



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,

Thank you to everyone for attending the 2015 Governor's Conference on Tourism! We had a tremendous turnout and it was fantastic to see all of you there. It was another great year for tourism as our record-breaking industry numbers can attest to. Let's keep this momentum going!

Governor Doug Ducey and I want to congratulate the winners of the Governor's Tourism Awards. These winners deserve this wonderful recognition for their passion and dedication to the success of the Arizona tourism industry. Our industry is accomplishing outstanding results every day and our agency is excited for another great year of promoting Arizona's travel offerings.

In addition to his participation at our Governor's Award Gala, I also want to thank Governor Ducey for inviting AOT to be part of his Arizona delegation to Mexico in June. We appreciated being part of the mission representing Arizona and all our state has to offer as a exciting vacation destination and a lucrative trade opportunity.

It was great to see tourism at the table of many industry related and economic development discussions. Mexico is one of our most important international visitor markets. Annually, more than 3.8 million Mexican visitors travel to Arizona to experience our state. We're thrilled to be working with Mexico's tourism officials to enhance our international relationships and increase the economic benefits of tourism and trade on both sides of the border.

For those of you who were unable to attend this year's conference, we have a couple of the major announcements below in the **AOT News** section. Also, we'll keep you posted as to when you will be able to access the speakers' presentations from the Governor's Conference.

Have a great Arizona week,

Sherry Henry
Director, Arizona Office of Tourism

AOT News

AOT Releases Record-Breaking 2014 Travel & Tourism Industry Statistics

The Arizona Office of Tourism (AOT) announced record-breaking 2014 visitation statistics and economic impact of the Arizona travel and tourism industry.

According to the latest research data released by AOT, more than 40.7 million domestic and international overnight visitors experienced Arizona as travel destination in 2014, up 4.1 percent over 2013. Direct travel spending generated \$20.9 billion, which is approximately \$57 million contributed to Arizona's economy each and every single day. This spending activity is up 5.4 percent over 2013.

Additional statistics gathered by AOT's research vendor, Dean Runyan Associates, include:

- 171,500 industry jobs generated by direct travel spending, up 3.8 percent over 2013
 - that's an additional 6,000 jobs generated by just visitor spending over 2013
 - combined with secondary employment that is generated through this direct travel spending, total job creation for Arizona is 319,000
- \$5.9 billion in employment earnings generated by direct travel spending, up 6.3 percent over 2013
- \$2.8 billion in federal, state, and local tax revenue generated by direct travel spending, up 2.8 percent over 2013.
 - tax revenue generated by the travel and tourism industry represents a \$1,150 tax break per Arizona household. [Full Release](#).

AOT Honors Industry Leaders at Annual Governor's Conference on Tourism

Governor Doug Ducey and the Arizona Office of Tourism (AOT) honored statewide tourism leaders at the 2015 Governor's Tourism Awards Gala held during the industry's annual Governor's Conference on Tourism. AOT Director Sherry Henry presented the awards during the event held at the JW Marriott Camelback Inn Resort and Spa. More than 450 industry representatives were in attendance.

"Here in Arizona, we're focused on growing the economy, creating jobs and making our state the best place in the country to live, work and do business. As one of our largest and most crucial economic engines, Arizona's tourism industry is a huge part of that effort," said Governor Ducey. "We're thankful to have leaders working every day to showcase our great state. Their work is not only critical to driving this industry, but to improving our overall quality of life and making Arizona the best it can be." [Full Release](#).

Join AOT at World Travel Market, Nov. 2-5

AOT is pleased to invite Arizona CVBs, Chambers and DMOs to join us in an Arizona booth at World Travel Market (WTM) in London, November 2 - 5, 2015. WTM is the largest travel trade show in the UK and last year nearly 52,000 travel industry professionals and media were in

attendance. For more information or to request a participation form, please contact Mary Rittmann at <mailto:mrtrittmann@tourism.az.gov> or 602-364-3730.

Upcoming Events & Activities

Arizona Showcase

Date: October 1

World Travel Market

Dates: November 2 -5

Industry News

New Survey Reveals Surprising Shifts in Travel Habits/Booking Trends

MMGY Global has released its 2015 Portrait of American Travelers® (POAT) revealing emerging shifts in the travel habits and intentions of Americans that call into question several prevailing beliefs maintained by industry marketers. The results also have significant implications for the manner in which the industry markets its products, and the way in which consumers are likely to respond.

The 25th annual survey of 2,832 U.S. adults, the longest continuous survey of its kind in America, reveals impactful implications for the industry including an uncertain outlook for the future growth of online travel agencies (OTAs), an impressive comeback for the cruise industry, provocative insights into the preferences of Millennial travelers, the sources of information affluents trust, and who is helping fuel the growing sharing economy.

“We were surprised to find such significant shifts in travel preferences in just one year. In addition, the survey revealed several unexpected trends across generational groups,” said Steve Cohen, vice-president of Insights for MMGY Global. “Clearly the industry is in a state of flux, as the way people view and make decisions regarding travel is evolving at a much faster pace than in previous years.”

MMGY Global’s Portrait of American Travelers® provides an in-depth examination of the impact of the current economic environment on prevailing social values, and the emerging travel habits, preferences, and intentions of Americans. It is widely regarded as a leading barometer of travel trends and an essential tool for both the development and evolution of brand and marketing strategy.

Following is a brief summary of several key shifts revealed in the 2015 POAT study:

Brand.com Now Trumps OTAs When Consumers Make Reservations

Despite healthy earnings and reports of growth amid ongoing mergers and acquisitions, the new findings suggest looming challenges for OTAs. Travelers are increasingly migrating from OTAs

when making bookings and heading directly to travel brand sites to both research and book travel at a substantially higher rate than in previous years:

- Only 58 percent of travelers obtained travel information from an OTA during the past year, down significantly from the 84 percent who did so in 2014.
- From a booking perspective, the insights revealed by the survey are even more provocative: among travelers who regularly seek information from an OTA site when planning a vacation, only 13 percent typically book their reservations on these sites, down from 36 percent just one year ago.
- Respondents cited the main reasons for booking direct are a belief they will get the best prices by doing so (64%), and that they generally find it more convenient than booking with an OTA (67%).

Despite Recent Negative Publicity, Cruising Is On the Rise and Among Unexpected Audiences
Despite the adverse press coverage the cruise industry has received during the last couple of years, this year's POAT reveals that interest in cruising is actually up, and its appeal extends across all generational groups:

- Almost half (48%) of all travelers are now interested in taking a cruise vacation during the next two years, up eight percent from the level who expressed interest in 2014.
- Surprisingly, Millennials along with Matures, now show the highest growth of interest in cruising. Fifty-one percent of travelers from each of these generational groups are interested in taking a cruise during the next two years. This is just one example of how Millennials are fueling overall growth for the industry in an unexpected way: younger Millennials appear to find cruising an affordable and convenient vacation option to explore.

Millennials: Reshaping the World of Travel In Surprising Ways

Considered by many to be an "adventure driven" generation, it has been suggested that Millennials are apt to seek travel experiences in far off and more exotic locales, yet more and more are opting to enjoy and explore adventures in their own backyard:

- Millennials, more than any other age cohort, are increasingly interested in "staycationing," with over half (55%) taking a vacation close to home as an alternative to traveling a greater distance during the past year. This figure is up 14 percent from 2014, and a remarkable 23 percent from 2013.
- Millennials took staycations an average of 3.1 times during the past year, nearly as often as they took traditional vacations – for an average of 3.4 times during the past year.
- Thirty-four percent of Millennials intend to take more staycations during the next 12 months.
- When asked why, the reasons cited most frequently included a desire to stay in one place and relax (37%), to spend more time with friends and family (34%), and save money for another vacation (30%).

Millennials with families are also fueling growth in demand for travel services:

- Millennial families intend to take more vacations over the next year than Millennial couples, 43 percent compared to 27 percent.

- Millennial families also intend to spend an average of more than \$6,000 on vacations during the next 12 months, 19 percent higher than they spent on vacations during the previous year.

Affluent Travelers Place More Trust in Third-Party Reviews Than Their Own Friends and Family
 Affluent travelers (those with an annual household income over \$150,000) are increasingly turning to travel review sites for advice and recommendations about travel, with more admitting they trust the opinions of these strangers over those expressed by their circle of family and friends:

- When searching for inspirational travel ideas, fewer affluent travelers are looking to friends and family. Only 37 percent consider their advice influential, down 11 percent from last year.
- Forty-one percent of affluent travelers say they visited a travel review site for information about a travel destination or supplier during the past year, up seven percent from 2014.
- Ascribing even greater weight to reviews and ratings by fellow consumers, 53 percent of affluent travelers now trust review sites more than institutional/organizational ratings such as those published by AAA and Forbes.
- Overwhelmingly, the top resource cited for advice on both destinations and travel suppliers was TripAdvisor (87%).

Sharing Economy: Not Just for Millennials

Shared travel services are gaining popularity with all generational groups. While Millennials are leading the way when it comes to using non-traditional lodging, booking alternative accommodations on sites like Airbnb and HomeAway, and patronizing ride-sharing services like Uber, they are surprisingly not alone:

- Seventy-four percent of Boomers and 72 percent of GenXers now use shared services and would be interested in doing so again, just slightly less than the 80 percent of Millennials.
- Ride-sharing is not just about sharing a ride. Travelers are using this service for different reasons, depending on their age, with some citing safety and cashless payment options as primary reasons for using services like Uber. Among travelers who have used ride-sharing on vacation, 79 percent like not having to pay their driver directly and feel safer since the app identifies the driver and handles payment.

For more information about these insights, or to obtain a copy of the full 2015 POAT report, visit www.mmgglobal.com. (*Travel Industry Wire, June 25*)

87% of Leisure Travelers 45-Plus Have Taken A Road Trip in the Past Year

There's something about the road trip that really speaks to many Americans. It gives them the freedom to travel the country's highways and back roads to explore new places and familiar destinations. It allows them to taste local food and experience local culture—on their own timeline. And it's a cost-conscious way to have a truly memorable vacation.

It's only natural, then, that many people think road trips are the best way to travel. A brand-new survey from AARP Travel finds that more than 7 in 10 people 45-plus say that road trips are their favorite way to travel.

“Our research shows that the 45-plus leisure travel audience has clearly embraced this way of travel, with 87% having taken at least one road trip in the past year,” said Stephanie Miles, VP, Products & Platforms, AARP. “Road trips offer a set of unique benefits versus other means of travel, such as the ability to visit local attractions on the way, experience local food and culture and enjoy scenic routes on the drive. With the vast majority of these road trips being five hours or less, many just find them to be more economical and fun too.”

Planning is key to taking advantage of the best of what road trips can offer. Make use of these five key tips from AARP Travel to enjoy your road trips this summer at www.aarp.org/roadtriptips.

- Go local. One of the great benefits of road tripping is that it allows travelers to experience local culture along the way—everything from local attractions to local restaurants. Around 3 in 10 travelers 45-plus have driven more than 5 miles out of their way to stop at a specific location for food. And local restaurants are more popular food stops than national chains or fast food.
- Get your car in gear. A road trip is impossible to make without a vehicle—one that's in good, safe working order. Before your trip, check your vehicle's tire pressure, change the oil if needed, and conduct some routine maintenance.
- Stock up on snacks. Well-fed road trippers are happy road trippers. Six in ten of those surveyed say that food and snacks are a must-have in their vehicle during a trip. What's the most popular road trip snack? Nuts! Nearly half of road trippers say it's their favorite in-car snack.
- Bring maps. A GPS—either a portable system or a smartphone app—is the most popular type of map, though a sizable minority still relies on traditional maps for their road trips.
- Download helpful travel apps. Other than map-related apps, only four in ten road trippers say they've used a road-related smartphone app. However, a real-time traffic app like Waze can save you from sitting in a major traffic jam. The online survey, conducted May 5-13, 2015 among males and females 45 and older who had taken at least one road trip in the previous year, provides insight into all aspects of road trips—how travelers prepare, what they bring, where they go, and what they do along the way. May through October is the most popular time to take road trips, and Florida, California, Pennsylvania, New York and Michigan are the top five most popular destination states.

Top road trip destinations include:

- A city or town (39%)
- A friend or family's home (29%)
- The beach (12%)

But for many Americans, a road trip is about more than just the destination. Around two-thirds of road trippers make pre-planned stops (beyond the basic rest stop) on their way to or from their final destination, to visit a park or beach, to explore a city, or enjoy some local culture.

Among the most popular reasons why travelers choose road trips include:

- They will have a vehicle at their destination (58%)
- Flexibility (46%)
- Cost (35%)
- Scenery (28%)

Most people who do take road trips love them and a third state they have no difficulties in planning at all, for those who do encounter road trip challenges, they are:

- Deciding what to pack (27%)
- Choosing the date (21%)
- Preparing the car (11%)
- Identifying stops (10%)

And once travelers are on the road, there are a number of situations that can become trip-ruiners. More than three-quarters of travelers say that traffic jams ruin a road trip, while 69 percent say the same of bad weather and 67 percent say it of road construction.

But have no fear: adequate planning helps to make a great road trip possible. About half of all road trippers say they used online resources like Google Maps to plan their most recent road trip. And getting ready for a road trip means getting your vehicle ready, too. Most road trippers say they did some vehicle preparation prior to their most recent road trip, such as checking tire pressure. However, only 43 percent had an emergency kit on board.

The vast majority of road trippers take navigation tools with them. Nearly three-quarters of travelers use GPS. Smartphone apps are also becoming increasingly popular navigators. But for some road trippers, nothing beats an old-fashioned paper map: 18 percent say they still use a traditional map on their road trips.

For road-tripping travelers, the drive is just not complete without a few “must-have” items. The favorite non-tech items to have on the drive are water (63 percent gave this response), sunglasses and food/snacks (60 percent each). Top tech items include cell phone coverage (62 percent), iPad/tablet (40 percent), and a digital camera (39 percent).

The survey findings reveal a generation gap between Baby Boomers and Gen-Xers in the way their road trips look. Among the differences:

- Gen-Xers are more likely to use technology to assist them on their road trip than are Boomers. 70 percent of Gen-Xers used the Internet to plan their most recent road trip, compared to just 47 percent of Boomers.
- A friend/family's home is a more popular destination for Boomers (31 percent) than it is for Gen-Xers (22 percent).
- Boomers are more likely than Gen-Xers to do some routine maintenance on their vehicle prior to their trip.
- Boomers are more likely to use a car on their road trip, while Gen-Xers are more likely to drive an SUV.

The survey can be found at <http://www.aarp.org/roadtripresearch>. (*Travel Industry Wire, June 29*)

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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