



## ***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,

Congratulations to Florence, Arizona on the designation of the Florence Visitor Center at the McFarland State Park and Visitor Center as an official AOT Local Visitor Information Center (LVIC). The Florence LVIC is now the 60<sup>th</sup> visitor information center in a network of designated centers located throughout the state.

Visitors often utilize these information centers as their first stop, giving communities the opportunity to provide a positive first impression of the community and Arizona. The LVICs help promote their local community and regional area attractions, recreational opportunities and hospitality amenities.

In FY11, more than one million visitors were greeted by the friendly staff at the LVICs and the Painted Cliffs Welcome Center in Lupton, Arizona. For LVIC criteria and application information, visit <http://www.azot.gov/marketing-programs/visitor-services/local-visitor-information-center-program>.

Have a great week!

Sherry Henry  
Director, Arizona Office of Tourism

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### **AOT News**

**AOT's Arizona Showcase a Great Success!**

More than 850 people attended AOT's Arizona Showcase event in Hermosillo, Sonora, Mexico, earlier this month. This was the 13<sup>th</sup> Arizona Showcase event hosted by AOT, which continues to play vital role in our marketing efforts to the Mexican visitor.

With the Arizona Showcase, travel agents, tour operators, media representatives and the public get to experience a dynamic tradeshow with numerous exhibitors and destination marketing organizations on hand to spotlight their visitor destination.

By promoting fall and holiday shopping, attractions and accommodations all throughout the Grand Canyon State, both residents and travel professionals of Hermosillo learned a great deal about what Arizona has to offer. Additionally, participants experienced an energetic fashion show featuring members of the local society as models.

AOT thanks our industry partners who joined us for the tradeshow: Chandler Office of Tourism; Fenster School; Greater Phoenix CVB; Macerich; Metropolitan Tucson CVB; Scottsdale Convention and Visitors Bureau; St Joseph's Hospital & Medical Center; Tempe Tourism Office; Tucson Mall; and Parkplace Mall.

By continuing with our marketing efforts in Sonora, we can look forward to welcoming even more tourists that come to Arizona to shop, dine and visit our many attractions!

### **New Updates to AOT's Research Web site!**

The following items have been updated in the Research and Statistics section of AOT's business-to-business Web site [www.azot.gov](http://www.azot.gov).

- [National Park Visitation July 2011](#) – Preliminary
- [Painted Cliffs Welcome Center Visitor Counts 3rd Quarter 2011](#)
- [State Park Visitation August 2011](#)

For additional information or questions, please contact Melissa Elkins, Research Manager, at 602-364-3716 or via e-mail at [melkins@azot.gov](mailto:melkins@azot.gov).

### **Reach the Mexican Visitor Market with AOT's Mission to Mexico**

AOT invites Arizona tourism suppliers to join the agency in a sales mission to Mexico, November 28 through December 2. The sales mission will target tour operators, travel agents and media representatives during luncheon seminars in Mexico City and Guadalajara. Tour operator sales calls will also take place in Mexico City. Registration cost is \$900, all other expenses are extra. The deadline for participation is **Friday, October 28**. For more information please contact Kristin Swanson at 602-364-3696 or via e-mail at [kswanson@azot.gov](mailto:kswanson@azot.gov).

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## **Upcoming Events & Activities**

### **[Celebrate the Centennial: Capital Arizona Press Trip](#)**

Date: October 24 – 29

Location: Prescott, Tucson and Phoenix

[Celebrate Arizona 100 Years AAA/CAA FAM Tour](#)

Date: November 9 – 13

Location: Greater Phoenix Area, Prescott, Tucson

[New York Media Marketplace](#)

Date: November 15

Location: New York City, NY

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## Industry News

### **STR Global Reports 4.2 Percent Rise in U.S. Summer Hotel Demand**

The U.S. hotel industry reported a 4.2 percent increase in demand for the 2011 summer travel season, according to data from STR Global, which had projected demand to only rise 2.5 percent in their summer forecast published in April. The summer travel season comprises June, July and August.

Overall, the industry ended the season with a 3.5 percent increase in occupancy to 67.9 percent, average daily rate rose 3.7 percent to \$102.50, and revenue per available room was up 7.3 percent to \$69.57.

“We continued to underestimate the overall strength of room night demand in the hotel industry this summer,” said Brad Garner, COO at STR. “Meaningful ADR growth, in excess of 3.5 percent, was in line with our estimates. Pricing leverage remains a struggle as the macroeconomic environment searches for a foothold.” Revenue for the summer travel season increased 8.1 percent to \$31.2 billion. (*Travel Pulse, October 10*)

### **US and Neighbor Canada Looking to Lure Lucrative Leisure Travelers**

Both the US and Canada finally have a national strategy for bringing in more tourists...finally, and “sort of” because of their newness and so far, at least, unproven efforts.

Canada announced its inaugural Federal Tourism Strategy this month, which was called a “momentous and historic occasion for tourism development” in that country by Tony Pollard, president of the Hotel Association of Canada. He also called the organization’s founding “unprecedented.”

The move comes after years of meetings with tourism leaders. The strategy provides for government initiatives that will coordinate about 15 federal departments and agencies.

“It sets out some 30 initial measures in four priority areas: increasing awareness of Canada as a premier tourist destination, facilitating access and travel to Canada, encouraging the development of extraordinary tourism experiences, and fostering an adequate supply of skills and labor,” says Travel Press. Various reports said Canadian travel leaders were in a buoyant mood over the development.

Meanwhile, the U.S., after joining most of the developed world in getting its first national tourism office, was taking baby steps towards selling North America to foreign tourists.

The Corporation for Travel Promotion (CTP) created last year by the federal government, hired a new CEO amid plans to detail its initial marketing campaign next month at the World Travel Market in London. The group is also expected to announce a brand for the U.S. as a travel destination. The goal is to stem the decline of America's share of the international travel market.

Since 2000, the global travel market has grown by more than 60 million travelers, but 2.4 million fewer international travelers visited the US in 2009 than in 2000. That has cost the US economy an estimated 441,000 jobs over that period and \$509 billion in total spending, according to research conducted for the US Travel Association by Oxford Economics.

Oxford Economics predicts that effective travel promotion could attract 1.6 million new international visitors to the US annually. It could also generate US\$4 billion in additional international consumer spending. (*Travel Mole, October 11*)

### **In Not so Long Away Future, Five Million Tourists Daily Will Travel Across Their Borders**

International tourist arrivals are forecast to reach 1.8 billion by 2030, according to the newly-released UNWTO long-term forecast, "Tourism Towards 2030." "International tourism will continue to grow in the period 2010-2030, but at a more moderate pace than the past decades, with the number of international tourist arrivals worldwide increasing by an average 3.3 percent a year," the report says.

By 2030, when arrivals are expected to reach 1.8 billion, five million people every day will be crossing international borders for leisure, business, or other purposes such as visiting friends and family. "The next 20 years will be of continued growth for the sector," said UNWTO Secretary-General Taleb Rifai. "This growth offers immense possibilities as these can also be years of leadership, with tourism leading economic growth, social progress, and environmental sustainability."

North America's share will increase from only 14 percent to 16 percent of the global market by 2030, "mostly due to the slower growth" there," the study says. By 2030, Northeast Asia will be the most visited sub-region in the world, representing 16 percent of total arrivals and taking over from Southern and Mediterranean Europe, with a 15 percent share in 2030. (*Travel Mole, October 13*)

### **Travel Recovery Remains Strong**

The U.S. outperformed the overall economy during 2011's first half with real U.S. travel and tourism output increasing at an annual rate of 2.8 percent in the first quarter and [2.6 percent in the second](#). Early reports also suggest that travel industry performance was better than expected this summer. But most economists, including those at Tourism Economics warn us to prepare for slower economic growth, and possibly a double-dip recession, in the coming months. (*U.S. Travel Outlook, October 2011*)

### **Consumers are Key to Recovery**

The consumer is the key to recovery but recent economic reports have been troubling. According to the Bureau of Economic Analysis, consumer spending, which rose 2.0 percent in 2010, very weak for the early stages of a recovery, was up [2.1 percent in the first quarter](#) but only 0.7 percent in the second. Real personal expenditures were stagnant in August after rising by [0.4 percent in July](#), as incomes dropped for the first time in almost two years.

According to Gallup, self-reported daily U.S. consumer discretionary spending declined for the second month in September, returning to March and April levels, some of the lowest of the year.

Bloomberg reported that consumer credit in the U.S. unexpectedly dropped in August by \$9.5 billion, the most in over a year, according to the Federal Reserve. Decreasing credit shows American households are either continuing to pay down debt or lack the confidence to boost spending on non-essential goods.

Federal Reserve Board Chairman Ben Bernanke noted in his recent testimony before Congress that "consumer behavior has both reflected and contributed to the slow pace of recovery." Lethargic spending reflects households constrained by high unemployment, weak income growth, lost wealth, indebtedness and high levels of uncertainty. (*U.S. Travel Outlook, October 2011*)

### **Economic Conditions Create Anxious Consumers**

Great uncertainty about economic prospects remains, fueled by the European debt crisis, as well as weak conditions and political stalemates at home, all of this makes for an anxious and pessimistic consumer. After falling sharply in August, the Conference Board's Consumer Confidence Index rose very slightly (+0.2%) in September to 45.4, still extremely weak. Consumers expressed greater concern about their expected earnings and their assessment of current conditions declined for the fifth consecutive month.

The Reuter's/University of Michigan's Consumer Sentiment Index, however, rose to 57.8 in the mid-September reading from 55.7 for the final for August, reflecting improvement in perceptions about current conditions. Unfortunately, the consumer expectations component is now at the lowest point since the Iranian hostage and oil crisis more than 30 years ago. And for the week ending October 2, the Bloomberg Consumer Comfort Index rose to minus 50.2 from the prior period's minus 53 — the second-lowest level on record. (*U.S. Travel Outlook, October 2011*)

### **Secretary Salazar Announces National Park Fee Free Days for 2012**

To encourage Americans to explore America's natural beauty, rich history and culture, Secretary of the Interior Ken Salazar today announced that the [National Park Service](#) will waive admission fees on 17 days in 2012.

"From Independence Hall to our newest national park, the Martin Luther King Jr. Memorial, our national parks tell the story of America, from the beauty of our land to our struggle for freedom and justice," Secretary Salazar said. "Whether or not it's during one of the 17 fee free days next

year, I encourage everyone to visit a park near them and enjoy the remarkable landscapes and historical and cultural sites that are unique to our great country.”

Salazar emphasized that our national parks and public lands serve as an economic engine for many local communities, supports jobs and driving tourism. Recreation in national parks, refuges, and other public lands fueled nearly \$55 billion in economic activity and supported 440,000 jobs in 2009.

The fee free dates for 2012 are January 14 to 16 (Martin Luther King, Jr. weekend), April 21 to 29 (National Park Week), June 9 (Get Outdoors Day), September 29 (National Public Lands Day), and November 10 to 12 (Veterans Day weekend). More information is available at <http://www.nps.gov/findapark/feefreeparks.htm>.

In addition, the [Bureau of Land Management](#), the [U.S. Fish and Wildlife Service](#), and the [U.S. Forest Service](#) will waive their entrance and standard amenity fees January 14 to 16, June 9, September 29, and November 10 to 12. The U.S. Fish and Wildlife Service will also have a fee free day on October 14 in recognition of National Wildlife Refuge Week. The [Bureau of Reclamation](#) will waive standard amenity fees on September 29 and November 12.

Many park-related hotels, restaurants, gift shops, and tour operators will offer specials on fee free days.

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### **Calendar of Events**

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

### **Connect with the Arizona Office of Tourism!**

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