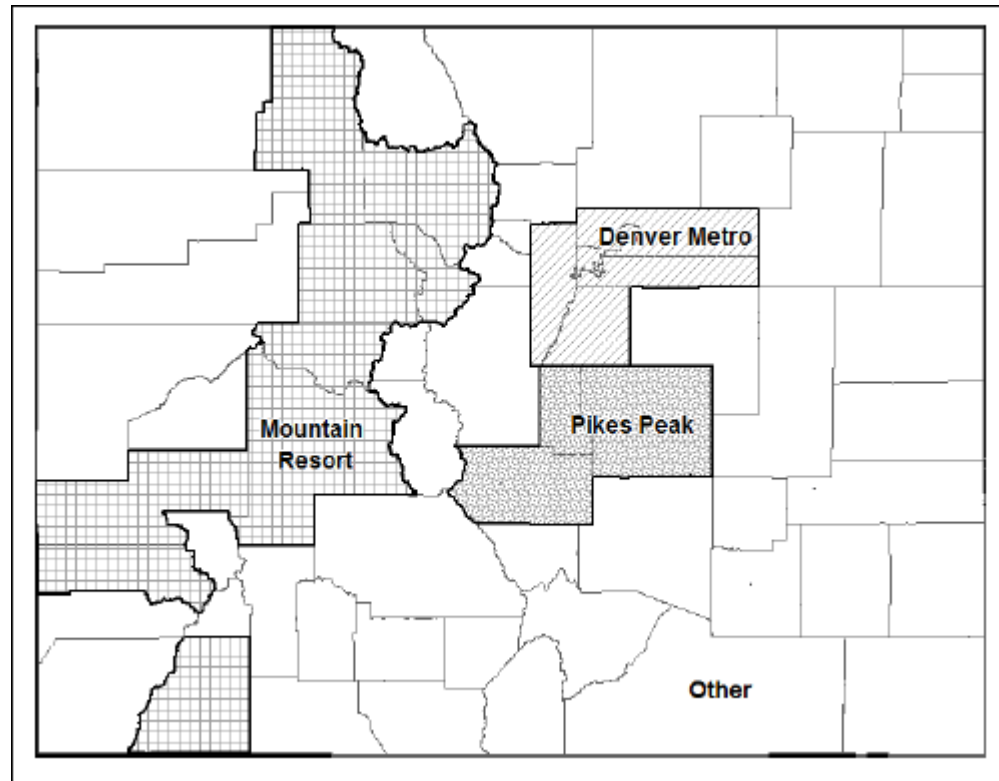
# Colorado Fars Outpaces the Norm



Source: Longwoods International 2015



# Regional Breakout of Direct Spending



■ Denver Metro ■ Mtn Resorts ■ Pikes Peak ■ All Other

Source: Dean Runyan Assoc – Colorado Travel Impacts

# Change in Direct Spending

- Growth over the past 5 years has been most significant in the Denver Metro and Mountain Resort regions
- The All Other and Pikes Peak regions were 11 and 22.5 points below the 5 year Denver growth rates
- All Other regions grew at rates less than ½ that of state averages in 2015

## Direct Spending % Change

Region	1 year	5 year
Denver Metro	3.4%	38.7%
Mtn Resorts	7.6%	37.2%
Pikes Peak	4.3%	16.2%
All Other	1.8%	27.7%
Average	4.2%	34.2%

Source: Dean Runyan Assoc – Colorado Travel Impacts

# Where Do CO Visitors Come From

- Colorado residents generate the greatest number of overnight trips, followed by the states of CA, TX, FL, IL and NY
- This is similar to many other states because of the very large population bases of these states
- States surrounding CO are also strong contributors to visitation

Rank	State	Overnight Leisure Trips
1	Colorado	9,480,000
2	California	3,476,000
3	Texas	2,212,000
4	Florida	1,580,000
5	Illinois	1,264,000
6	New York	948,000
7	Arizona	948,000
8	Kansas	632,000
9	Wyoming	632,000
10	Nebraska	632,000
11	Virginia	632,000
12	New Mexico	632,000

Source: Longwoods International 2015

# Different Perspective Considering Penetration

- A different ranking is recognized if penetration of residents is considered
- Where can penetration be most effectively increased – regional drive markets versus longer haul markets

Rank	State	Rate/100 Pop
1	Colorado	174
2	Wyoming	108
3	Nebraska	33
4	New Mexico	30
5	Kansas	22
6	Arizona	14
7	Illinois	10
8	California	9
9	Texas	8
10	Florida	8
11	Virginia	8
12	New York	5

Source: NTG/TRC based on Longwoods International 2015

# Shifting Source of Colorado Overnight Demand

- Percent coming from Western regions of the county dropped by 11 points
- Pacific and Northeast regions have grown the greatest

	% Overnight Leisure Trips		
Region	2011	2015	Variance
West*	71	60	-11
Pacific	9	14	5
Mid-West	7	8	1
South	8	10	2
Northeast	5	8	3

Source: Longwoods International 2015

\*Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota, Arkansas, Louisiana, Oklahoma and Texas

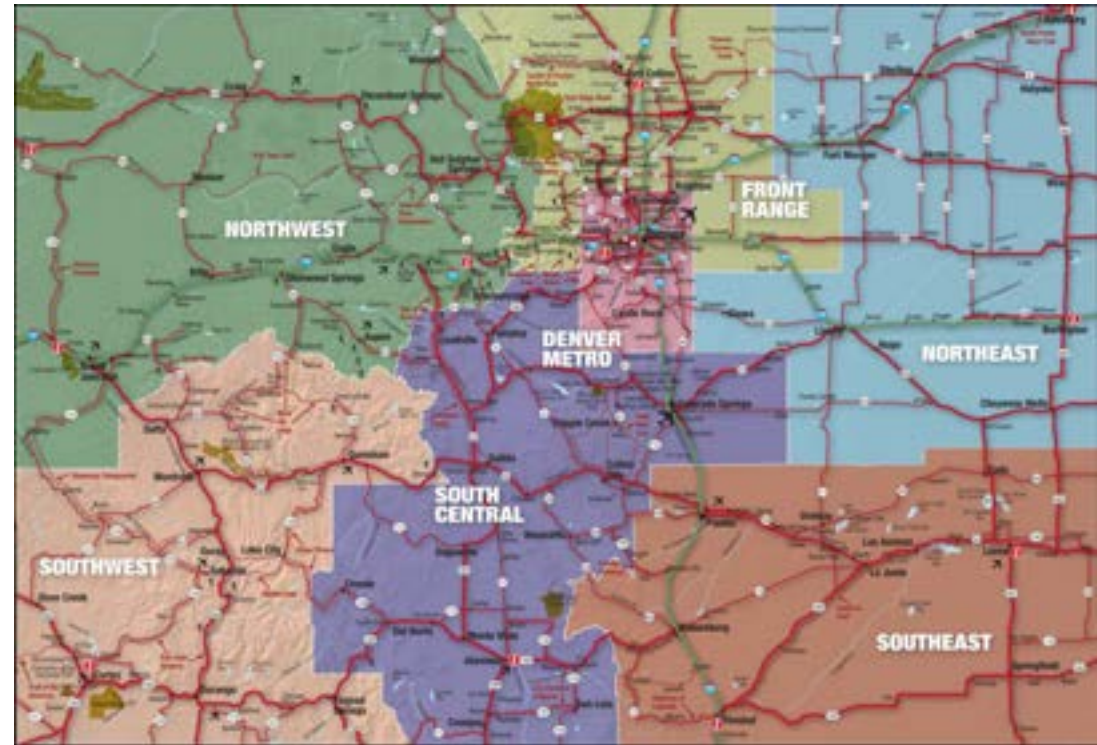
# Colorado Residents

## CO Resident % of Trips

- Overnight trips 30%
- Day trips 66%

## CO Resident % of Spending

- Overnight trips 20%
- Day trips 65%



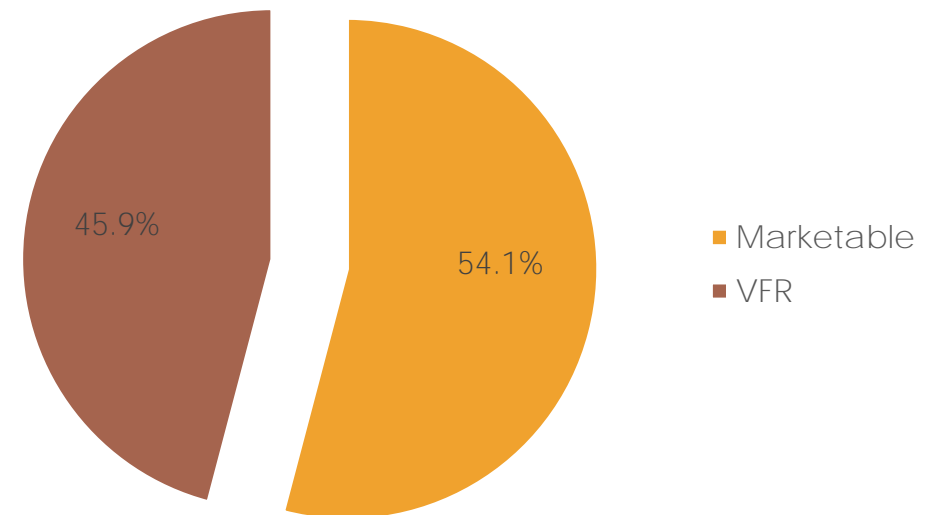
Source: Longwoods International 2015

# What About Leakage

Reducing role of CO residents as  
% of overnight trips

- 2015 – 30%
- 2014 – 34%
- 2013 – 36%

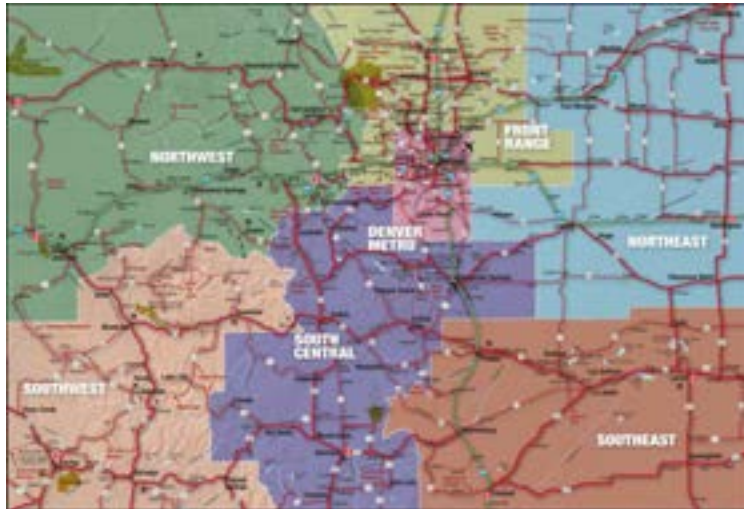
VFR Critical in Overnight Leisure



Source: Longwoods International 2015

# Per Capita Marketable Trip Spending

CO \$479



U.S. \$360



Colorado 1/3<sup>rd</sup> higher spending per capita

Source: Longwoods International 2015



# Ski Visitors Significantly Higher Spend



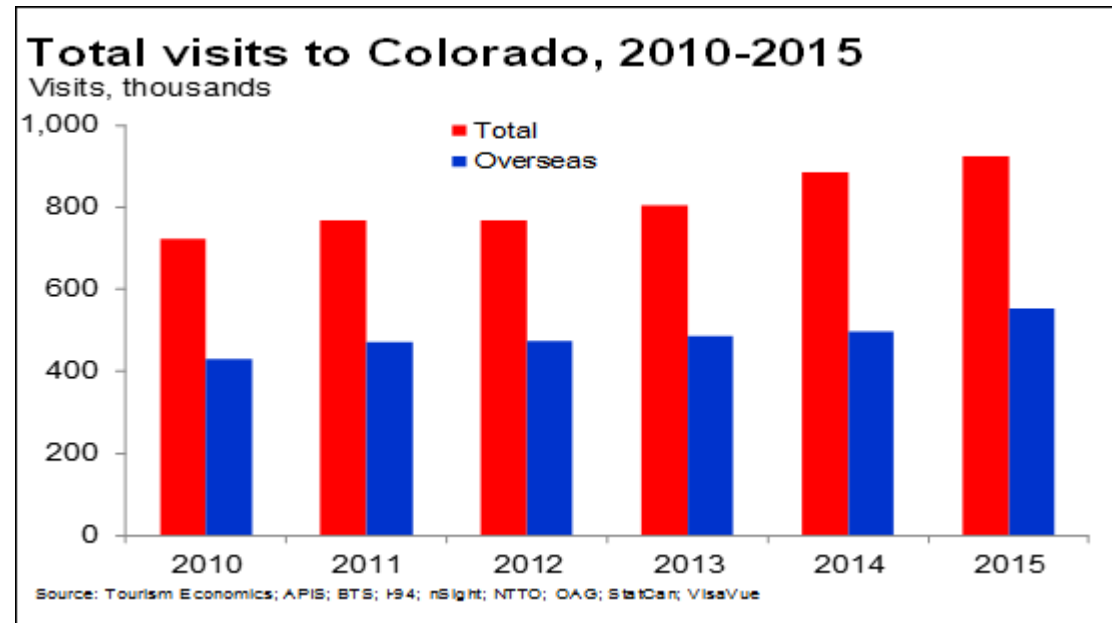
Ski visitors spend 2.9x  
next closest segment

- Ski trip \$1315
- Combined business/leisure \$454
- Tourism vacationer \$448
- Country resort \$404
- Special event \$384
- Outdoor \$386
- City \$331
- Casino \$258

Source: Longwoods International 2015

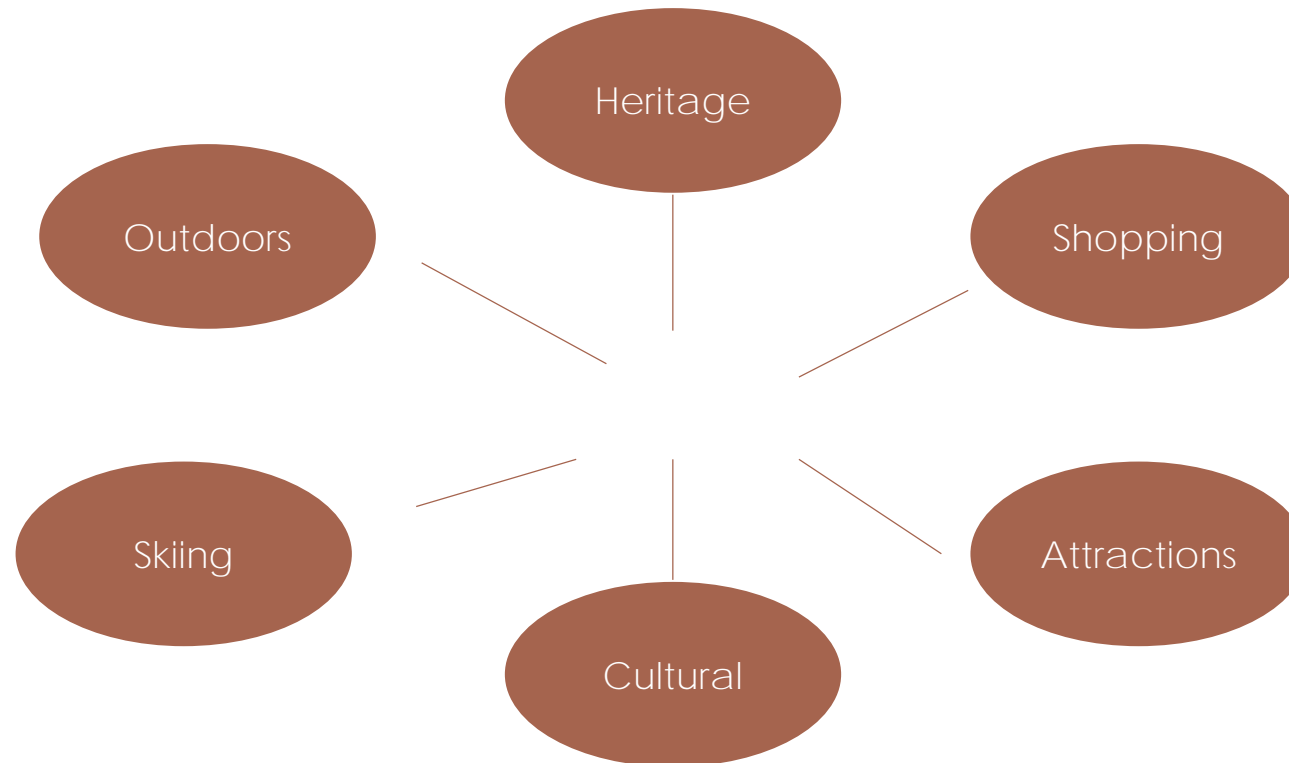
# Colorado Outpaces International Growth Norms

- Colorado's international attraction has continued to grow – 925,000 visitors in 2015
- Outpacing national norms
  - CO 2015 +4.5%
  - U.S. 2015 +0.1%



Source: Tourism Economics

# Connecting the Dots



Are we making it easy for visitors to speak to all their interests/wants?

# Critical Issues Customers

1. Refine customer targeting to meet multiple strategic objectives.
2. Colorado must balance initiatives to both drive out of state visitor demand, while minimizing in-state resident leakage to other non-Colorado destinations.
3. Increased focus should build on differentiated strengths, while presenting integrated customer themes and experiences.

# Goal Tracks

## Goal Tracks

### Market

Refine marketing initiatives to enhance performance of all regions of the state, while maximizing the collective offerings of the state.

### Product

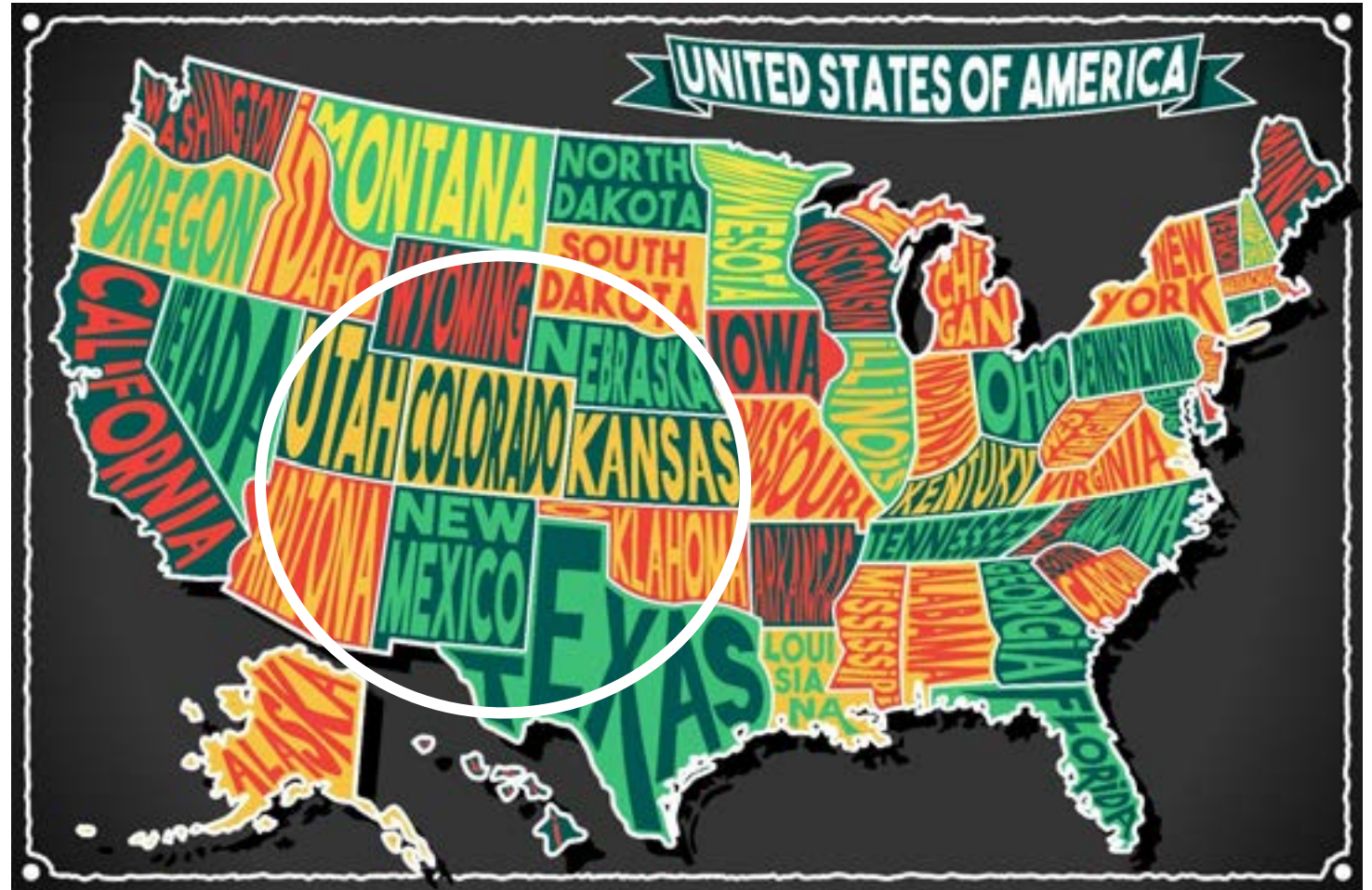
### Organization

### Industry

# Drive Regional Interest

Maintain long haul attraction  
– build short haul and regional interest

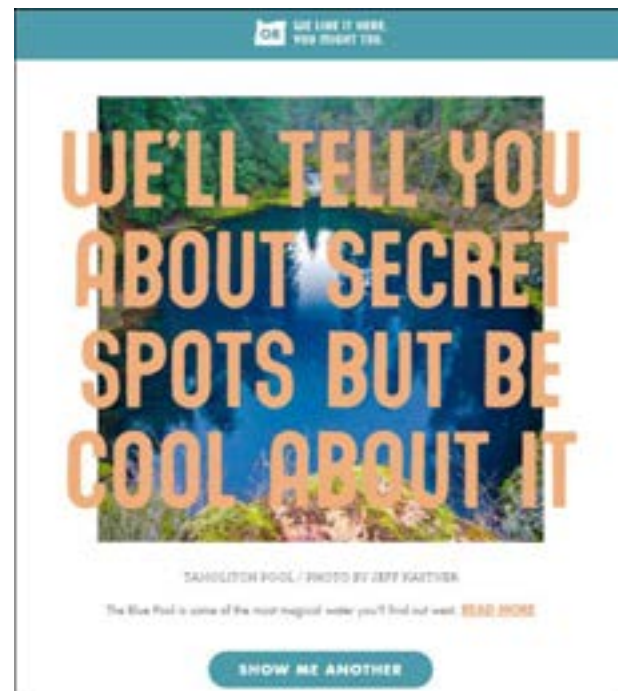
- Identify top regional states for increased penetration
- Refine Colorado's geographic regions to better reflect visitor travel interests
- Demonstrate how varying products can be integrated

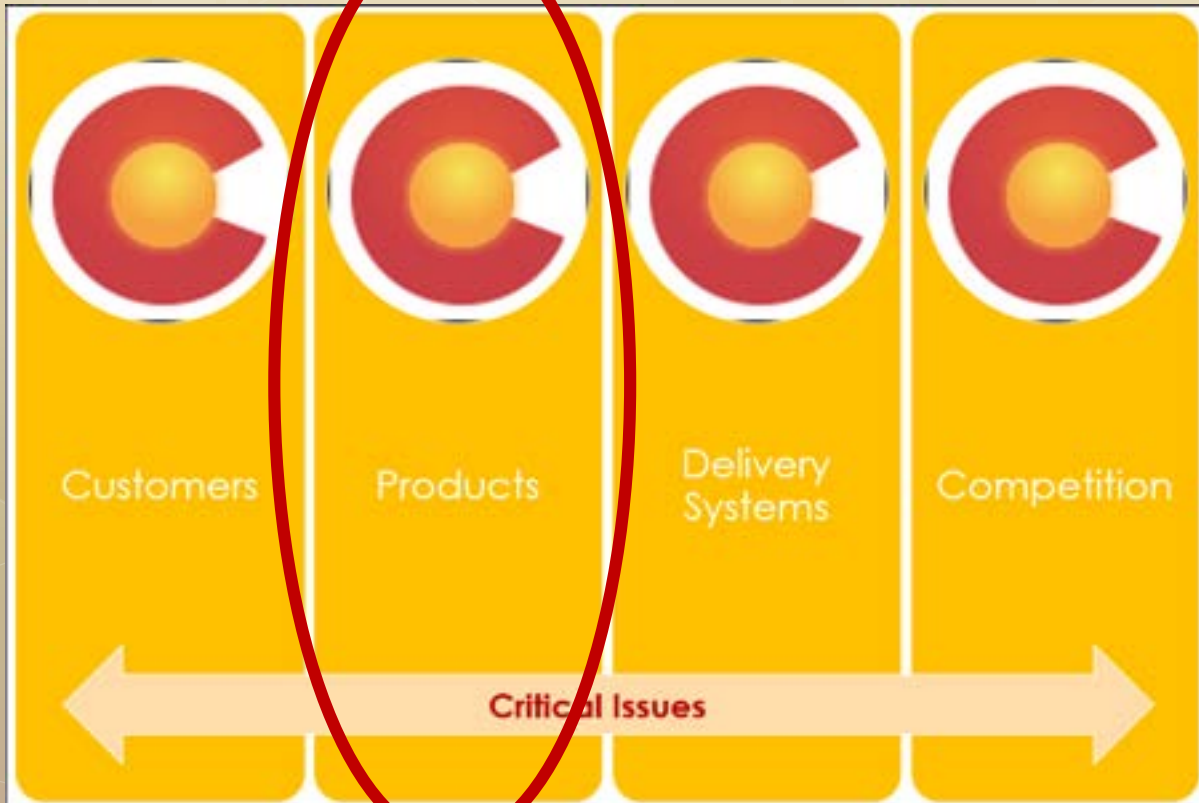


# Build Connection With Colorado Residents

Increasingly connect with Colorado residents – use as part of sales force

- Use Colorado resident voices to present “authenticity”
- Recognize ability to build demand and deepen appreciation of industry





# Colorado Tourism Roadmap

Products



Fundamental Change in DMO Thinking

Strategic

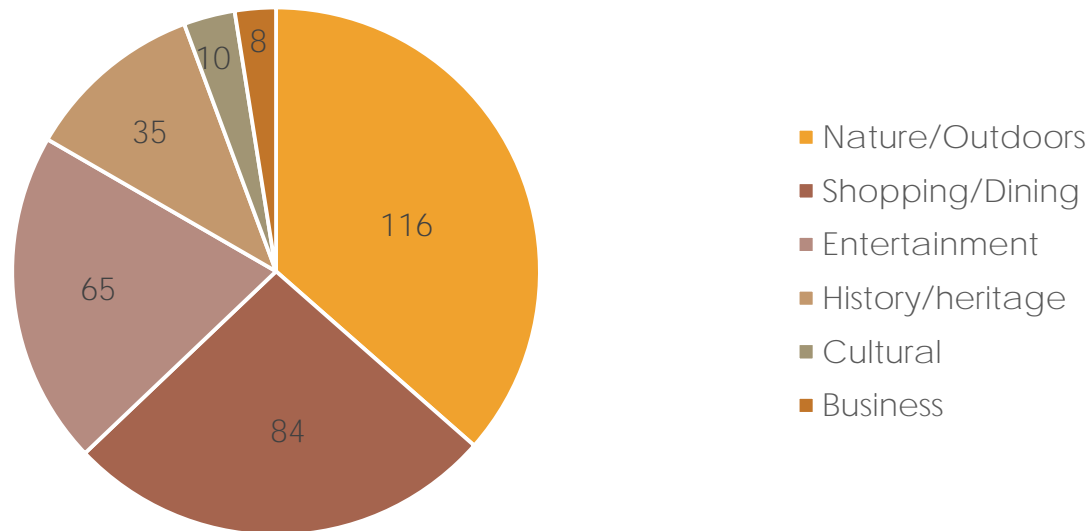
Destination “**Management**”  
Organization

# Scale/Level of Differentiation?



# Activities Participated In

% Participating



Activity	Var From U.S. Norm
Nature/Outdoors	+35%
Shopping/Dining	+5%
Entertainment	+3%
History/Heritage	+30%
Cultural	+43%
Business	+60%

Source: NTG/TRC based on Longwoods International 2015

# Nature Based/Outdoor Activities

## Participation

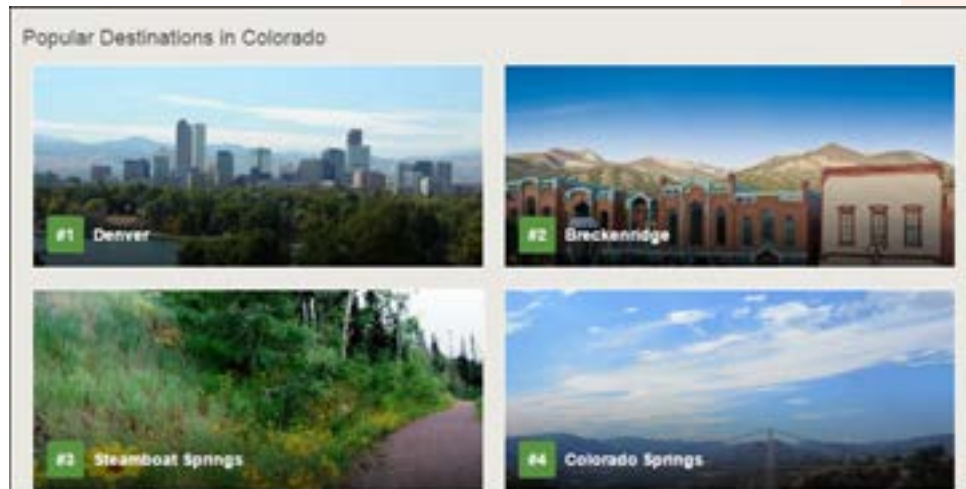
Nature Based/Outdoors	
National/State Park	23
Hiking/Backpacking	21
Swimming	12
Skiing/Snowboard	10
Camping	10
Mountain Climbing	8
Fishing	8
Biking	5
Golf	4
Beach/Waterfront	4
Boating/Sailing	3
Hunting	2
Dude Ranch	2
Glamping	2
Birding	2

## Differentiation – Compare to U.S Norm

Nature Based/Outdoors	
Skiing/Snowboard	10.0
Mountain Climbing	4.0
Hiking/backpacking	2.6
National/State Park	2.1
Camping	2.0
Hunting	2.0
Dude Ranch	2.0
Glamping	2.0
Fishing	1.3
Biking	1.3
Golf	1.0
Birding	1.0
Swimming	0.7
Boating/Sailing	0.6
Beach/Waterfront	0.2

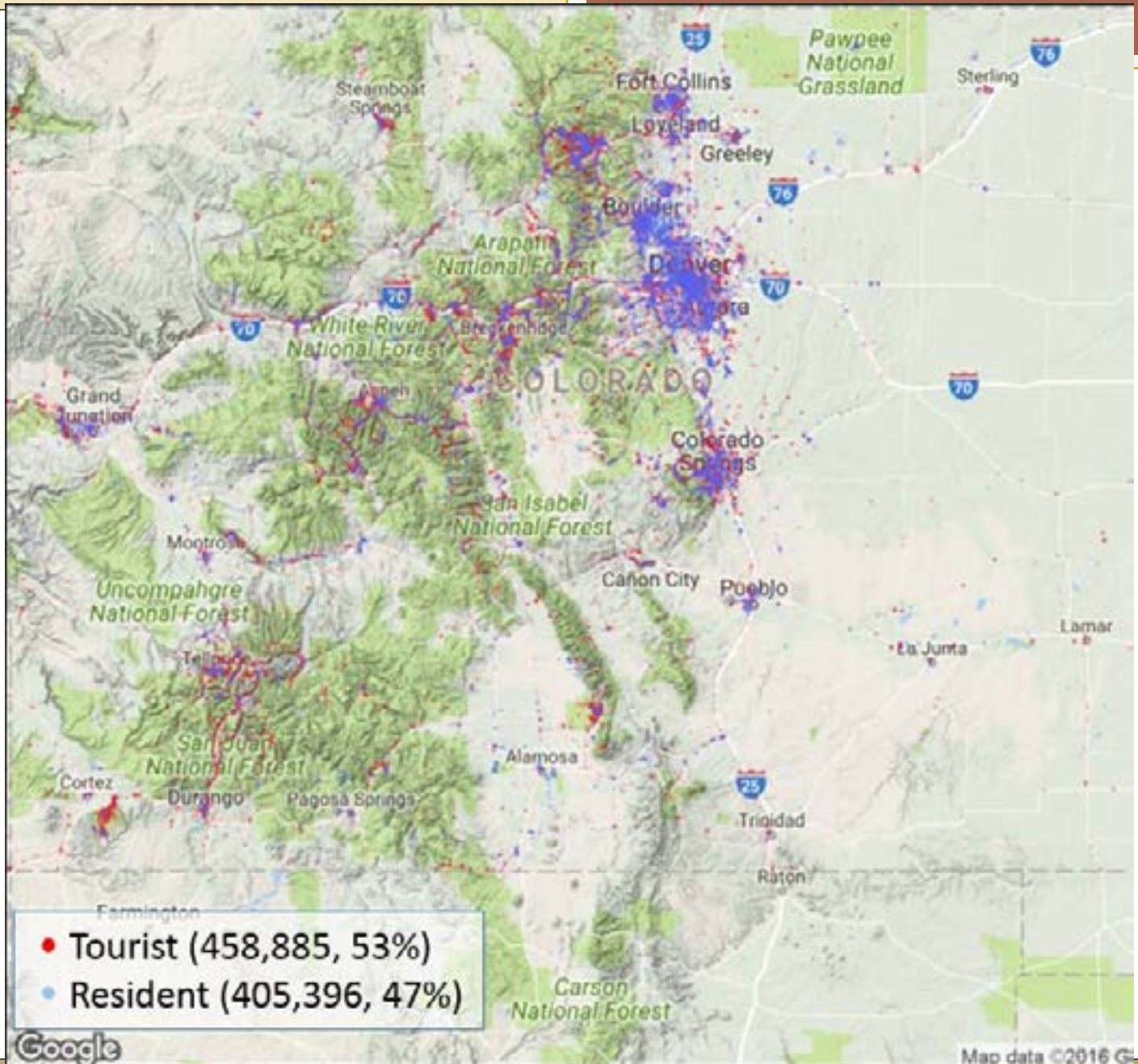
Source: NTG/TRC based on Longwoods International 2015

# Destination Interest

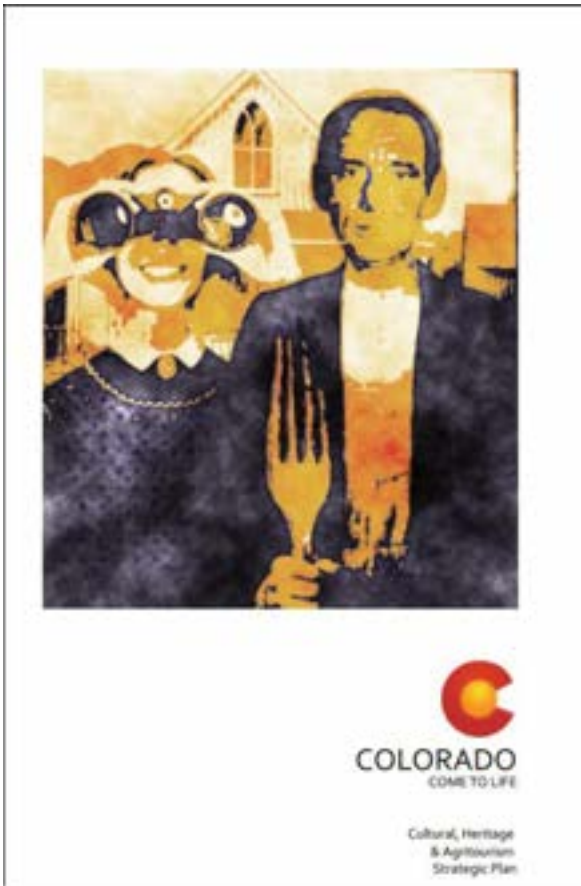


Location	Reviews and Opinions
Denver	204793
Colorado Springs	102093
Estes Park	73550
Breckenridge	49136
Durango	45383
Vail	41373
Boulder	39697
Steamboat Springs	34939
Aspen	30683
Fort Collins	29119
Telluride	21310
Grand Junction	19839
Pagosa Springs	19174
Beaver Creek	18875
Aurora	16988
Winter Park	12978
Pueblo	11866
Lakewood	11484
Crested Butte	11078
Littleton	10555

Source: TripAdvisor



# How Should CTO Facilitate Proactive Product Development Role

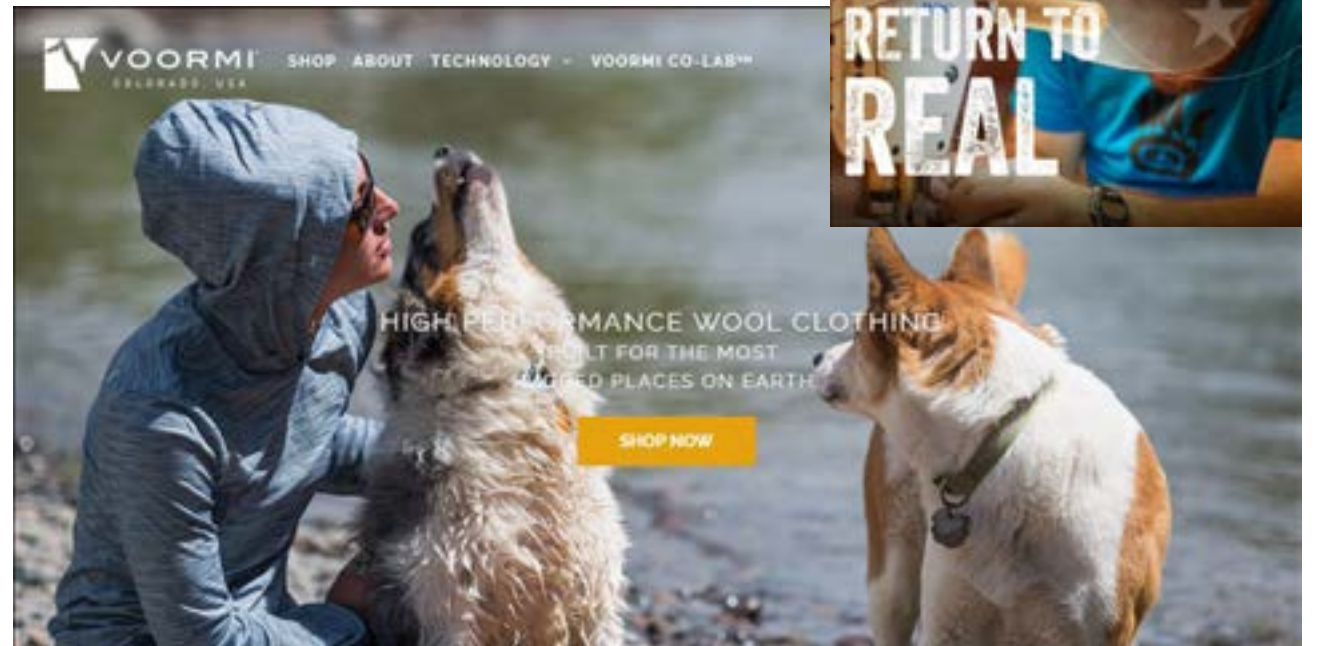


# Voormi Commits to Colorado and Pagosa Springs

# Outside

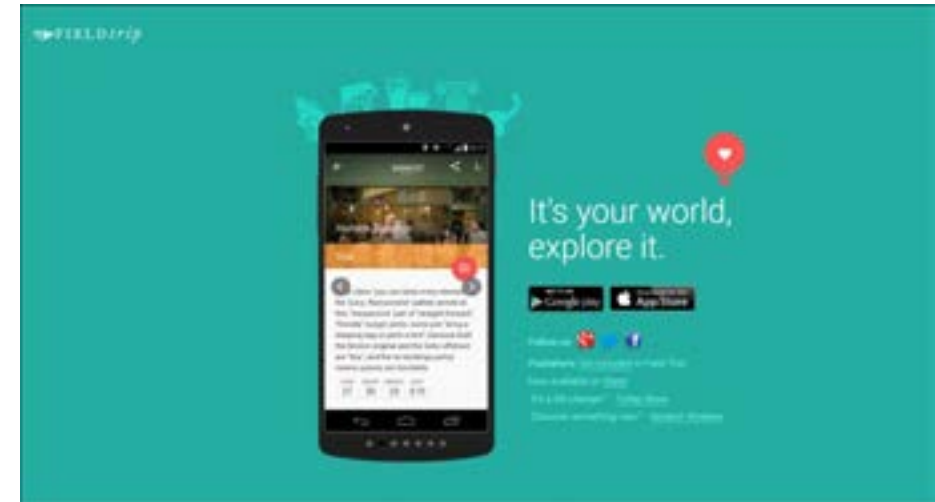
**MAGAZINE – TELEVISION – ONLINE**

**Voormi's Plan to Revolutionize Our Outerwear and the Mountain-Town Economy**





# Using Technology to Engage Visitors



# Critical Issues Products

1. **Colorado's** diverse product offerings must be both individually highlighted and cooperatively integrated – new tools and resources must be utilized.
2. More proactive steps need to be taken to craft and direct product offerings – CTO should take a leadership role.
3. Connections between tourism product development and Colorado businesses should be maximized.
4. New ways to engage visitors and provide unique product experiences must be embraced.

# Goal Tracks

## Goal Tracks

Market

Product

Organization

Industry

Identify and stimulate  
new product  
opportunities that  
reinforce Colorado's  
brand promise.

# Connect Colorado Assets

Use diverse range of tools to understand and suggest connections among Colorado assets

- Use visitor's actual experiences to better understand product connections and make suggestions to Colorado visitors
- New incentive grant programs should be developed that reward regional product linkages and integration



# Reinforce Sustainability

Demonstrate visitor industry and CTO at forefront of applying sustainable thinking.

- Help drive Colorado visitors to lesser known sites and experiences
- Demonstrate and provide recommendations on how to be a “sustainable adventurer”

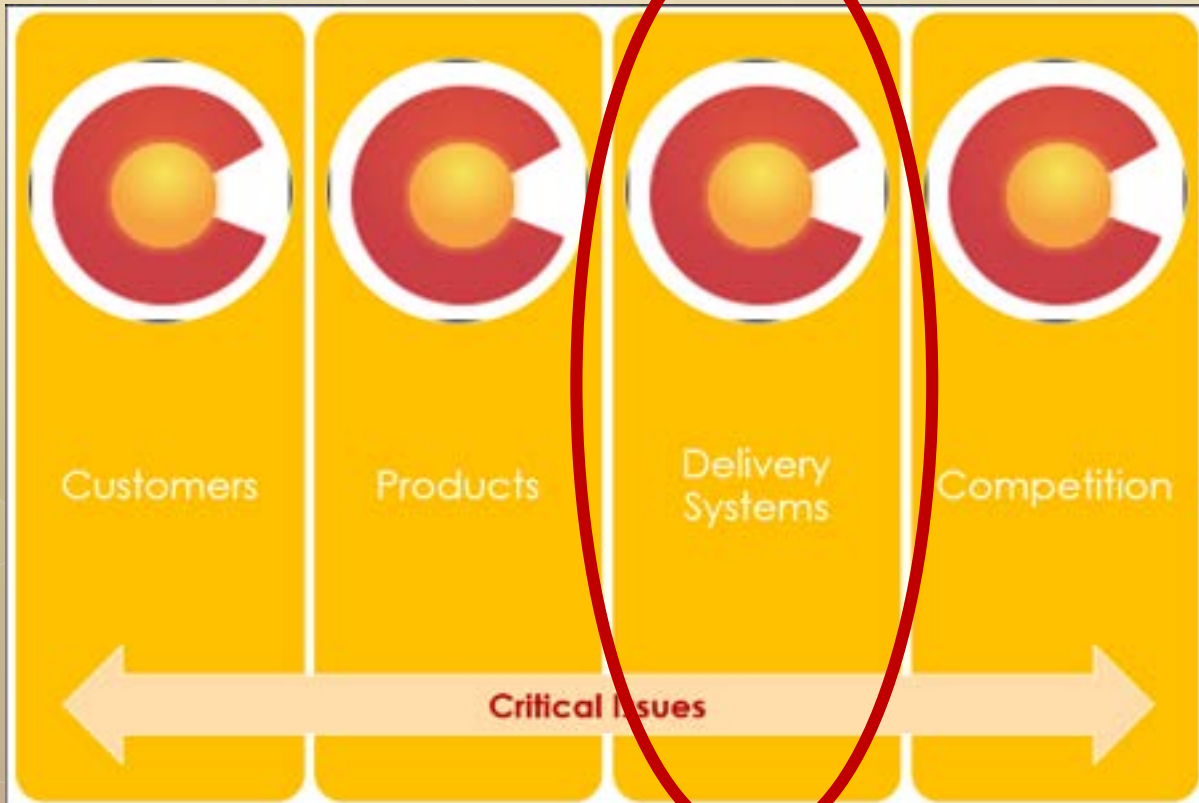


# Deepen Technical Capabilities

Assist DMOs across the state in **deepening “Destination Architect”** skills

- Provide “how to” approaches to help build capacity and know how re proactive product development
- Build entrepreneurial skillset – help new business development
- Tie demonstrated ability to access prospective grant programs





# Colorado Tourism Roadmap

## Delivery Systems

## Key Point

Past investments in the visitor industry have provided strong returns – how do we build ongoing commitments?



# CTO – Delivering Visitors to Colorado

- New resources critical in ability to gain market share
- \$4 million general fund allocation directed to additional national marketing initiatives
- Significant allocation of total office resources to programmatic uses



# Colorado's Budget Positioning

- Colorado is ranked 13<sup>th</sup> of top 20 states in terms of budget
- Colorado's flat growth significantly below the 15% + average increase of the top 20 states

	State	Budget FY 2015-2016	% Change
1	California	\$119,881,265	0.00%
2	Hawaii	\$93,255,548	21.20%
3	Florida	\$82,727,272	10.50%
4	New York	\$50,000,000	100.00%
5	Texas	\$46,583,000	-5.80%
6	Michigan	\$33,000,000	13.80%
7	Illinois	\$30,346,576	-44.40%
8	Virginia	\$23,567,934	25.10%
9	Arizona	\$22,170,674	-10.10%
10	Louisiana	\$21,007,513	40.50%
11	Missouri	\$20,804,990	-0.90%
12	Utah	\$19,845,767	16.30%
13	Colorado	\$19,800,000	0.00%
14	Oregon	\$19,352,007	34.10%
15	Montana	\$18,705,590	15.70%
16	Tennessee	\$18,568,731	29.40%
17	Nevada	\$17,887,678	26.70%
18	South Carolina	\$16,057,718	25.40%
19	Arkansas	\$15,942,739	-3.00%
20	Wisconsin	\$15,845,601	2.70%

Source: US Travel Association

# Aggressive Budget Expansion in Regional Competitors

- Many regional competitive states are aggressively increasing budgets directed to building their visitor market
- Many have a bulls eye on the same customer Colorado is attempting to attract

State	Budget FY 2015-2016	% Change
Arizona	\$22,170,674	-10.10%
California	\$119,881,265	0.00%
Colorado	\$19,800,000	<b>0.00%</b>
Idaho	\$4,962,210	27.60%
Montana	\$18,705,590	15.70%
Nevada	\$17,887,678	26.70%
New Mexico	\$12,000,000	4.30%
Oregon	\$19,352,007	34.10%
Utah	\$19,845,767	16.30%
Wyoming	\$10,603,127	-6.00%

Source: US Travel Association

## If Colorado Was In Parity

FY15/16 Budget \$19,800,000

Parity\* Budget \$29,000,000

\* Considering average budget investment ratio to state visitor spending  
top 20 states

Source: NTG/TRC based on US Travel Association

# Advocacy Voice Critical

CADMO

Colorado Association of Destination Marketing Organizations



TIAC

Tourism Industry Association of Colorado

# Personnel and Overhead Deployments



- CTO directs 8.2 percent of its budget to personnel and overhead
- The national average allocation is 10.8%
- If CTO mirrored U.S. averages, an additional \$516,000 would be redirected

CTO

8.2%

U.S. Average

10.8%

Source: NTG/TRC based on US Travel Association

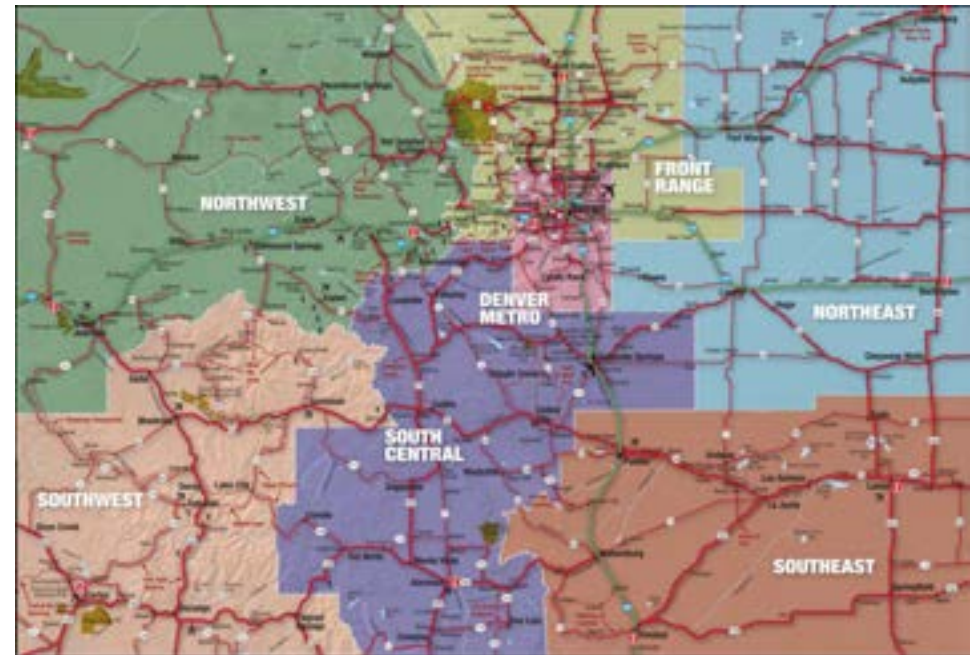
# Other States Have Elevated Their Advocacy Organizations



The Arizona Lodging & Tourism Association (AzLTA) is a trade based membership organization representing more than 38,000 guestrooms statewide and almost 500 members including hotel, resorts, attractions, destination marketing organizations, B&B's and related industry partners.

# Regional Collaboration Must be Reinforced

- Current regionalization does not effectively reflect true visitor connections
- CTO must facilitate and stimulate effective regional cooperation and collaboration
- Sustainable practices must be integrated to help direct and manage visitor flows in long term environmentally sensitive ways





# CTO Refinements to Address Strategic Priorities

- CTO will need to refine focus and deployments to act on new strategic priorities
- The CTO Board will play a critical role in helping to act on strategic opportunities
- Deepened connections between CTO, CADMO and TIAC will be key in expanding the visitor industry voice



# Critical Issues Delivery System Issues

1. DMO funding sources at both a state, regional and local level must be competitively stabilized.
2. Ensure the broader role of the visitor industry is understood utilizing advocacy initiatives throughout the state.
3. Enhance regional collaboration to maximize the distribution and effective flow of visitors.
4. Implement refinements within the CTO organization to maximize effectiveness/ efficiencies.

# Goal Tracks

## Goal Tracks

Market

Product

Organization

Industry

Ensure CTO has resources and political support to maximize statewide power of industry

# Refine Long Range Funding Strategy

Develop, advocate and confirm a long range funding strategy and formula for the Colorado Tourism Office.

- Identify full range of competitor funding models in states across the country and potential for application in CO
- Clarify what is at risk as market share is lost and how COT is building demand in all parts of the state

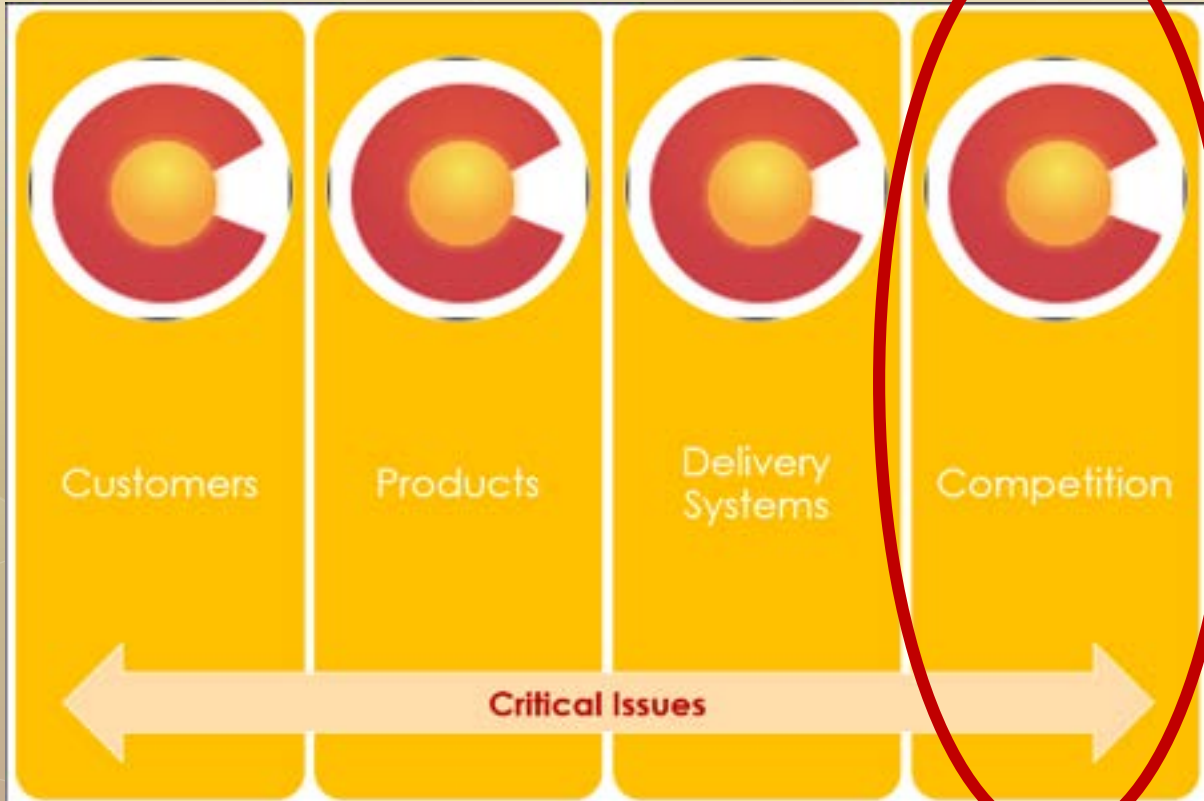


# Strengthen Advocacy Voices

Work to enhance an advocacy voice that speaks on behalf of the full Colorado visitor industry

- Build deeper connections between CTO, CADMO and TIAC – determine what message most effective from what entity
- Ensure full range of impacts of industry (spending, economic development, resident quality of life, etc.) is communicated in engaging ways.





# Colorado Tourism Roadmap

## Competition

# Utah Brands its National Parks

- State budget very similar to Colorado
- Increased state budget by 16% in FY15/16

*“Utah is a state of mind. Sculpted by wind, water and time, Utah's landscapes are perfect for your next adventure. From The Mighty 5® National Parks, Arches, Bryce Canyon, Canyonlands, Capitol Reef and Zion to the Wasatch Mountains' Greatest Snow on Earth®, and all points in-between, Utah is the place where families and adventurers forge incredible experiences and make enduring memories.”*



# California

- \$120 million budget – 6 times Colorado
- Colorado 10<sup>th</sup> most important state in generating overnight leisure stays for California
- Attracted 1.7 million overnight trips from Colorado residents (4.7% of CO overnights)





# Goal Tracks

## Goal Tracks

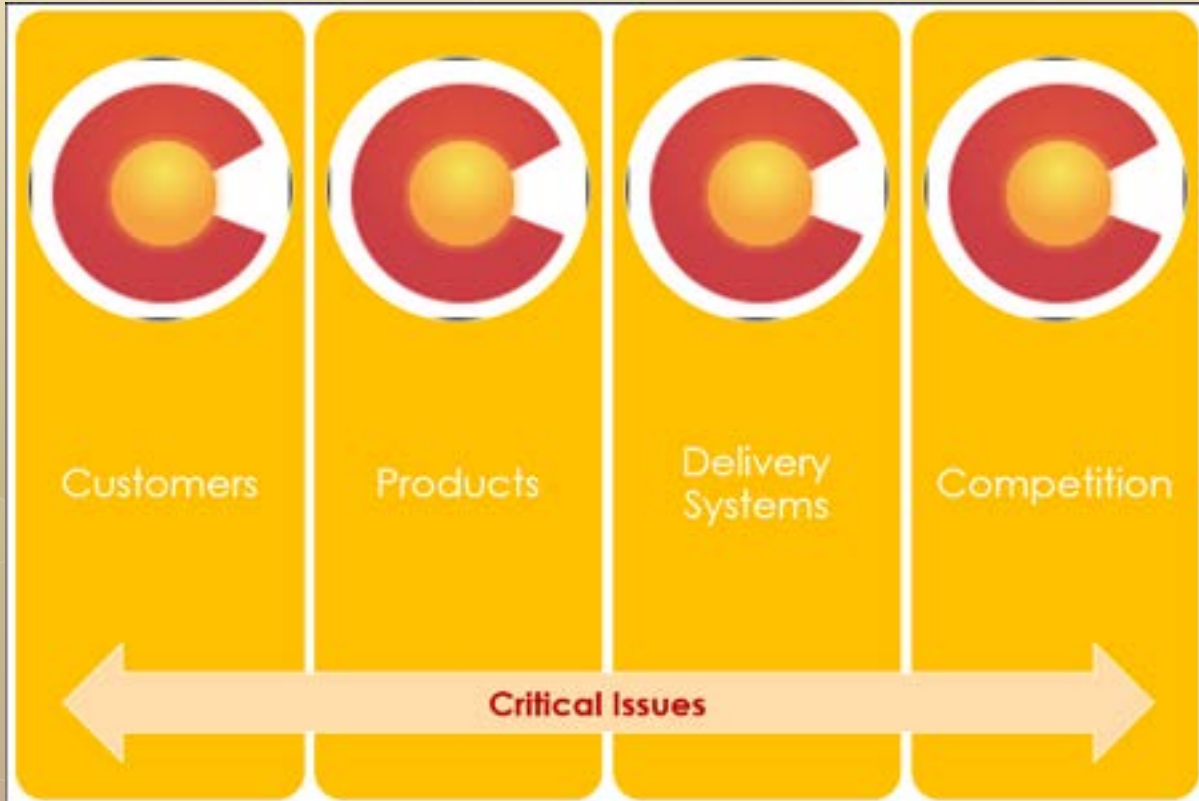
Market

Product

Organization

Industry

Track competitive realities to ensure Colorado maintains its advantages



# Colorado Tourism Roadmap

Next Steps

# Next Steps

- Take industry input into account – refine preliminary conclusions
- Expand range of objectives and tactical initiatives to act on varying goal tracks
- Present plan early 2017



# Keep Connected

- Tourism Roadmap website
- www.Colorado.com

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COLORADO TOURISM OFFICE OVERVIEW / EVENTS / RESEARCH / RESOURCES

## The Colorado Tourism Roadmap

Today's visitor is bombarded with a vast array of choices on where to spend their precious traveling time. Colorado has amazing assets that connect and resonate with visitors, but the state faces aggressive competition from many other states and destinations vying for the same visitor. Given this competitive landscape, it is more important than ever that the state's visitor industry develop a Tourism Roadmap that helps identify future opportunities and challenges, along with a set of strategies and tactics to capitalize on these factors.

With her new appointment as Director of the Colorado Tourism Office, Cathy Ritter has launched this Tourism Roadmap initiative. Throughout 2016, Cathy and her staff will be directing the project and have retained a set of skilled professionals to assist in this process. The team, Nichols Tourism Group, along with their alliance partners, The Radcliffe Company and the National Laboratory of Tourism and eCommerce, brings more than 20 years of experience in assisting states, counties and cities in exactly this

**CTO OVERVIEW**

- CTO BOARD & STAFF
- MARKETING COMMITTEE
- HAG COMMITTEE
- INTERNATIONAL PROGRAMS
- COLORADO TOURISM ROADMAP**
- ROADMAP PROCESS & TIMELINE
- ROADMAP INPUT SESSIONS
- 2015 EXCEPTIONAL FRONTLINE WORKERS
- 2016 EXCEPTIONAL FRONTLINE WORKERS

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# Colorado Tourism Roadmap

Critical Issues Facing Colorado's  
Tourism Industry