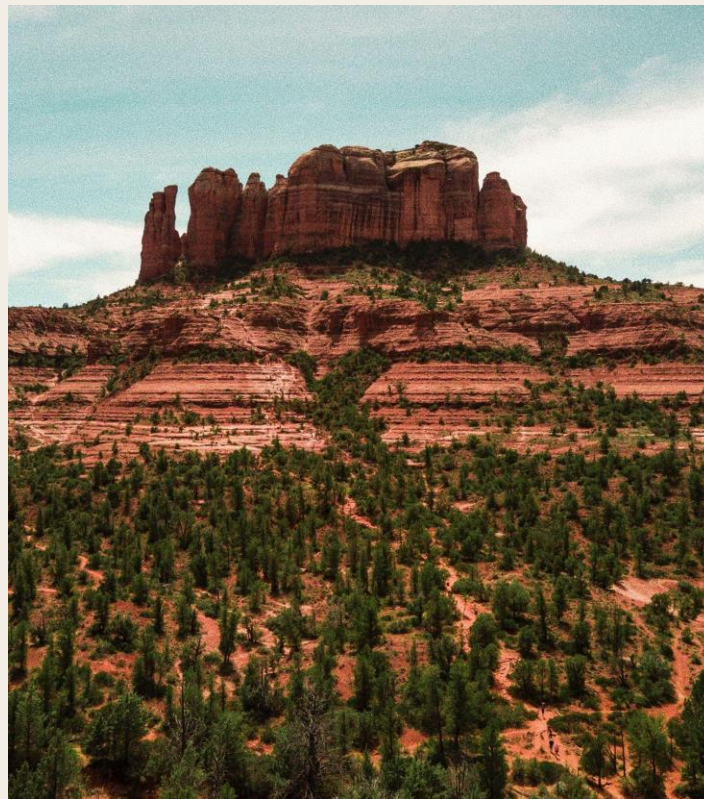

City of Sedona

Branding & Marketing Planning Research Report

February 2024

Introduction

A key component of the City of Sedona taking on the Destination Marketing/Management Organization role for Sedona was ensuring that the brand, planning, and creative are all data-driven and reflective of the wants, needs, and desires of the various stakeholders within and surrounding the City. With that in mind, the City embarked on an aggressive research effort to build a current, robust set of qualitative and quantitative data around tourism in Sedona. This report summarizes those efforts, outlines consistent themes, and provides recommendations on how those findings could influence the City's tourism brand, marketing efforts, and creative campaigns going forward.





Summary of Research Efforts

Resident Sentiment Survey

- December 2023 postcard mailing to every household in Sedona city limits, with QR code and URL link to an online survey
- Additional open link survey made available via social media and in utility bills
- A total of 631 responses were received from the postcard mailing, and another 212 from the open link – a strong response rate

Community Listening Session

- January 22, 2024 session in which community members were invited to participate in a work session to share their views on tourism
- There were approximately 40 participants in the session

Councilmember Interviews

- November and December 2023 one-on-one video interviews with each Council member and the Mayor

Lodging Council Listening Session

- December 12, 2023 session with the Sedona Lodging Council

Tourism Advisory Board Listening Session

- December 6, 2023 listening session with the Sedona Tourism Advisory Board

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Visitor Intercept Survey

- December 2023 and January 2024 in-person intercept survey with visitors in Sedona, which happened to coincide with significant traffic due to the holiday timeframe and road construction in Uptown
- 582 visitors completed the survey, providing strong and statistically valid data

Chamber Interview

- January 2024 video interview with Chamber Director Michelle Conway-Kostecki

Visitor and Spend Analysis

- Utilizing visitation and spend data from Symphony and Datafy, we were able to look at top visitor origination markets by season over the last four years and also top spending by origination market over the last year

Awareness and Perception Survey

- December 2023 and January 2024 survey of 2,000 travelers in the 10 visitor origination markets with highest visitation to Sedona over the last four years
- Markets included: *Chicago, Dallas, Las Vegas, Los Angeles, Minneapolis, New York, Phoenix, San Diego, San Francisco, Seattle*
- Awareness (unaided and aided) and perception (impressions of Sedona) were measured across markets
- Sedona's awareness and attributes were also measured against six defined competitive markets: *Jackson, WY; Moab, UT; Park City, UT; Santa Fe, NM; St. George, UT; Telluride, CO*

Key Takeaways From Each Research Effort

Resident Sentiment Survey

- Tourism is not viewed favorably among Sedona residents. **56%** of respondents oppose promoting visitation to the area, while **73%** feel the town is overcrowded due to visitors.
- **Focusing on shoulder seasons does not increase support.** Most people said it would not impact their view on visitor promotion.
- However, people under the age of 65, as well as those who are employed, are **significantly more likely** to be supportive of tourism promotion and have a greater appreciation for the benefits of tourism.
- And, not surprising that those who work in tourism are **far more supportive** of promoting Sedona as a destination. They are also **more in favor** of shifting the focus to shoulder seasons.
- The biggest issues are closely related – crowding/congestion and getting around town. **95%** of residents rely on their personal vehicle for transportation, and two thirds say they “**frequently**” or “**always**” have trouble getting around Sedona.
- Vacation rentals have little support among residents. Nearly **80%** say they negatively impact neighborhoods with noise and parking issues, and **three-quarters** say they are hurting the housing supply for local residents. **Nearly two-thirds** state that short-term rentals have a “mostly negative” impact on the community.
- Most respondents are not dependent on or involved with tourism. However, **about half** are very familiar with tourism businesses in Sedona.
- **73%** agree that visitors are beneficial to the local economy and **57%** say that taxes paid by visitors are beneficial for the City and ultimately provide important amenities. **Half** believe shopping and dining options in Sedona are better thanks to visitors.
- **Two thirds** of respondents say the quality of life in Sedona is declining, while just **12%** think it is getting better.
- **Nearly 80%** of respondents said they were visitors before they moved to Sedona.

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Community Listening Session

- **Recommendations drawn from residents**
 - Environmentally responsible tourism marketing
 - Traffic management
 - Balancing seasonal visitation cycle
 - Addressing housing for workforce
 - Resident involvement and education
 - Trailhead management
 - Collaboration across jurisdictions
 - Strong and consistent messaging
- **Opportunities:**
 - A strong, consistent, and responsible marketing message
 - Better communication across jurisdictions
 - STR management
 - Consideration of trailhead reservation systems
 - Shuttles/ride-shares
 - Resident involvement

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Councilmember Interviews

- We understand we live in a special place that people want to visit
- We need to find a balance between resident quality of life and business prosperity
- We need more communication with residents
- Data is a key component in driving future decisions and strategies
- Traffic is clearly the biggest challenge and will take a lot of work from a lot of different angles to see improvement
- We need more education for all visitors, and targeting to those visitors who will respect our residents and the natural surroundings
- Arts, culture, and family-focused amenities are less emphasized than they could be
- We need better coordination between the City's tourism efforts and the Chamber, Lodging Council, and other Verde Valley entities

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Tourism Advisory Board Listening Session

- Attract visitors we want (who respect the land and spend money) and discourage those we don't
- Promote summer and winter
- Reintroduce the things that have been lost or gotten buried: wellness, arts, culture
- Find the balance between the resident and business needs/desires - reduce the resident unhappiness and complaining
- Need better data and decisions based on that data
- Four elements needed in a balanced visitor economy: quality of life for residents, protect the environment, positive visitor experience, and business prosperity
- We need a unifying brand for the destination that resonates with residents, stakeholders, and visitors
- Sedona is a quirky, special, and unique place

Lodging Council Listening Session

- Sustainability message and management is important
- Make sure people know we welcome them
- Utilize traditional lodging properties to assist more in conveying the sustainability messaging to visitors
- Strategically market to our markets, including within the state
- We're a regional economy, not just Sedona, but the whole Verde Valley
- They'd like to see the City, Chamber, and Lodging Council collaborating
- Daytrippers contribute to a balanced economy and become a source for future overnight visitors
- They'd like to see a fresh approach to marketing Sedona

Chamber Interview

- The Chamber would like to see a balanced tourism economy that is understood and defined
- They'd like the community to rally and speak with one voice
- Preservation of our land is important to Chamber members
- Preservation of community character is key to the Chamber
- Livelihood of residents, workers, businesses, economic outlook are all goals of the Chamber
- With the City managing the larger tourism work, they appreciate the ability for the chamber to focus on the business community and needs
- They suggest that we all need to listen and actually hear the business community when it speaks
- The City should be leading the sustainable tourism effort

Visitor Intercept Survey

- Visitors have strong positive feelings toward Sedona. They awarded the city a **Net Promoter Score (NPS) of 90**, which is extremely high for a leisure travel destination. The positive NPS was reinforced by a **satisfaction rating of 4.8** on a scale of 1-to-5.
- All aspects of Sedona are highly rated. Trails, small town charm, friendliness, and customer service topped the list. **Getting around town was the lowest ranked attribute but still garnered a favorable 4.5 rating** on a scale of 1-to-5.
- **Nearly 80% of visitors during the holiday period were from out of state.** California was the largest contributor, with large numbers from Los Angeles, San Diego, and San Francisco in town. Predictably, most Arizona visitors (69%) were from the Phoenix area. International visitors accounted for **10% of respondents**. Half of those were Canadian.
- While most visitors interviewed were on their first trip to Sedona, those who have been before come back often. On average, repeat visitors were on their **seventh trip** to the area. Overnight visitors **averaged just over 4 nights** staying in Sedona.
- Enjoying the **scenery** was the top activity, followed closely by **hiking, dining, and shopping**. Nearly three-quarters of visitors said they went hiking while in town.
- **Tourism spending is significant in Sedona.** On average, visitors spend over \$100 per day on dining and nearly \$50 on shopping. Tours and excursions are also popular. Visitors spend nearly \$40 per person per day on guided activities in and around Sedona. **The average nightly lodging rate was reported at \$275 with nearly half of overnight guests spending more than \$300 nightly.**

Awareness & Perception Survey

- Sedona has **extremely high unaided awareness** across potential target markets, particularly high (67%) in Phoenix. Additionally **60% of Phoenicians** surveyed intend to visit Sedona in the next 12 months. Las Vegas (26.5%) and Los Angeles (22%) are the next two highest intent markets for visitation in the next 12 months. Every market surveyed has high intent to visit Sedona at some point. Not surprisingly, the most desirable month for intended visitation is **April** (at 29.5%). **December** was the lowest month at 7.7%.
- Sedona was the **third highest rated Arizona destination** in terms of desire to visit (with 28% of respondents listing it) behind the Grand Canyon (42.5%) and Phoenix (40%). It was ahead of Tucson (19%), Flagstaff (14%), and Scottsdale (12.5%).
- Sedona was the **most familiar and most visited** of the defined competitive markets (*Jackson, WY; Moab, UT; Park City, UT; Santa Fe, NM; St. George, UT; Telluride, CO*), with Santa Fe capturing second place. Sedona also garnered the **highest level of interest** from respondents in terms of interest in visiting in the future, again with Santa Fe coming in second.
- Traveler profiles that fit personas of **“sustainability prioritizers”, “leave no trace adherents”, and “high value travelers”** – all profiles that fit the desires of the community and stakeholders – ranked above the total sample responses in terms of past visitation, familiarity, interest, and likelihood to visit again.



Awareness & Perception cont.

- The top reasons people listed for visiting Sedona were:
 - **To be surrounded by natural scenic beauty (58%)**
 - **For rest and relaxation (54.5%)**
 - **To be outdoors and experience nature (52%)**
 - **To seek adventure (44%)**
- The average planning time frame for a trip to Sedona is nearly **five months**, however of those most likely to visit in the next year, 27% said they would plan their trip **2-4 weeks** out.
- The average number of nights people said they would stay was **3.4**. Most would come with a significant other or friend(s), but 45% of those who are highly likely to visit in the next 12 months said they would bring children.
- **12% of respondents said they would ONLY stay in a vacation rental.**
- **83%** of respondents said they would go to restaurants, well ahead of seeing the red rocks at **63%**.
- Interestingly, **traffic and crowds were at the bottom of the list of reasons why respondents would NOT visit Sedona**. Top reasons were not enough time, lack of awareness, and cost.



Visitation & Spend

Top 10 overall (year-round) visitation markets, in order, compiled from last four years of data:

1.	Phoenix	28.1%
2.	Los Angeles	8.36%
3.	New York	3.9%
4.	Chicago	3.23%
5.	Tucson	3.11%
6.	San Diego	2.21%
7.	Dallas	2.19% (top summer market)
8.	Minneapolis	2.01% (top winter market)
9.	Las Vegas	1.12%
10.	Houston	1.08%

Top 10 spend markets for Full Year 2023, as a percentage of spending data from TransUnion/Commerce signals. Spending categories include Food & Beverage, Retail, Lodging (in-market spend only), Transportation and 'Other':

1.	Phoenix	16.1%	
2.	Los Angeles	8.4%	
3.	Seattle	3.1%	
4.	Chicago	2.8%	
5.	San Francisco		2.7%
6.	New York	2.4%	
7.	Dallas	2.3%	
8.	Tucson	2.2%	
9.	San Diego	2.1%	
10.	Denver	2.1%	

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Visitation & Spend

Top 10 winter markets, in order, compiled from last four years of data:

1.	Phoenix	28%
2.	Los Angeles	8.98%
3.	New York	3.75%
4.	Tucson	3.36%
5.	Chicago	3.04%
6.	Minneapolis	2.88%
7.	San Diego	2.58%
8.	San Francisco	1.88%
9.	Las Vegas	1.09%
10.	Seattle	1.03%

Top 10 summer markets, in order, compiled from last four years of data:

1.	Phoenix	33.7%
2.	Los Angeles	8.78%
3.	New York	4.1%
4.	Tucson	3.53%
5.	Chicago	2.32%
6.	Dallas	2.21%
7.	Las Vegas	1.61%
8.	San Diego	1.41%
9.	San Francisco	1.28%
10.	Philadelphia	.92%

Overarching Themes

- Residents, councilmembers, stakeholders, and current and potential visitors all agree that Sedona is an incredibly special place. Scenic beauty, outdoor recreation, dining, shopping options, arts, culture, and wellness are all alluring elements of this unique destination. It's what drew people to live here and what continues to draw people from all over the world to visit.
- Residents, councilmembers, and stakeholders all agree that while tourism provides a great economic benefit, over-tourism is a real threat, particularly during key times of the year.
- All parties would like to see additional education, better communication, and concerted efforts to target and time visitation as a means to provide more consistent year-round economic benefit, with fewer negative impacts.
- Current and potential visitors have high awareness and an extremely positive perception of Sedona. When they visit, they often stay more than a day and spend highly on lodging, restaurants, and shopping. Sedona is clearly on the list of places a lot of people want to visit. There is no indication that negative resident sentiment, crowded trails, or traffic are impacting their positive view of Sedona or their intent to visit.
- It will clearly take more than just a new marketing approach to make visible changes, but there is an energy behind doing the work necessary to keep resident quality of life as a top priority, while also supporting local business, and welcoming visitors to this exceptional corner of the world.

Recommended Actions

The Brand

- Emphasize the idea of Sedona being “yours to protect” – a concept that applies to residents, stakeholders, and visitors
- Sustainability underscores everything we do – from protecting the fragile environment to ensuring economic benefit is spread as evenly as possible for the long term, year-round and across the commercial sector
- Resident quality of life is a key element in everything we do
- Focus on how unique and special this place truly is – the surroundings, the art, the culture, the energy, the dining, and the shops – worthy of our love, protection, and sharing with visitors and future generations

Marketing Plan

- Focus solely on stewardship-themed brand and marketing efforts across all markets and audiences, including both in-market and externally
- Ongoing communication with the community is key – updates on City marketing initiatives, and ongoing community feedback opportunities

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Marketing Plan – cont.

- Key summer and winter visitation flight markets will be targeted with sustainability-focused messaging, and only during summer and winter booking windows
- All drive markets and within the Verde Valley will be targeted with sustainability-focused messaging year-round
- When reaching out to external markets, profiles that fit “sustainability prioritizers,” “leave no trace adherents,” and “high value travelers” will be prioritized and targeted
- Target bus tours for high-value, no vehicle traffic business in dense commercial areas
- In addition to traditional and digital advertising, incorporate in-market visible education to visitors (and residents) – road and trail signage, in-town posters, information from trail stewards, etc.
- Trail management (which also helps with traffic management)
 - Aggressively market shuttles, ride sharing, cycling, and walking
 - Strategically, where appropriate, consider closing roadside parking around trailheads
 - Work with the Forest Service to review the option to phase in a trailhead reservation system on the most heavily used systems
- As we approach spring and fall busy seasons, build an organic social campaign that strongly suggests to people that Sedona just isn't that fun in the spring and fall. They'll have a better, more enjoyable experience if they come in the summer or winter.



THANK YOU