



Tourism Tuesday

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

A Message from Director:

Good afternoon,

First and foremost, I want to congratulate Jack Miller, General Manager at the Fairmont Scottsdale Princess, for being named **Outstanding General Manager of the Year, Large Property** by the [American Hotel & Lodging Association](#).

This is such a well-deserved national recognition as Jack's vision, dedication and enthusiasm have led the property over the last several years to great success. This designation not only shines a bright light onto Jack and his talented team at the resort, but also serves as an example of the type of high-quality experiences our visitors can find throughout our state.

Congratulations, Jack!

Speaking of awards, the nomination deadline for the [Governor's Tourism Awards](#) is approaching! This is your opportunity to celebrate and recognize those in our industry that help make our state an incredible travel and tourism destination. You still have time to put something together. All the information you need is in the **AOT in Action** section below.

Look forward to seeing all your nominations!

As always, please do not hesitate to contact me if you have any questions.

Debbie Johnson
Director, Arizona Office of Tourism
#AZTourismTuesday

AOT in Action

WEBINAR: FY17 Marketing Cooperative Program and Opportunities

Join us as AOT dives into all the opportunities that are available with the **FY17 Marketing Cooperative** program. The Marketing Cooperative program is designed for rural Arizona communities to help promote and drive visitation to their destinations. The program features a robust media plan with a variety of options including online, print, video, outdoor, and AOT publications.

Rural Arizona DMOs, Tribes and statewide tourism marketing groups are encouraged to participate.

Date: Wednesday, May 25, 2016

Time: 10:00 a.m. - 12:00 p.m. US Mountain Standard Time

Details: We will discuss the program guidelines, including eligibility and the application process. We will also discuss the marketing plan (target markets, list of opportunities, and AOT's supporting campaign)

- [The Marketing Cooperative Program FY17 Guidelines, Application, Affidavit and Instructions](#)
- [The FY17 Marketing Co-op Program Media Opportunities](#)
- [Arizona Office of Tourism Life Stages & Regional Profiles Research](#)
- [The Marketing Cooperative Program FY17 Selection Sheet](#)

Registration is not required. Please join the meeting from your computer, tablet or smartphone by using the following link. <https://global.gotomeeting.com/join/999893989>

To join the conference call: 1-877-820-7831 Enter pass code: 802578#

Please log-in early to make sure you are ready to go when the Webinar begins.

Go-to-Meeting may request you download their app in order to participate. It may take a few minutes to download. Please allow time to do so. For more information, contact Jamie Daer at 602-364-0783.

Meet the Canadian Travel Media

AOT is pleased to invite Arizona CVBs, DMOs and Chambers to participate in our bi-annual Media Marketplace in Vancouver, British Columbia, Canada, on Tuesday, August 16, 2016. The marketplace will consist of a late afternoon/early evening function during which each delegate will deliver a short overview of his or her community. We anticipate 30-40 media representatives to attend. Also, we are planning to host a small breakfast on Wednesday, August 17, for any media interested in learning more about the state, but who are unable to attend the Tuesday event. Cost is \$1,000 per delegate and participation is limited to one delegate per organization. This does not include travel expenses, shipping costs or similar. For more information, please contact Tony Alba at talba@tourism.az.gov.

Request for Speakers for the AOT Call Center

Each month, AOT has the opportunity to address the call center agents that answer in-bound calls from consumers seeking travel information. This is a great opportunity for communities throughout the State to showcase their attractions and activities to an audience that daily

promotes Arizona as a premier destination. Therefore, AOT is seeking interested parties that would like to present to the call center agents. The sessions are held at the call center located in Tucson. Please contact Loretta Belonio at 602-364-3725 or lbelonio@tourism.az.gov to discuss how this opportunity can benefit your community.

Nomination Form Now Available for Governor's Tourism Awards

AOT invites you to submit nominations for the 2016 [Governor's Tourism Awards](#). From innovative marketing programs to valuable tourism champions, astounding work is accomplished each and every day by our industry to promote the Grand Canyon State. The Governor's Tourism Awards is a wonderful way to recognize these efforts. Deadline to submit a nomination is **May 31, 2016**. For more information about the Governor's Tourism Awards, contact Hannah Fullmer at hfullmer@tourism.az.gov. And be sure to register for the 2016 Governor's Conference on Tourism! More information about the conference is available at aztourismconference.com.

Upcoming AOT Events & Activities

France Media Mission

Dates: May 30-31

Locations: Paris, France

AOT and their PR representatives in France, Express Conseil will coordinate an evening reception for 25 – 30 key members of the media. Arizona delegation members will have a brief opportunity (2 - 4 minutes) to introduce themselves and their product, and their information and images will be included in the power point presentation which will be given to all attendees in French.

Upcoming Industry Events & Activities

Governor's Conference on Tourism

Date: July 11-13

Location: Tucson

The 2016 Arizona Governor's Conference on Tourism will take place July 11-13 at The Westin La Paloma Resort & Spa in Tucson. The conference begins Monday, July 11 with the Arizona Office of Tourism's Research General Session at 4 p.m. followed by the annual Taste of Southern Arizona reception. We continue with many valuable breakout sessions, the Arizona Governor's Awards Gala on Tuesday evening, July 12, and an outstanding lineup of keynote speakers to conclude the Conference on Wednesday, July 13.

Arizona News

Uber, Lyft Passenger Picks-Ups To Start June 18 At Phoenix Sky Harbor

Ride sharing services like Uber and Lyft can start picking passengers up directly from Phoenix Sky Harbor terminals beginning June 18.

These drivers, who work as independent contractors, have been dropping off people without question for a while now because the airport only regulates passenger pick-ups. Sky Harbor recently adopted a new policy so Uber and Lyft drivers can join taxi, limo and shuttle bus drivers in the pick-up lines. But some critics worry they may not be as thoroughly vetted.

Background checks for all drivers are required, but Uber and Lyft managed to get Sky Harbor leaders to back down on the airport's standard fingerprint background check which supporters call the 'gold standard' when it comes to public safety.

During Wednesday's Phoenix City Council meeting, Councilwoman Thelda Williams joined the majority of her colleagues and voted for the new policy, but Williams also said she's a firm believer in fingerprinting.

"I also understand that the state has stepped in and that's not an option for us at this time," she said.

City staff told council members that state law requires name-based background checks for ride sharing services. Those checks search for convictions on robbery, sexual assault and other crimes dating back seven years. If needed, Williams says Phoenix could lobby the legislature next year to change state law.

Background check requirements were part of an overhaul of Sky Harbor's nearly 30-year-old ground transportation policy. It also includes a new fee structure which officials say will more evenly spread the costs and help raise money for the maintenance of roads around the airport. The airport estimates taxis, limousines, shuttles and other car services cost the airport about \$10 million a year in maintenance.

The fee applies only to airport pick-ups and ranges from \$3.25 to \$9 based on the number of seats per vehicle. The fees will be phased in beginning in January and take effect immediately for new drivers who receive permits including Lyft and Uber contractors. (KJZZ.org, May 19)

Industry News

American Express Travel Says To Plan for Busy Summer Ahead

Brace yourself for a busy summer travel season – it could be one for the record books. According to American Express Travel, 195 million Americans are planning a summer vacation this year and, so far in 2016, domestic travel is already up 17 percent, according the company's internal booking data.

“We expect a robust travel season and are gearing up,” said Claire Bennett, executive vice president of American Express Travel. “In fact, an early read of our data shows a 13 percent increase in summer travel bookings compared to last year at this time.”

Here are some of the statistics that are leading to such an optimistic outlook.

This summer a majority of Americans are planning to travel, with 80 percent planning at least one summer vacation. When it comes to millennials, that number reaches even higher. Almost 90 percent of millennials plan to take a summer vacation this year and, just like the rest of us, a vast majority of them plan to travel within the U.S.

Family travel continues to be one of the top trends in summer travel and the beach is still one of their most popular destinations. This year, more than seven in 10 families, 71 percent, are planning vacations and two in five (40 percent) are heading to the beach.

An interesting trend that has emerged so far this year is that fewer people are traveling to visit family this summer, at 34 percent.

U.S. travelers are choosing their weekend plans more wisely this year. While the Fourth of July is one of the most popular holiday weekends to travel during the summer, approximately 35 percent of Americans are choosing not to travel over a holiday weekend. However, weekend trips still remain popular with two-thirds of Americans (64 percent) planning an average of three weekend trips over the summer months.

Again, millennials are planning more weekend trips than the average traveler. Seventy-two percent of millennials are planning to travel over a weekend this summer.

And where are all of these travelers going? With domestic travel up 17 percent, some new destination trends are emerging and American Express Travel found the following cities to be the top 10 locations for U.S. travelers: Phoenix; Philadelphia; Dallas; Atlanta; Los Angeles, Jackson Hole, Wyo.; Las Vegas, Miami; New York; and Fort Lauderdale, Fla.

American Express’ data also revealed some interesting trends in how travelers choose their vacation destinations. Research found that social media plays a large part in where people decide to go, with 92 percent of the population agreeing that social media has an impact on their travel decisions.

For millennials, social media plays an even greater role. Sixty-five percent use Facebook and 32 percent use Instagram to book travel. Fifty-two percent of millennials follow properties, influencers and magazines for travel inspiration and 55 percent feel that it’s important to look at reviews when booking hotels. (*Travel Pulse, May 16*)

<http://www.travelpulse.com/news/host-agency-and-consortia/american-express-travel-says-to-plan-for-busy-summer-ahead.html>

What Americans Really Think About Airbnb and Home-Sharing

In less than a decade Airbnb, the San Francisco-based home-sharing platform worth an estimated \$25.5 billion, has become one of the biggest disruptors in the travel space.

And the industry for whom Airbnb has been the most disruptive — hospitality — is keeping a very close watch on the company's every move.

Every day, there seems to be a new headline suggesting the hospitality industry's demise at the hands of short-term rental sites like Airbnb.

On May 16, a New York City budget analysis highlighting a 4% drop in hotel occupancy taxes from October to March delivered the following headline: "Websites like Airbnb blamed for drop in revenue from NYC hotel tax." It's not the only factor: the city of New York is in the midst of a glut of new hotels both in development and under construction; 126 new hotels are slated to open in the city in 2016 and beyond.

On May 19, Bank of America hospitality analysts announced they were downgrading their suggestions from "buy" to "neutral" for hospitality stocks like Hilton and Hyatt, primarily because of threats like Airbnb.

In February, media outlets reported the findings of a survey conducted by Goldman Sachs that seemed to suggest once someone stays in an Airbnb, they don't want to go back to staying in a hotel. But if you look closely at the survey results, you see more consumers prefer hotels to peer-to-peer accommodations or have no preference. Of those who've stayed in an Airbnb or similar accommodation before, a majority (40%) still prefer hotels, while 36% prefer peer-to-peer accommodations, and 24% have no preference.

But is Airbnb really taking away market share from hotels? That's a question looming on every hospitality executive's minds these days and, judging by the latest survey from the Pew Research Center.

New Report

Released on May 19, "Shared, Collaborative, and On Demand: The New Digital Economy," takes a comprehensive look at how sharing economy companies like Airbnb are impacting Americans, as well as what Americans' views and perceptions are regarding these disruptors.

The Pew Research Center surveyed 4,787 American adults from Nov. 24 to Dec. 21, 2015, to compile its research. It found 72% of American adults have used at least one of 11 different shared and/or on-demand services; one in five have used four or more of these services and 7% have used six or more.

When looking specifically at usage of home-sharing platforms like Airbnb, HomeAway, or VRBO, however, the study found that only 11% of American adults have used them to stay overnight in a private residence, meaning 89% of Americans have yet to stay in an Airbnb or similar peer-to-peer accommodation. Thirty-four percent are familiar with these services, but more than half (53%) haven't even heard of them before.

This is a great growth opportunity for the companies, but it also suggests home-sharing isn't necessarily as pervasive as some have assumed it to be, although it continues to grow

worldwide. Last month, analysts from Cowen Group, Inc. predicted a billion room nights per year in Airbnb's future by 2025.

The Pew Research Center study also delivered insights into who is using these platforms, how they are using them, and how they feel about them.

Who Uses Home-Sharing Services?

According to the Pew survey, the median-age of home-sharing users in the U.S. is 42 but usage and awareness of these services is higher among people with college degrees and those who are relatively affluent (making \$75,000 or more per year) — both of which are groups who are more likely to travel in the first place than those who are less wealthy.

Twenty-four percent of Americans who live in a household with an annual income of \$75,000 or more have used a home-sharing service, compared to 9% of those who make \$30,000 to \$74,999, and 4% who make less than \$30,000 a year.

This is interesting because some analysts have said that high-end, luxury hotels need not worry about the threat of Airbnb but that budget-oriented ones should. But this data seems to suggest that fairly affluent Americans are using Airbnb more than those who are not as affluent and would, presumably, be more value-driven

The survey also shows White Americans (13%) are more likely to use a home-sharing service than Blacks (5%) or Latinos (9%). The study doesn't suggest any correlations as to why Whites are more likely to use Airbnb than Blacks or Latinos, but this information is particularly timely, and speaks to another issue involving Airbnb: that of racial discrimination.

This week, Gregory Selden, a black man, filed a civil-rights, class-action lawsuit, accusing Airbnb of allowing its hosts to racially discriminate against guests, and for ignoring his complaints about that discrimination.

Airbnb wouldn't comment directly about the lawsuit, but a spokesperson issued the following statement: "We strongly believe that racial discrimination is unacceptable and it flies in the face of our mission to bring people together. We prohibit content that promotes discrimination, bigotry, racism, hatred, harassment or harm against any individual or group and we are taking aggressive action to fight discrimination and eliminate unconscious bias in our community. More details on our work to fight bias and discrimination are here."

Airbnb also recently appointed David King as its director of diversity.

In terms of gender, the Pew survey shows slightly more women (13%) are using home-sharing services compared to men (10%), however the types of accommodations they are booking on the platforms varies.

How Are People Using Home-Sharing Services?

Most people who use home-sharing services aren't staying in a shared space where the host is present. The Pew study found 37% of home-sharing users (or 4% of all American adults) are staying in a shared space (a single room or other type of shared space) in someone's home,

meaning that 63% of people who've used home-sharing services are staying in homes where they don't have to share a space with a host.

Of those users who have shared a space with a host, 43% are men and 32% are women but both men and women share similar levels of concern about staying with a stranger (45% of men and 51% of women).

What Do People Think of Home-Sharing Services?

For one, most people don't realize that there's a fight between the hotel industry and sites like Airbnb. The Pew study found that not only have a majority of Americans not used home-sharing services, but a majority are also unaware of many of the regulatory debates surrounding short-term rentals in major cities.

Only about one in five Americans (22%) has heard of the debate over the legality of home-sharing services. Of those Americans who have used home-sharing services, 43% have heard "nothing at all" with regard to the debate.

When asked how they feel about where home-sharing should be legal and/or tax-free for hosts, 52% of Americans think home-sharing should be legal and hosts shouldn't have to pay taxes. Likewise, 56% of home-sharing users who know about the legal debate over these services think they should be both legal and that owners shouldn't have to pay any local hotel or lodging taxes; 31% think hosts should be able to legally rent their homes but should have to pay taxes.

Airbnb currently collects and remits taxes in more than 170 municipalities worldwide, and the company is using those tax agreements as a primary method for gaining legalization in those cities.

Regardless of their politics, both conservative (68%) and liberal (54%) Americans who use home-sharing services feel that owners should not have to pay taxes for using these services. Fifty-percent of Americans who don't use home-sharing services but are aware of the regulatory debate surrounding them also feel that owners should not have to pay taxes.

Most Americans who have used home-sharing services also believe: (1) that it's a good option for families or groups (87%); (2) it's a good way for homeowners to earn extra income (85%); and (3) that they are less expensive than a hotel (73%).

Interestingly, people who have used a service like Airbnb or HomeAway tend to think of those companies more as software platforms (58%) that simply connect people, than traditional hospitality companies (26%) that have more control over the customer experience and vouch for the quality of the properties they list.

Even if they think of Airbnb or HomeAway as more of a tech platform than a hospitality company, however, the majority of those who use those services (67%) feel it's the responsibility of both the hosts and the platforms to make sure properties are described accurately. Fifty-seven percent think both hosts and the platforms should be responsible for resolving payment issues between guests and hosts, and 53% think both hosts and platforms should be responsible for addressing any problems that may come up during a stay.

What This Means for Hotels

Looking at the Pew study's findings overall, it's clear there's still quite a lot of room left for platforms like Airbnb and HomeAway to grow in terms of awareness and usage. As it stands now, hotels probably shouldn't be too concerned with these services cutting directly into their businesses. They should, however, be more concerned with how people are perceiving these platforms.

The hotel industry has lobbied for a more level playing field in terms of regulating business like Airbnb and HomeAway, asking that city governments treat these companies and their hosts more like businesses, especially since many reports suggest a growing number of hosts on those sites are either hosting illegally and/or operating commercially. But if this report is any indication, it's clear that the majority of Americans not only feel that home-sharing and short-term rentals should be legal, but that those who participate in it shouldn't have to pay any taxes.

That, right there, is a much bigger messaging problem for the hotel industry to address if it wants to continue to lobby for more regulations and restrictions on short-term rental sites. (Skift.com, May 20)

<https://skift.com/2016/05/20/what-americans-really-think-about-airbnb-and-home-sharing/>

Did you know?

The best-preserved meteor crater in the world is located near Winslow, Arizona.

Statewide 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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