



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:

Good afternoon,

I invite you to join more than 450 tourism leaders, statewide elected officials, the [Arizona Lodging & Tourism Association](#) (AzLTA) and AOT for the 11th Annual Arizona Tourism Unity Dinner. The event will be held at the Hyatt Regency Scottsdale Resort & Spa at Gainey Ranch on Thursday, Feb. 19.

We are pleased to partner with AzLTA to host this celebration of our industry. This year, we will pay tribute to the Arizona Super Bowl Host Committee as a Tourism Champion along with honoring other outstanding industry leaders. Please contact [AzLTA](#) if you are interested in sponsoring or attending this wonderful community event.

Also, be sure to save the **NEW** date on your calendar to attend the 2015 Arizona Governor's Conference on Tourism **June 22-24**. This year's annual conference will be held at the Camelback Inn, a JW Marriott Scottsdale Resort & Spa, a month earlier than usual. In partnership with AzLTA, we look forward to bringing together travel professionals from across the state to learn from tourism experts and receive valuable information regarding the latest tourism statistics, products and services that impact our industry.

Best wishes for a great Arizona week!

Sherry Henry
Director, Arizona Office of Tourism

AOT News

Record-Breaking Occupancy During Super Bowl XLIX

Overall, Phoenix occupancy during this time period in 2015 outperformed 2008 with an average occupancy rate of 88 percent compared to 79 percent in 2008. On Saturday before the big

game, hotel occupancy was at 96 percent, a 9 percent increase compared to the same day of Super Bowl weekend in 2008 and 57 percent higher than the same day in 2014, a non-Super Bowl year. (STR)



AOT Launches Innovative Travel Application

Thanks to the release of a new app, people seeking information on Arizona’s travel industry can now access data quickly and easily on their smart phone or iPad. AOT is the first state travel agency in the United States to launch an app of this kind – one that provides quality, reliable data on the impact of Arizona’s tourism industry on the state’s economy and its residents. [Read Full Press Release.](#)

Arizona Travel Impacts, the new mobile version of AOT’s annually published “Arizona Travel Impacts” report, breaks down visitor spending, jobs, direct earnings and tax receipts generated by the travel industry by state, region, county and legislative district. The free app includes historical data dating back to 1998 and is available for download on iPhone, iPad and Android devices at tourism.az.gov/research-statistics/economic-impact via Apple’s App Store and Google Play. The data is updated annually.

The Arizona Travel Impacts app data is valuable to AOT’s constituents, including members of the media, legislators, tourism partners, destination marketing organizations, statewide economic representatives, businesses and community leaders, along with municipal and state officials.

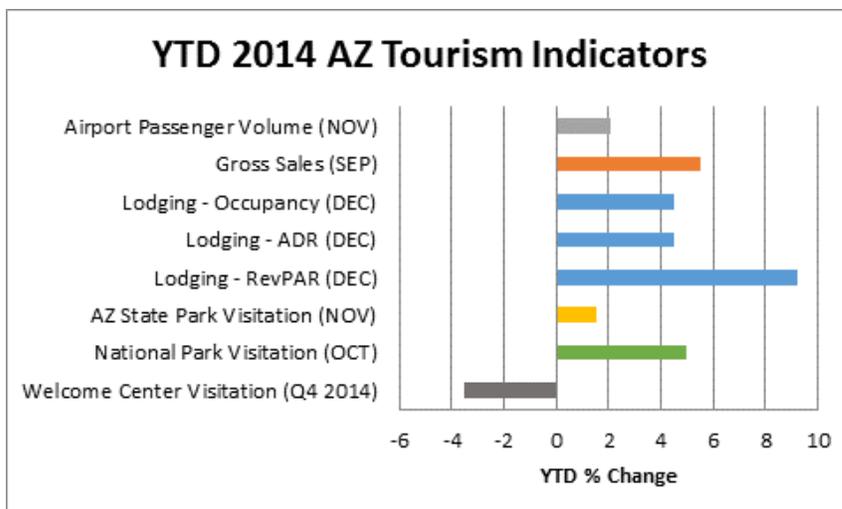
AOT created the app in partnership with Dean Runyan Associates, Inc., a market research firm based in Portland, Ore., that has assisted the organization with reliable travel research since 2004.

New Reports Available on AOT's Research Website

The following reports are now available in the [Research and Statistics section](#) of AOT's business-to-business website tourism.az.gov:

- Airport Passenger Volume November 2014
- Arizona Lodging December 2014
- National, Regional, Arizona Lodging 4th Quarter 2014
- County Lodging 4th Quarter 2014
- National Park Visitation November 2014 (preliminary)
- State Park Visitation December 2014
- Welcome Center Visitation 4th Quarter 2014

Please note, due to technical difficulties, some research reports are not loaded onto the website. For more information, please visit tourism.az.gov or contact Research Specialist Colleen Floyd at cfloyd@azot.gov.



*Percent change based on most recent complete report. Preliminary reports have not been included.

AOT Partners with Nogales Tourism to Launch Destination Website

Arizona Office of Tourism is proud to announce the launch of a visitor website for the City of Nogales. The new website nogalesaz.gov/Rediscover provides information about places to visit and things to do in Nogales, Arizona and Nogales, Sonora; these two cities are also known as Ambos Nogales. Travelers can rediscover this distinctive border community by experiencing the cities rich culture, museums and attractions, authentic cuisine, unique architecture, historical landmarks, outdoor adventures and much more. Visitors also will find important information about crossing the border. The website launch is the latest effort of AOT's partnership with the City of Nogales and a variety of Nogales business and community organizations to develop a Tourism Development and Marketing Plan for the destination.

Upcoming Events & Activities

Mexico Sales and Media Mission

Date: March 2-6

Locations: Mexico City and Cancun, Mexico

Brazil Sales and Media Mission

Date: March 16-20

Locations: Sao Paulo, Campinas and Rio de Janeiro, Brazil

Canada Media Mission

Date: March 23-27

Locations: Toronto, ON and Montreal, QC

Industry News

Sky Harbor Passenger Counts Highest Since 2007

Sky Harbor International Airport handled more than 42 million passengers in 2014, the highest level since 2007 and just shy of the record set that year.

Airport statistics released show passenger counts totaled 42.13 million last year, up 4.4 percent from 40.34 million passengers in 2013.

The nation's 10th busiest airport, which saw passenger volume dip as low as 37.8 million during the Great Recession, is finally back to pre-recession traffic levels thanks to an improved economy, new flights and strong travel demand.

Last year's passenger counts were within a fraction of the airport's record volume of 42.18 million set in 2007.

Sky Harbor had year-over-year traffic increases every month in 2014. The biggest increase came in December, when passenger counts rose 6.3 percent, to a 3.75 million, a record for the month. And that was without a boost from peak Thanksgiving travel, as the Sunday after Thanksgiving fell in November last year, compared with December in 2013.

The passenger totals include arriving and departing travelers – meaning a round-trip traveler counts as two passengers – and the figures include those only at Sky Harbor to catch a connecting flight.

The top five airlines at Sky Harbor last year, ranked by passengers:

1. US Airways*: 20.38 million
2. Southwest Airlines: 12.87 million

3. Delta Air Lines: 2.54 million
4. United Airlines: 1.95 million
5. American Airlines*: 1.64 million

*US Airways and American Airlines merged in late 2013 but their operations are still separate. (*The Arizona Republic, Feb. 6*)

95 Percent of Travel Planning Study Respondents Report Reading Travel Reviews Prior to Booking

New York University and TrustYou, the inventor of the Meta-Reviews and global online reputation management leader, have released the results of a study on the role of reviews in the travel planning process. The study examined the preference of consumers when using reviews to make travel purchases, evaluating their time investment, confidence/trust, and mobile experience. Specifically, the study compared user experiences with review summaries versus traditional full text reviews.

The study, which is available [here](#) for free download, was conducted by Donna Quadri-Felitti, academic chair and clinical associate professor at New York University, School of Professional Studies Tisch Center for Hospitality and Tourism in conjunction with TrustYou.

“Travelers want a quick way to make their booking decisions while still getting all of the information that they need from review content. The findings from this research give both hotels and travel intermediaries clear direction in how to structure their websites so that travelers can make such decisions,” says Donna Quadri-Felitti, Academic Chair and Clinical Associate Professor at NYU School of Professional Studies Tisch Center for Hospitality and Tourism.

“This research shows that summarized review content increases consumer trust while substantially decreasing the amount of time travelers need to read and digest review content. This trend is even stronger on mobile where time and space is even more limited. Travelers have clearly articulated how they want review content to be delivered in the future,” adds Margaret Ady, vice president of marketing at TrustYou.

Key takeaways for intermediaries and hotels to increase conversions:

Traveler’s Review Habits

- 95 percent of respondents report reading travel reviews prior to booking
- Leisure travelers reported reading an average of 6-7 reviews prior to booking and business travelers reported reading an average of 5
- Leisure travelers spend an average of 30 minutes reading reviews prior to booking a hotel and 10 percent of travelers spend more than one hour

How to Present Travel Reviews

- 52 percent of respondents said summarized review content is the most user friendly way to read reviews
- 80 percent said summarized reviews are time efficient, while only 59 percent said that of full text reviews

- 72 percent say summarized review content is mobile friendly, and 61 percent said they prefer to see only a review summary during their mobile bookings

The full report is available for free download [here](#).

The study was conducted using an online survey panel of 510 travelers, all of whom traveled during the last 12 months for leisure, business, or both. Respondents evaluated two different presentations of reviews and described their user experience with each, rating their confidence level in making a booking decision. (*Travel Industry Wire, Feb. 6*)

Hotel Chains Play Wi-Fi ‘Follow the Leader’

Report from the U.S. – the hotel Wi-Fi war is on.

Brands across the industry are rethinking their Wi-Fi and Internet offerings, in some cases allowing free usage for basic levels of service and charging fees for enhanced speeds. Hotel industry heavyweights Marriott International, InterContinental Hotels Group (IHG), Starwood Hotels & Resorts Worldwide and Hilton Worldwide Holdings are among the companies announcing changes to Internet policies. The highlights:

- This month, [Starwood Hotels](#) will offer free Wi-Fi in rooms and public spaces to Starwood Preferred Guest members.
- Last month, members of the [Marriott](#) Rewards loyalty program [gained free access at brands](#) where such access wasn’t already complimentary.
- Tiered access in 2014 was put in place at [Hilton](#) properties. In a statement, the company said Internet policies are on a brand-by-brand basis, with complimentary access at its Hampton Inn, Hilton Garden Inn, Homewood Suites by Hilton and Home2 Suites by Hilton brands.
- [IHG](#) a year ago also freed up its Internet access to Rewards Club members while also instituting tiered access at some hotels.

Chad Sorensen, a principal and managing director at CHMWarnick, said a few elements are driving the movement. First, he said via email, is a desire to lift customer satisfaction scores. Also, now that the industry is performing strongly, brands are more willing to part with the Internet revenue stream.

“This is a follow-the-leader scenario,” he said. “Once one brand made the change, all others followed to maintain a level playing field.”

Hyatt Hotels Corporation, another brand that has reimagined its Wi-Fi service, [announced in December 2014](#) it would provide free Wi-Fi access in all of its lobbies and rooms worldwide at some 573 properties (count as of the end of Sept. 30, 2014). The capability was scheduled to be online as of Feb. 14.

Kristine Rose, VP of brands for [Hyatt](#), said in an email the company began offering the free service because company executives recognized that Wi-Fi is an essential part of the stay, “much like a comfortable bed or a clean room.” The company’s research showed the average guest uses approximately two devices per stay.

Matthew Arrants, an executive VP at Pinnacle Advisory Group, said studies have shown that free Wi-Fi access is of the utmost importance to travelers, so hoteliers are trying to cater to that.

“Basically everyone that hotels cater to consider free Wi-Fi critically important,” he said. “Add to that the impact of negative social media for hotels that charge for Wi-Fi and (it’s) clear that we as an industry must give it a lot of attention.”

Rose acknowledged that offering free Wi-Fi is “an investment” but did not identify the precise financial cost to Hyatt.

“We take a long-term view,” she said. “We want to be the most preferred hotel company and look at this as an investment in providing Hyatt guests with a seamless travel experience.” The company isn’t anticipating any bandwidth issues, Rose added.

FCC fight

The war over Wi-Fi also spilled into a tiff with the U.S. Federal Communications Commission for Marriott, which was accused (and eventually fined \$600,000) for blocking a guest’s personal Wi-Fi hot spot.

Marriott officials indicated the company had guest security in mind, but [in a statement](#) the FCC made clear it did not approve of the action.

“The Communications Act prohibits anyone from willfully or maliciously interfering with authorized radio communications, including Wi-Fi. Marriott’s request seeking the FCC’s blessing to block guests’ use of non-Marriott networks is contrary to this basic principle.”

In a statement last week, Marriott said it would adhere to the FCC’s request.

“We’re doing everything we can to promote our customers’ connectivity using mobile and other devices, and we’re working with the industry to find security solutions that do not involve blocking our guests’ use of their Wi-Fi devices,” according to the statement.

The American Hotel & Lodging Association, in a statement to Hotel News Now, also brought up the security argument.

“We’ve seen too often that it only takes one rogue actor to breach a protected system. Guests can unknowingly click on a hot spot they think is secure only to have their information stolen,” according to the statement.

“Hotel operators need tools to respond to a cyber-threat in real time without fear of legal penalty. Right now, it’s unclear whether they can take action to attempt to stop cyberattacks that threaten their network. We believe addressing the security issue is of the utmost importance and are doing all we can as an industry to find a solution that balances the security concerns with access to Wi-Fi,” the statement said.

Sorensen said he understands the security concern, but there might be financial concerns at play, too.

“Meeting room Internet access (for example) is the source of sizeable revenues, especially in convention hotels,” he said. (*Hotel News Now, Feb. 3*)

Agents Say Strong U.S. Dollar is Further Boosting Already Robust Europe Bookings

For months, agents have been reporting strong bookings for the Europe season. Now, the booking picture has become brighter still, with the U.S. dollar soaring to its highest level in a decade.

“Already this year, most of our agents have indicated that their bookings are up year over year and that their clients are spending more,” said Barry Liben, CEO of Travel Leaders Group, noting that agent booking data collected late last year for the company’s 2015 Travel Trends Survey indicated a rise in Europe bookings. “We expect that this historic shift in the value of the dollar will further increase those sales, perhaps even exponentially.”

Anecdotal reports from agents corroborate Liben’s contention.

“I have had a number of last-minute bookings for Rome and Paris – predominantly driven by the lower exchange rate right now,” said Claire Schoeder of Century Travel in Atlanta, adding that her early spring business to Europe is significantly higher than last year. “Everyone enjoys good value and I have already seen some undecided clients make plans to visit.”

All told, Schoeder said her Europe bookings are up 30 percent compared to 2013. “I expect that to increase as the dollar is expected to be dominant throughout the year.”

Michelle Weller of Travel Leaders in Houston told a similar story. “My phone is ringing off the hook with people wanting to go to Europe and wanting to go by April,” she said. “Somebody just called me about a river cruise to southern France and they only had three cabins left for the whole of April,” said Weller of Travel Leaders in Houston. “They booked!”

While Weller said she has seen dramatic increase in her Europe business over the last two years, last month in particular brought in an unprecedented number of inquiries and bookings. “January was off-the-charts hot,” she said.

Stephanie Serino of New York-based Tzell Travel is also seeing an escalation of close-in Europe bookings.

“I’m booking more Europe than I am last-minute beach getaways, which is crazy given all the storms impacting the Northeast,” she said, adding that, along with the strong dollar, lower gas prices, increases in discretionary income and the economic crisis in Europe are motivating her clients to travel to the destination.

For Joshua Greenberg of New York-based Protravel International, client requests for Europe began in earnest right after the New Year.

“The dollar’s position should only continue that trend,” he said. “There was a definite pressure to find ‘better value’ when the Euro was strong, like going to South America. Now, however, the

robust U.S. dollar, coupled with a strengthening economic recovery, will more than likely lead to increased numbers of Europe bookings.

The improving U.S. economy appears to be accounting for another bright spot for Europe: travelers are spending more.

"I think people are spending big dollars and doing it easily," said Sondra Wilson of Travel Leaders in Richland, Wash., adding that a Viking River and Ocean event held last week has already garnered a generous number of high-ticket bookings. "Viking carries a big ticket amount and we are having no problem selling it," she said.

Travelers are also more willing to upgrade to higher levels of accommodations.

"Many of my clients, especially those traveling in the next couple of months, are booking better hotels or rooms than they normally would," said Schoeder, in addition to longer trips. "Even some of my clients that booked well in advance are changing some aspects of their trip to stay in better hotels or better room categories at hotels they have already booked."

Although David Rubin said his upscale clientele typically travel when and where they want without paying too much attention to currency exchange rates, he expects travelers to spend more this year. "With the strengthened dollar, I think this will move our clients into more suites at the top hotels," said Rubin of DavidTravel in Corona del Mar, Calif.

Sticker shock, meanwhile, is dissipating significantly.

"I've noticed that many travelers have gotten used to the high cost of airline tickets," said Sarah Nelson Wandrey of Travel Leaders in Mesa, Ariz. "The higher price tag for seats is no longer scaring Europe clients away, because they have been used to seeing it."

Although airline fares remain relatively high, Wandrey noted that, in some cases, hotel rates are lower than in past year. "That has helped seal the deal for many travelers," she said.

For the most part, agents agreed that one fly in the ointment is the prospect of more terror attacks in Europe. But, at least for now, that prospect has had very little impact on bookings.

"I think there is a general overall concern for terrorist activities all over the world," said Judy Nidetz of Travel Experts in Chicago. "People are being more mindful and watching news reports carefully, but I don't think that is stopping them from traveling."

It appears not. Like other agents polled, Nidetz's bookings are decidedly brisk. "I have many more advanced bookings to Europe this year, than ever before," she said. (*Travel Pulse*, Feb. 4)

Calendar of Events

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

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