



## ***AOT in Action***

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

### **A Message from Director Sherry Henry:**

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Good afternoon,

It's been an exciting week for our state's college football fans. On Sunday, we learned that the Vizio Fiesta Bowl will match the Arizona Wildcats and Boise State Broncos at Glendale's University of Phoenix Stadium on Dec. 31. Three days later, the TicketCity Cactus Bowl will pit the Washington Huskies and Oklahoma State Cowboys at Sun Devil Stadium in Tempe. Both games will be televised nationwide on ESPN.

And, let's not forget the Arizona State Sun Devils who earned their third consecutive bowl berth and will head to El Paso to take on the Duke Blue Devils in the Sun Bowl. CBS will televise the match-up at noon on Dec. 27.

Last week, AOT's Trade and Media Relations team concluded the inaugural AOT World Tour. The team, along with our international trade and media representatives, conducted three very successful tourism seminars in Flagstaff, Scottsdale and Tucson.

Have a great week,

Sherry Henry  
Director, Arizona Office of Tourism

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### **AOT News**

#### **Inaugural AOT World Tour**

AOT's Trade and Media Relations division is back from the first-ever "AOT World Tour," which featured in-depth presentations and discussions on promoting international travel to Arizona. Tourism stakeholders from throughout the state gathered in Flagstaff (Dec. 2), Scottsdale (Dec. 3) and Tucson (Dec. 4) to learn about travel trends and how to increase visitation from the

state's key international markets – Brazil, Canada, China, France, Germany, Mexico and the United Kingdom.

The World Tour was a departure from the international presentations annually presented at the Governor's Conference on Tourism. Historically, approximately 100 people attended two sessions presented by AOT's international trade and media representatives. The World Tour attracted a combined attendance of more than 250 people spanning three days.

Director of Trade and Media Relations Mary Rittmann credited the program's success to a cooperative effort of AOT staff and tourism partners from communities throughout the state who spent the last nine months planning the workshops. AOT will likely conduct its second World Tour in fiscal year 2016.

### **AOT Promotes Arizona Tourism in China**

AOT participated in the annual China International Travel Mart 2014 (CITM 2014) held November 14-16 in Shanghai, China. This event is China's official tourism trade show that links buyers and suppliers in a marketplace format. AOT had 11 one-on-one trade appointments and nine one-on-one media appointments. Four hundred brochures were distributed to trade show participants comprised of travel agents and receptive and tour operators.

As a Brand USA Pavilion exhibitor, AOT was represented by Media Relations Manager-International Kimberly Todd. For more information, contact Kimberly at [ktodd@azot.gov](mailto:ktodd@azot.gov) or Travel Industry Marketing Manager Jennifer Sutcliffe at [jsutcliffe@azot.gov](mailto:jsutcliffe@azot.gov).

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## **Upcoming Events & Activities**

### **[Chicago Media Mission](#)**

Date: January 1, 2015

Locations: Chicago, IL

### **[Los Angeles Media Marketplace](#)**

Date: January 13, 2015

Locations: Los Angeles, CA

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## **Industry News**

### **So Long, US Airways Center. Hello Talking Stick Resort Arena**

Good-bye, US Airways Center. Hello Talking Stick Resort Arena.

The Phoenix Suns and Phoenix Mercury announced a new naming-rights deal on Dec. 2 for the downtown Phoenix arena.

Talking Stick Resort will take over the naming rights from US Airways which merged with Fort Worth, Texas-based American Airlines (Nasdaq: AAL) last year.

American already has the naming rights for arenas in Dallas and Miami and opted not to continue the sponsorship of the Phoenix arena.

The facility originally was called America West Arena before the Tempe-based airline merged with US Airways in 2005. Another airline merger has prompted another name change for the Suns arena.

The center opened in 1992.

The downtown Phoenix arena is the second local sports venue to receive a new name recently. The Phoenix Coyotes hockey club in August inked a deal to rename its home arena in Glendale as Gila River Arena.

Also, Arizona State University officials confirmed earlier this year they would pursue a naming-rights deal for Sun Devil Stadium as part of its massive renovation project for the football facility in Tempe. (*Phoenix Business Journal*, Dec. 2)

### **PKF-HR Forecasts Broad-Based RevPAR Growth**

All segments of the U.S. lodging industry will enjoy strong performance for the foreseeable future according to the recently released December 2014 edition of PKF Hospitality Research's (PKF-HR) Hotel Horizons. Rising levels of employment, combined with increased geographic expansion of the national economic recovery, will result in revenue per available room (RevPAR) growth in excess of long-run averages for all hotel chain-scales, most location categories, and the vast majority of markets from 2014 through 2017.

"No matter what hotel performance indicator you look at for any type of hotel, we foresee extremely favorable movements the next few years," said R. Mark Woodworth, president of PKF-HR. "Our firm is projecting demand growth to outpace changes in supply in the U.S. through 2016. That will result in industry wide occupancy levels at, or above, all-time record levels through 2017.

"With scarcity now a reality for consumers in many markets for a growing number of property types, hotel operators will have the leverage they need to drive room rates well above the pace of inflation," Woodworth added. "Real average daily room rate (ADR) growth driving RevPAR will contribute to a six year period of double-digit increases in hotel profits; something we have not seen in the 78 years PKF has been tracking the U.S. lodging industry."

The December 2014 Hotel Horizons report forecasts ADR to increase by an annual average of 5.4 percent from 2014 through 2017. In turn, PKF-HR is forecasting unit-level net operating income to increase at an average annual rate of 11.8 percent during this same period.

### *It's the Economy*

"Moody's Analytics, our economic forecasting agent, projects that the U.S. is on track to reach full employment by 2016," said John B. (Jack) Corgel, Ph.D., the Robert C. Baker professor of real estate at the Cornell University School of Hotel Administration and senior advisor to PKF-HR.

Moody's forecasts show that by year-end 2014 the national unemployment rate will drop down to 5.9 percent from a great recession high of 10 percent in 2009.

"What impresses me most is the profile of the populations that recently have seen the greatest declines in unemployment," Corgel said. "Individuals at the lower end of the income spectrum, and those with the lowest levels of education, lately have enjoyed the greatest gains in employment. This is completely opposite of the employment patterns we observed in 2009 and 2010."

Previous research conducted by PKF-HR found that changes in employment have the greatest impact on the performance of hotels in the lower-priced chain-scales, while changes in income influence the demand for upper-priced lodging facilities. "Employment gains now have reached all segments of the population, which translates into strong RevPAR forecasts for all segments of the U.S. lodging industry," Woodworth surmised.

The favorable impact of employment gains is evident in the forecast performance of individual lodging markets across the U.S. "Half of the 20 Hotel Horizons markets forecast to enjoy the greatest increases in employment, also are projected to benefit from the greatest increases in lodging demand," Corgel noted. "Further, according to Moody's, close to 90 percent of the local economies in the U.S. currently are classified as being in either a recovery or expansion phase. Accordingly, we will see 15 of our 55 Horizons markets achieve all-time record high occupancy levels in 2015."

#### *Peak Persistence Over Oil*

"The current favorable economic outlook is not only deep, but long as well," Woodworth concluded. "That will result in an extended period of peak performance for all participants in the U.S. lodging industry. As if that were not ample good news, the world oil market dynamics are generating prices for transportation fuel that work to the benefit of travelers. If low energy prices are sustained, 2015 hotel performance will be better than expected."

*(LodgingMagazine.com, Dec. 4)*

#### **Arizona Wildcats Earn Fiesta Bowl Spot, Will Face Boise State**

Pac-12 South champion Arizona will play Mountain West champion Boise State in the 44th Vizio Fiesta Bowl.

UA (10-3) and Boise State (11-2) are among eight teams chosen by the College Football Playoff selection committee Sunday for the four CFP bowls – Fiesta, Cotton, Orange, Peach – that are not hosting semifinals this season.

Oregon (12-1) is in the CFP semifinals, at the Rose Bowl, as the No. 2-ranked team, meaning the Pac-12 Conference will have two teams in the top six bowls.

The Wildcats made the cut despite losing 51-13 to Oregon in the Pac-12 Championship Game. Boise State ended its season with a 28-14 win over Fresno State and qualifies for a major bowl as the top-ranked champion from a group of five conferences without CFP bowl contracts.

The Fiesta Bowl is Dec. 31 at 2 p.m. at University of Phoenix Stadium.

Arizona and Boise State will be making their third Fiesta Bowl appearances. UA beat Miami 29-0 in the 1994 game and lost to Pittsburgh 16-10 in 1979. Boise State is 2-0 in the Fiesta Bowl, beating TCU 17-10 in 2010 and Oklahoma 43-42 in a memorable 2007 overtime game. (*The Arizona Republic, Dec. 7*)

### **Cowboys, Huskies to meet in Cactus Bowl**

Oklahoma State will face Washington in the TicketCity Cactus Bowl.

Oklahoma State needed to win its final game to become eligible after losing five straight. The Cowboys (6-6) did it in dramatic fashion, beating rival Oklahoma 38-35 in overtime after Tyreek Hill returned a punt 92 yards for a touchdown with 45 seconds left in regulation.

Washington (8-5) won eight games in its first season under former Boise State coach Chris Petersen, most in school history for a first-year coach. The Huskies closed out the season with victories over Oregon State and rival Washington State in the Apple Cup.

The Cactus Bowl will be played Jan. 2 at Sun Devil Stadium in Tempe. (*The Associated Press, Dec. 7*)

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### **Calendar of Events**

Visit [www.VisitArizona.com](http://www.VisitArizona.com) to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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