



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,

Only eight days left!

Arizona's official Centennial date, February 14, 2012, is just around the corner, but you can join in on the festivities beginning this weekend with the Arizona Best Fest Phoenix event, February 11-12. The Arizona Best Fest Phoenix is the largest of the Arizona Centennial Signature Events that recognize our state's grand Centennial.

The event delivers museum-like educational pavilions and villages of Hispanic, American Indian and Western cultures. The Arizona Republic is delivering an Arizona storyteller's theater; and Arizona's sports teams -- Arizona Diamondbacks, Arizona Cardinals and Phoenix Suns -- are presenting a history of Arizona sports pavilion highlighting all Arizona sports teams and traditions, including Cactus League Spring Training.

Also, on Saturday, watch more than 2,000 motorcycles participate in the Arizona Centennial Ride. The riders will thunder into Phoenix alongside the state's Centennial mascot, the Arizona Copper Chopper. The Arizona Centennial Ride is a 16-mile motorcycle tour led by Phoenix native and country star Dierks Bentley.

And as Statehood Day arrives, there are many more events that you can participate in throughout the day, including the Arizona American Indians Sunrise Ceremony and the Fandango! Arizona event.

I hope you all can make it out to these events and help commemorate the 100th anniversary of the Grand Canyon State.

For more Arizona Centennial information, visit www.AZ100Years.org.

Have a great week!

Sherry Henry
Director, Arizona Office of Tourism

AOT News

Los Angeles Media Turn Out for AOT Marketplace Event

The Arizona Office of Tourism hosted the LA Media Marketplace January 24, in conjunction with statewide partners including Chandler Tourism Office, Flagstaff Convention and Visitors Bureau (CVB), Mesa CVB, Scottsdale CVB, Tempe Tourism Office, Metropolitan Tucson CVB, Williams-Grand Canyon Chamber of Commerce, as well as the Hopi Arts Trail, Arizona's Salsa Trail and Verde Valley Wine Trail. The event took place at The London West Hollywood and was attended by more than 30 key media representatives including freelance journalists and writers or representatives of various media outlets such as Valley Scene Magazine, Peter Greenberg Worldwide, The Examiner, BBC Worldwide, Recommend Magazine, and Association News magazine. For more information please contact Kara Woroniec at 602-364-3715 or via email at kworoniec@azot.gov.

SAVE the DATE: Governor's Conference on Tourism, July 11-13, 2012

The Arizona Governor's Conference on Tourism provides valuable networking opportunities, professional development sessions, nationally recognized speakers, a dedicated sponsor exhibit area and the Governor's Tourism Awards Dinner/Gala. The conference, which will be held at the Arizona Biltmore in Phoenix, is consistently attended by more than 500 Arizona tourism industry professionals. It is one of our industry's most significant opportunities to attain information on the latest trends affecting tourism. Look toward future editions of AOT in Action for registration information.

Upcoming Events & Activities

[Authentic Arizona Southwest: Real Deal Ranches and the Rest Press Trip](#)

Date: February 27 – March 3

Location: Tubac, Sonoita, Elgin, Patagonia, Nogales and Sasabe

[AZAP FAM Tour](#)

Date: April 10-15

Location: TBA

[New York Media Mission](#)

Date: April 16 – 20, 2012

Location: New York City, NY

Industry News

Tourist Job Market Doing Better than Rest of US Economy

Contrary to much of the still stagnant US job market, hiring in the tourist industry is on the upswing, though it's a slow uptake.

"We're seeing an improvement in jobs in travel and tourism. It's one of the healthiest sectors in the United States," said Adrian Cooper, chief executive of Oxford Economics, a London-based company with offices in New York City.

In the first half of 2011, the travel industry added 16,000 jobs a month, on average. That slowed, however, to an average 2,000 new jobs a month from July to November, said David Huether, senior vice president for economics and research, US Travel Association. A low for travel employment was reached in December of 2009 but the job rate has risen since then.

Two factors drive travel jobs, Huether told the New York Times. International travelers to the United States support one of every eight travel jobs, while domestic travel supports the rest.

The recovery, however, has been early and "tentative," said Henry H. Hardveldt, a well-regarded travel consultant.

"It's a recovery but not an impressive recovery," said Bjorn Hanson of the Tisch Center for Hospitality, Tourism and Sports management at New York University.

The prognosis for 2012 is "very positive," said Joseph McInerney, president of the American Hotel and Lodging Association. (*TravelMole, January 31*)

Online Travel Growth to Slow

Although US online leisure/unmanaged business travel market growth continues to outpace the total travel market, the days of lightning-fast online growth are gone for good, says PhoCusWright.

The share of US travel booked online will increase to 40 percent by 2013, growing just one percentage point over five years.

"Yet despite the slowing overall growth trend, online penetration continues to vary significantly by segment," says the site. Only two segments were expected to book half or more of their sales online in 2011: air (50 percent) and rail (54 percent).

"At the other end of the spectrum, online bookings were projected to comprise only 11 percent of cruise and 5 percent of traditional vacation packages. Both segments rely heavily on traditional travel agencies for distribution," the site predicts.

With the US online market at a stage of maturity, in the short term, rail and hotel and lodging are the only segments expected to gain significant share in online penetration.

By 2013, 56 percent of Amtrak's tickets will be booked on Amtrak.com, and one-third of hotel and lodging will be booked online, up from 29 percent in 2009. (*TravelMole, January 31*)

TripAdvisor Survey Shows Hotel Guests Want Wi-Fi, Breakfast

When it comes to hotels, free Wi-Fi and breakfast are what counts with consumers. The old-fashioned turndown service offers very little value, according to TripAdvisor's first 360-degree survey about lodging trends. The survey included both customers and hotel owners and managers.

The top five amenities were Wi-Fi, breakfast included with bookings, guest loyalty points, a hotel restaurant, and shuttle service to local attractions and airports.

The least-important amenities were turndown services; pets allowed; spas; tours, excursions and activities; and room service. Eighty-eight percent of travelers expect Wi-Fi to be free, and 41 percent have never paid for Wi-Fi. Sixty-five percent of guests said that they have used free Wi-Fi Internet in an accommodation's lobby or common areas to avoid paying for in-room access. According to the survey, 93 percent of accommodations report offering some form of free Wi-Fi Internet access to their guests.

The survey included responses from more than 1,200 U.S. travelers, and more than 600 U.S. accommodation owners and managers. (*Travel Pulse, January 31*)

IATA Warns of Economic Turbulence for Airlines in 2012

Last year ended on a positive note for airlines, but air capacity and the economy could present airlines with some problems this year, according to the International Air Transport Association. IATA reported that passenger demand increased 5.9 percent in 2011 over 2010. Cargo dipped but started to turn back around in December.

Growth in demand lagged capacity increases at 6.3 percent (passenger) and 4.1 percent (cargo), putting downward pressure on load factors. The average passenger load factor for 2011 was 78.1 percent, down from 78.3 percent in 2010, while the freight load factor was 45.9 percent, down from 48.1 percent in 2010.

"Given the weak conditions in Western economies, the passenger market held up well in 2011," said Tony Tyler, IATA's director general and CEO. But overall, 2011 was a year of contrasts. Healthy passenger growth, primarily in the first half of the year, was offset by a declining cargo market. Passenger demand for December rose 5.4 percent compared to the same month in 2010. But the trend since mid-year has clearly slowed, as travel markets react with a lag to the declines in confidence that weakened cargo in the second half of 2011. Comparisons with December 2010 are also distorted because severe winter weather in Europe and North America as well as strikes in Europe suppressed demand in 2010.

North American carriers had the industry's highest load factors for both the year (80.7 percent), and the month of December (80.5 percent). This reflects skillful capacity management on the part of U.S. airlines. Nevertheless, capacity still expanded a little faster than demand.

Latin American airlines led industry growth, followed by European Carriers. (*Travel Pulse, February 1*)

Starwood Reports Strong EBITA, RevPAR Gains for 2011

Starwood Hotels & Resorts Worldwide, Inc. reported 2011 fourth-quarter and full-year 2011 financial results. Income from continuing operations was \$158 million in the fourth quarter compared to \$206 million in the fourth quarter of 2010. Excluding special items, income from continuing operations was \$140 million in the fourth quarter of 2011, including income from Bal Harbour, compared to \$99 million in the fourth quarter of 2010.

Net income was \$167 million in the fourth quarter of 2011 compared to \$339 million in the fourth quarter of 2010. Last year's results also benefited from a gain of \$132 million reflected in discontinued operations related to the final settlement with the IRS regarding the 1998 disposition of World Directories, Inc.

Fourth-quarter adjusted EBITDA was \$321 million, which included \$33 million of EBITDA from the St. Regis Bal Harbour residential project, up 19.3 percent compared to 2010. Excluding special items, income from continuing operations was \$140 million, including income from the St. Regis Bal Harbour residential project. Including special items, income from continuing operations was \$158 million.

Worldwide system-wide revenue per available room (RevPAR) for same-store hotels increased 5.9 percent (5.8 percent in constant dollars) compared to 2010. System-wide RevPAR for same-store hotels in North America increased 7.7 percent (7.6 percent in constant dollars). Management fees, franchise fees and other income increased 12 percent compared to 2010.

"We grew worldwide system-wide RevPAR by 5.8 percent, delivering strong fourth-quarter EBITDA and EPS," said Starwood CEO Frits van Paasschen. "Each of our nine brands performed well, driving RevPAR index gains for the 10th quarter in a row. Our strong and growing presence in the emerging markets fueled almost 21,000 room openings in 2011, the most in our company's history. These openings bring our five-year total to 389 new hotels. In other words, over one-third of our 1,090 hotels are newly opened. When combined with a full-year revPAR increase of 7.4 percent, our fees jumped 14.3 percent, a strong acceleration from 2010's growth rate. As we look to 2012, it is shaping up to be another record year of room additions and strong RevPAR growth."

For the full year ending Dec. 31, 2011, income from continuing operations was \$502 million compared to \$310 million in the same period in 2010. Excluding special items, income from continuing operations was \$378 million for the year, including income from Bal Harbour, compared to \$237 million in the same period in 2010. Net income was \$489 million for the year ended Dec. 31, 2011, compared to \$477 million in the same period in 2010. Adjusted EBITDA was \$1.03 billion for the year ended Dec. 31, 2011, including \$27 million of EBITDA from Bal Harbour, an increase of approximately 17.4 percent compared to \$879 million in the same period in 2010.

During the fourth quarter of 2011, Starwood signed 36 hotel management and franchise contracts, representing approximately 7,600 rooms, of which 25 are new builds and 11 are

conversions from other brands. At Dec. 31, 2011, the company had over 350 hotels in the active pipeline representing almost 90,000 rooms.

During the fourth quarter of 2011, 28 new hotels and resorts (representing approximately 7,900 rooms) entered the system, including the St. Regis Sanya Resort (China, 401 rooms); Le Méridien Coimbatore (India, 254 rooms); St. Regis Saadiyat Island (United Arab Emirates, 377 rooms); The Westin Playa Bonita (Panama, 611 rooms); and Sheraton Kansas City at Crown Center (Missouri, 730 rooms). Ten properties representing approximately 1,600 rooms were removed from the system during the quarter.

For 2011, Starwood signed 112 hotel management and franchise contracts, representing approximately 28,800 rooms. For the full year 2011, 81 new hotels and resorts representing approximately 20,900 rooms entered the system and 32 properties representing approximately 8,200 rooms left the system. (*Travel Pulse, February 2*)

Arizona National Park System Units Celebrate Centennial

In honor of the historic event of Arizona's Centennial, the National Park System of Arizona will offer fee-free entry on Tuesday, February 14th, at all the following sites: Casa Grande Ruins, Chiricahua, Montezuma Castle, Organ Pipe Cactus, Pipe Springs, Sunset Crater Volcano, Tonto, Tuzigoot, Walnut Canyon, and Wupatki National Monuments; Grand Canyon, Petrified Forest, and Saguaro National Parks; Tumacacori National Historical Park; and Glen Canyon and Lake Mead National Recreational Areas (only at Katherine's Landing, Arizona).

In addition, those sites that do not require entrance fees are also joining in the Centennial celebration. These sites are: Canyon de Chelly, Coronado, Grand Canyon – Parashant, and Navajo National Monuments; Coronado National Memorial; and Fort Bowie and Hubbell Trading Post National Historic Sites.

Visitors who arrive on the anniversary of Arizona's statehood will be allowed to enter free of charge. Those who plan to spend time beyond February 14th will need to pay the regular entrance fee for the remainder of their stay. Visitors are reminded that the fee-free designation applies to entrance fees only and does not affect fees for camping, reservations, tours, or use of concessions.

The National Park Service congratulates the great state of Arizona on 100 remarkable years of statehood. We are honored to be a participant at the "Arizona Best Fest" on February 11th and 12th at the state capital in Phoenix, along with events individually scheduled on February 14th at each of our park units that echo the past and present themes of the celebration---Arizona's social, cultural, economic and natural resources on which a sustainable future depends.

For more on visiting the Arizona National Parks System Units please go to: www.nps.gov/az. For more on Arizona's centennial celebrations, please visit: www.az100years.org, and for a calendar of centennial events, please go to: www.az100years.org/events/calendar-of-events/.

Calendar of Events

Visit 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!

Become a fan on Facebook! <http://www.facebook.com/arizonatravel>

Follow us on Twitter! <http://twitter.com/ArizonaTourism>