



## Tourism Tuesday

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

### A Message from Director:

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Good afternoon,

Early estimates are starting to arrive for Arizona's 2015 domestic overnight visitor volume, and from the look of things it going to be another outstanding year for tourism.

Typically, most of our statewide domestic visitation occurs in Q1 and Q2, the January through June time frame. However, in Q3 2015, we welcomed 8.6 million visitors, which is 330,000 more than Q3 2014. That's a significant boost in visitation in a fiscal quarter where we usually do not see such increases.

Additionally, most of the growth occurred in the Overnight Leisure and Nonresident category. This is more great news as that means new money is traveling into our state through tourism activities and supporting our economy. We will release the full data report at the Governor's Conference on Tourism, July 11-13.

But it's not all about domestic overnight visitation. As we wrap up our national and target cities advertising campaigns, we will be turning our attention to our international marketing efforts. More details about those efforts are below.

In other agency news, we will be releasing our first **AOT Impact** online report on Wednesday. Successes happen every day in our business and we want to showcase what accomplishments our agency achieves on behalf of the industry. Where **Tourism Tuesday** touts our latest news and participation opportunities, **AOT Impact** will provide the detailed results of our actions. This will be a monthly publication for us and I look forward to hearing your feedback on it as well as our other new agency communications.

Have a great week,

Debbie Johnson  
Director, Arizona Office of Tourism

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**AOT in Action**

## **AOT Launches International Advertising Efforts**

AOT is continuing its partnership with Brand USA to reach further in to Arizona's two most important international visitor markets Mexico and Canada. International travel consumers are vital to AOT's marketing efforts. These travelers tend to plan longer vacation stays, travel to see more of Arizona while they are here, and as a result contribute more money into Arizona's economy.

Through multi-layered campaigns, including digital, print, out-of-home, and social media efforts, AOT will continue to build global brand awareness of Arizona as a vibrant travel destination in these two markets. Travelers will be directed to the agency's consumer website [VisitArizona.com](http://VisitArizona.com) and [VisitaArizona.com.mx](http://VisitaArizona.com.mx) for more information on what to see and do throughout the state.

In addition, AOT will also be participating in the Brand USA 2016 Official Inspiration Guide, which will expand the agency's brand messaging into other key global visitor markets including, the UK, Germany, France and China. For more information, contact Karen Cahn at [kcahn@tourism.az.gov](mailto:kcahn@tourism.az.gov) or 602-364-3699.

## **New Research Updates Available**

The following reports are now available at [tourism.az.gov](http://tourism.az.gov):

- [National Parks Visitation October 2015](#)
- [National Parks Visitation November 2015](#)
- [National Parks Visitation December 2015](#)

For more information, please visit [tourism.az.gov](http://tourism.az.gov) or contact Colleen Floyd at [cfloyd@tourism.az.gov](mailto:cfloyd@tourism.az.gov).

## **Join us for AOT's Mexico Trade and Media Mission April 4-8**

Connect WorldWide Mexico will oversee AOT's upcoming Mexico Trade and Media Mission to Mexico City and Guadalajara. The mission, originally slated for March, has been rescheduled for **April 4 - 8**. As part of the mission, AOT and partners will host a trade and media function in both Mexico City and Guadalajara to educate tour operators, travel agents and journalists about Arizona's many travel offerings. Additionally, media and trade appointments will be scheduled in both cities. This is an ideal opportunity to join statewide partners in educating this important market about Arizona's tourism amenities. For more information or to participate, please contact Jennifer Sutcliffe (trade) at [jsutcliffe@tourism.az.gov](mailto:jsutcliffe@tourism.az.gov) or 602-364-3693 or Kimberly Todd (media) at [ktodd@tourism.az.gov](mailto:ktodd@tourism.az.gov) or 602-364-3305.

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## **Upcoming AOT Events & Activities**

[Arizona: Hike-Bike-Peddle-Paddle-Ride Press Trip](#)

**Date:** April 3 - April 9

**Locations:** Willcox, Sierra Vista, Tucson, Valley

This trip will feature some of the very best nature and history have to offer in southern Arizona. Mountains, canyons, caverns, vineyards, hummingbirds and even the sites of two historic shootouts (OK Corral and the western-most Civil War battle) will be part of tour.

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## Upcoming Industry Events & Activities

### Unity Dinner

**Date:** February 25

**Location:** The Westin Kierland Resort & Spa

The Tourism Unity Dinner brings together leaders from business and government communities in celebrating the \$20.9 billion tourism industry and its contribution to our state's economy. In addition, this event recognized entities and individuals that have greatly enhanced and positively impacted Arizona tourism. We are pleased to announce the 2016 honoree will be: The Honorable Doug Ducey, Governor of the State of Arizona.

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## Arizona in the News

### **18 of America's Best Small Towns for Valentine's Day Getaways**

Bisbee listed as romantic getaway in CountryLiving Online publication. The publication reaches more than 1.3 million readers and the article is worth \$1,200.

<http://www.countryliving.com/life/travel/g3024/romantic-weekend-getaways/>

### **Governor Doug Ducey Proclaims Arizona Beer Week**

Governor Doug Ducey has proclaimed February 11-20 Arizona Beer Week to celebrate the more than 75 craft breweries across the state. "Arizona has some of the best beer in the country — and with more than 75 microbreweries throughout our state, there's no shortage of opportunities to grab a cold beer and support a great local business," said Governor Ducey. "Thanks to the Arizona Beer Bill passing last year, our microbreweries can keep more of it flowing - a win for small businesses, a win for the economy, and a win for thirsty Arizonans. Let's raise a glass to Arizona beer and have some responsible fun to celebrate our microbreweries."

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## Industry News

### **Longtime Tourism Partner Joins AzLTA**

The Arizona Lodging and Tourism Association and Valley Hotel and Resort Association are pleased to announce David Drennon as the new Executive Vice President. David brings extensive industry knowledge from his most recent role as VP, Strategic Initiatives at the Arizona Commerce Authority, where he worked to promote Arizona's tourism and business assets,

climate and culture to global markets including Canada, Mexico, China, England, Germany, France, India, Norway and Taiwan. Visit [azlta.com](http://azlta.com).

### **Travel Trends Index: Surging Domestic Leisure Travel Offsets Softening Business, International Markets**

The U.S. Travel Association on released its inaugural Travel Trends Index (TTI), a two-prong indicator developed by the organization's economic research team to both track and predict the volume and pace of travel to and within the U.S. The TTI will be released on the first Tuesday of each month.

This month's TTI—which measures travel trends as of December 2015—shows that travel growth leveled off at the end of the year and forecasts moderate growth in early 2016.

Domestic leisure travel continues to strengthen, thanks to rising wages and low gas prices.

Business travel, by contrast, contracted due to volatile markets and rising interest rates, although the TTI predicts a slight recovery for that segment in the first half of 2016.

Inbound international travel, while still on a slight growth trajectory, has leveled off considerably due to the strong U.S. dollar.

The TTI assigns a numeric score to every travel segment it examines—domestic and international, leisure and business—in current, 3-month predictive and 6-month predictive indicators. As with many indices similarly measuring industry performance, a score above 50 indicates growth, and a score below indicates contraction.

“The clear picture that the TTI provides of the economic trajectory of travel will enable both federal policymakers and members of our industry to make informed decisions,” said U.S. Travel Association President and CEO Roger Dow. “The indispensability of travel and tourism to the broader economy has been evident for some time, but now we have the definitive resource for measuring both its recent and future performance. The TTI is a powerful tool, and further cements travel's place as a leading U.S. industry.”

The TTI draws from multiple data sources to develop a monthly reading of both international inbound and domestic business and leisure travel numbers, and predict the likely average pace and direction of these travelers over upcoming three and six month periods.

The TTI consists of the Current Travel Index (CTI), which measures the number of person trips involving hotel stays and/or flights each month, and the Leading Travel Index (LTI), which measures the likely average pace and direction of business and leisure travel, both domestic and international inbound.

The U.S. Travel Association developed the TTI in partnership with Oxford Economics. In order to compile both the CTI and LTI readings, the organization's research team draws from multiple unique, non-personally identifiable data sets, including:

- Advance search and bookings data from ADARA and nSight;

- Passenger enplanement data from Airlines for America (A4A);
- Airline bookings data from the Airlines Reporting Corporation (ARC); and
- Hotel room demand data from STR.

[Click here to read](#) the full report. (*U.S. Travel Association, Feb. 2*)

### **Airfares Drop to Lowest Average Price Since 2010**

After airlines announced a strong showing in 2015, travelers began to hope for cheaper airfares. Aside from a few limited-time promotions, the kind of rock-bottom fares that were wishing for never materialized.

But that doesn't mean that flying hasn't gotten cheaper. In fact, flights are cheaper than they have been since 2010, according to the U.S. Department of Transportation. The DOT's Bureau of Transportation Statistics reported that average round trip domestic fares were \$372 during the third quarter of 2015. That was down 6.2 percent compared to 2014.

#### *Yes, fares are getting (a little) cheaper*

So, yes, flights are getting cheaper, but so is jet fuel. The DOT has also reported that year-on-year fuel costs were down by as much as 37 percent. This means that airlines are passing some of their fuel savings on to passengers, but only a portion of it.

Airfares are headed in the right direction (as far as consumers are concerned), but the significant drop that many travelers are hoping for probably won't occur. Though oil prices are low and profits are high, other key figures have some in the industry concerned.

#### *Supply and demand rules*

Fuel costs actually only play a small role when it comes to deciding what to charge for airline tickets. The most important variables are competition and supply and demand. When American Airlines or Delta lower fares on a certain route, it is because they want to challenge low-cost carriers like Spirit or Southwest. On other, less contested routes, demand remains high and the number of seats low, so airlines can get away with charging more for tickets.

Because of this, savvy investors and airline industry insiders do not only look at overall profits when they are judging airline performance. They look at revenue units such as PRASM (passenger revenue per seat mile). This allows them to see how cost-effective an airline's operations are. Low numbers for this and other similar figures are the reason that some airlines, including Southwest and Alaska Airlines, saw their stock price fall at the beginning of the year even though they were about to announce a strong performance for 2015.

#### *No big drop in fares on the horizon*

This could mean that unless they happen to be flying on a route where several airlines are competing for business, fliers will have to settle for fares that are six percent lower than they were last year and the lowest that they have been in half a decade. As long as demand remains high, fares will not fall as quickly as many would like. (*Travel Pulse, Feb. 10*)

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## Did you know?

Arizona has 3,928 mountain peaks and summits—more mountains than any one of the other Mountain States (Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming).

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## Statewide Calendar of Events

Visit [www.visitarizona.com](http://www.visitarizona.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>