

Moving forward together.

FY20 ANNUAL ECONOMIC IMPACT REPORT

The Arizona Office of Tourism (AOT) strives to enhance the state's economy and the quality of life for all Arizonans by expanding travel activity and increasing related revenues through tourism promotion and development.

AOT's goal is to provide effective, research-driven strategies to achieve this mission while serving as the comprehensive leader for Arizona's tourism industry.

Vision

To make Arizona the leading travel destination for visitors.

Mission

To stabilize and strengthen Arizona's economy through travel and tourism promotion.

Values

Our values are based on leadership, innovation, results and accountability.

Leadership – We provide leadership and unify the industry in marketing and tourism initiatives on behalf of the state of Arizona.

Innovation – We use the latest research, marketing techniques and technology to enable creativity, ingenuity and responsible risk-taking.

Results – Our results-oriented marketing strategy is focused on increased visitor spending and positive economic development.

Accountability – We are responsible stewards of our tourism resources for the people of Arizona.

Letter from the Director

Dear Industry Partner,

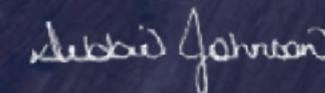
Thank you for another year of collaboration, support and camaraderie. While I pen this year's letter – Arizona's tourism industry outlook has drastically shifted since last summer and the work to overcome the impacts of a global pandemic lie ahead. But, as a true reflection of our industry, we are all working together with common goals and shared solutions to ensure that the Arizona tourism industry gets back on track.

Our FY20 Annual Report highlights some of our successes achieved on behalf of the Arizona tourism industry, including our partnership with the Arizona Department of Transportation to refresh our "Welcome to Arizona" signs and our collaboration with the Arizona wine industry to produce the first-ever Arizona Wine brochure. Additionally, the Arizona Office of Tourism (AOT) has been actively involved in the state's efforts to stop the spread of COVID-19 with active engagement in the creation of state-wide tourism industry guidance, education campaigns, and more. Governor Ducey directed AOT to take a leadership role in the recovery of the tourism industry and we have been involved in multiple recovery efforts, including the recent launch of the "Rediscover Arizona" marketing campaign encouraging visitation back to the Grand Canyon State and creation of the Arizona Hospitality Workforce Connection project.

Within this report you'll also find 2019 Economic Impact data – a record breaking year for Arizona's tourism industry. Together, we generated \$25.6 billion in direct travel spending, an incredible milestone for the industry. But, we know that this newly released data reflects a different time, when traveling to Arizona was unchallenged. The substantial economic impact of 2019 should not be understated, but in fact, it should serve as a reminder of what this industry can, and will once again, achieve.

Moving forward AOT is continuing work on state-wide industry recovery plans and we thank those who participated in our planning sessions. We listened to the many great suggestions and are now using the findings as a guide for our industry to ensure these efforts are as impactful as possible.

We are proud of all that we have accomplished together this past year – again, thank you for your partnership. We look forward to working with you next fiscal year to promote travel and recovery for our great state



Debbie Johnson, Director
Arizona Office of Tourism



Advertising

In FY20, AOT implemented its multi-channel advertising campaign “[Un]Real” across national markets, and in the targeted cities of Chicago, Dallas, Denver, New York and San Francisco. The campaign reach was expanded by AOT’s integrated content marketing partnership with *Outside Magazine*, which featured Arizona resident influencers Nikki Cooley and Chip Thomas. Meredith Corporation, and specifically *Travel + Leisure*, was another valuable partnership for the agency that generated authentic stories and travel content featuring various Arizona locations.

Additionally, AOT implemented several smaller and more niche marketing campaigns to further inspire domestic visitation, continued with its Rural Marketing Cooperative program and expanded its promotion of the Arizona wine regions.

The FY20 domestic advertising program ran from October 2019 through March 2020. AOT was only three weeks away from the completion of its campaigns when the global pandemic hit. Yet, the agency’s marketing programs still achieved great results even with the shorter campaign timeframe.



FY20 advertising influenced **683,000** Arizona trips, generating **\$1.2 billion** in leisure travel revenue.



FY20’s enhanced Rural Marketing Cooperative program increased arrival lift by **45%** and length of stay by **21%**.



The Rural Street Artist

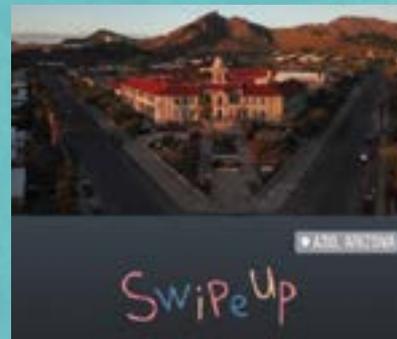
In 1987, fresh out of medical school, photographer, artist, and physician CHIP THOMAS, who also goes by his artist name Jetsonorama, moved to the Navajo reservation in northern Arizona. He quickly fell in love with both the people and the beautiful canyon country, and has been practicing medicine and making art there ever since.



To learn more about the striking roadside art installations he creates, and the Painted Desert Project he founded, check out outsideonline.com/unrealarizona.

Outside

ARIZONA
THE GRAND CANYON STATE



Social media platforms saw year-over-year growth of **32%**. Facebook: 446,803. Twitter: 51,700. Instagram: 177,000.

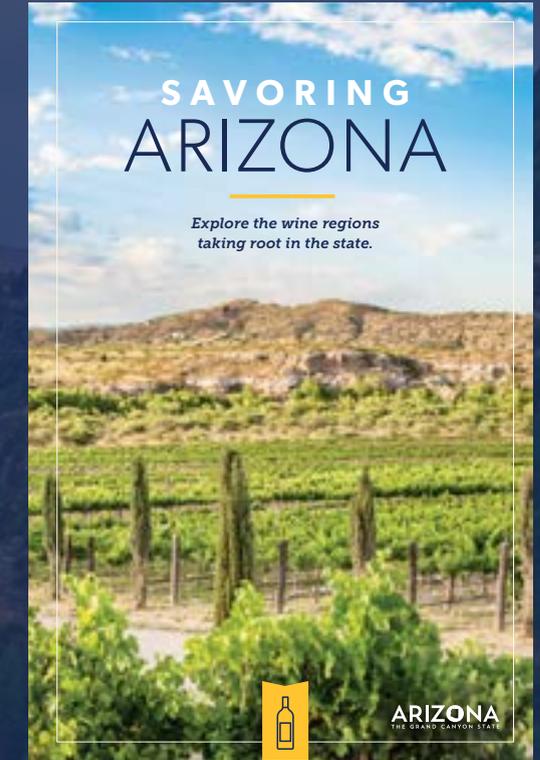
FY20 advertising garnered high returns - for each **\$1** invested AOT saw a return of **\$381** in visitor spending. In terms of state tax revenue, for each taxpayer **\$1** invested, the state saw an ROI of **\$30**.



AOT launched niche marketing programs with *Passport Magazine*, *Ingressus Magazine* and subscription box *FitFabFun*.



The Saks Fifth Ave. partnership provided more than **40.5 million** impressions.



AOT’s new wine region brochure “Savoring Arizona,” focused on the wine trails and tasting rooms in Arizona’s three major grape-growing regions to build awareness and drive visitation to those rural communities.



The Sunshine to Share campaign ran for a second year in cold-weather domestic cities.

Trade Relations

AOT works with the travel trade industry (tour operators, receptive tour operators, travel agents) in domestic and international markets to build a global network of Arizona product experts.

In FY20, AOT held a record-breaking number of international destination trainings to keep travel-trade representatives up-to-date and educated on the Arizona product.



- FAM Tours: **6 total groups**
- Participants: **43**
- Brand USA MegaFams: **2 (Australia, China)**
- Communities Visited (Trade & Media): **38**
- Trade Sales Appointments and Destination Trainings: **9,054**
- Cancellations/Postponements due to pandemic: **4 group tours**

Statewide Media Coverage

AOT increased local media coverage to tout the importance of tourism to local and state economies.



- Articles/Broadcasts: **800**
- Circulation: **337,318,343**
- Value: **\$1,821,929**

Community Engagement

AOT continued with its effort to build a network of Arizona Visitor Information Centers (AVIC). In FY20, 15 visitor centers were added to the AOT program. Additionally, through a partnership with Arizona State Parks & Trails, state park visitor centers were included in the AVIC program increasing the state's available AVIC total to 49 centers.



Pinetop-Lakeside Arizona Visitor Information Center

AOT supported communities across the state with presentations promoting the value of tourism to local economies. In FY20, we presented to 66 statewide groups, associations and local governments.

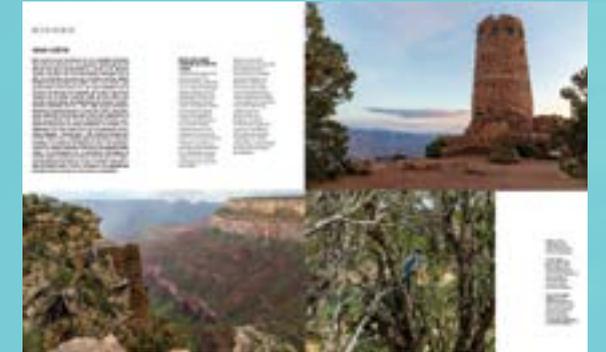
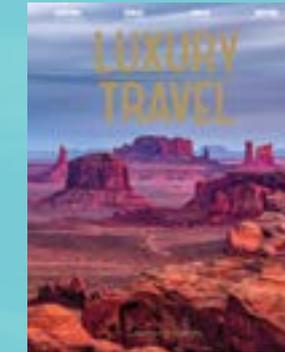


Director Debbie Johnson presenting to the City of Prescott

Media Relations

AOT works with travel media (editors, journalists, photojournalists) in domestic and international markets (primarily Australia, Canada, China, Mexico, Germany, France and the UK) pitching unique story ideas regarding Arizona's travel offerings.

This program enables the agency to reach further into domestic and international markets to support the promotion of Arizona as a top travel destination.



- Journalists Hosted: **44**
- Articles Generated: **1,201**
- Article Impressions: **1,907,070,177**
- Cancellations/Postponements due to pandemic: **14 trips**

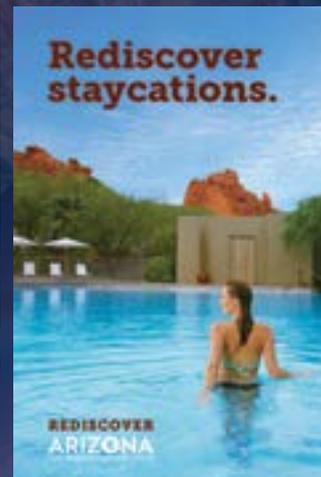


AOT's Coronavirus Crisis Response

AOT, in partnership with the Arizona Commerce Authority Office of Economic Opportunity, launched the **Arizona Hospitality Workforce Connection** to help combat unemployment due to the COVID-19 crisis. The website resource connects Arizona's displaced hospitality workforce with industries that are urgently hiring. Employers can post job opportunities at no charge. The website was designed with ease-of-use in mind, allowing job seekers to locate their hospitality job titles and be matched with similar opportunities. The website has received more than **32,000** unique page visits and several hundred jobs have been filled.



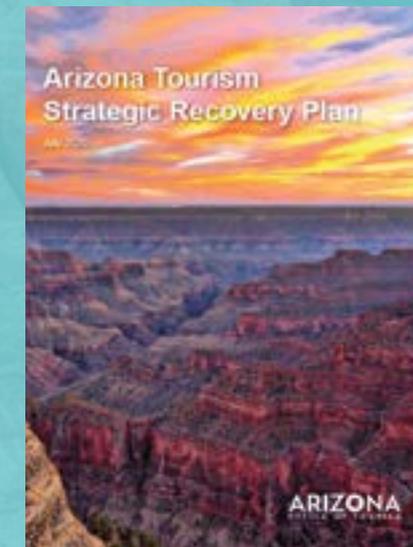
AOT launched its recovery campaign, **Rediscover Arizona**, in May 2020. The campaign showcases Arizona's amazing imagery and uses headlines such as "Rediscover Stargazing," "Rediscover Wide-Open Spaces" and "Rediscover Staycations." The campaign reaches consumers through several owned and earned media channels, including social, digital advertising, radio and billboards. Phase 1 of the campaign is geo-fenced to reach Arizonans only. As data shows consumers are comfortable traveling further, Rediscover Arizona will expand to reach potential visitors in drive markets.



Arizona Tourism Recovery Plan

In response to the global pandemic, AOT developed a 12- to 18-month Arizona Tourism Industry Recovery Plan to stabilize and aid in the recovery of the Arizona tourism industry. AOT worked with an outside consultant to establish a 25-member task force representing the agency and statewide industry partners to determine and set priorities for leading the way to restoring Arizona as one of the country's most traveled destinations.

The plan has three areas of focus. Each area of focus has various action plans to spur recovery. Below is a synopsis of the plan. The full report is available at tourism.az.gov.



The plan includes:

- **Methodology for Recovery Plan creation**
- **Vision statement for recovery**
- **Descriptions of three likely pandemic/recession recovery scenarios**
 - V (Rapid)
 - U (Steady and Incremental)
 - L (Long Haul)
- **Decision criteria which serve as the basis for choosing certain actions to achieve recovery**
- **Recovery elements:**
 - Key priorities highlighting the most important things to accomplish
 - Strategic areas of focus within each key priority
 - Actions to take to accelerate the recovery
- **Windsocks (measures) that will provide information whether to stay the course, or pivot to a different recovery strategy**

Area of Focus #1:

Accelerate Leisure Travel Activity

- a. Food & Beverage
- b. Outdoor Recreation
- c. Accommodations
- d. Luxury Experiences

Area of Focus #2:

Stabilize Visitor Volume in Urban Centers

- a. Resorts & Hotels
- b. Attractions
- c. Sports
- d. Meetings, Convention and Business Travel

Area of Focus #3:

Reinvigorate and Strengthen Tourism in Rural Areas

- a. Traveler Education with Emphasis on Stewardship Principles
- b. Balance Business and Resident Readiness
- c. Outdoor Recreation
- d. Partnerships with Tribal Communities

Leave No Trace Partnership

AOT and the Leave No Trace Center for Outdoor Ethics have forged a new partnership to promote sustainable tourism practices across Arizona's spectacular landscapes and unique destinations. Arizona becomes the second state in the U.S. to forge a statewide partnership with Leave No Trace, after the organization's home state of Colorado.

The partnership will build a program that ensures visitors and residents are equipped with the Leave No Trace knowledge and skills to protect Arizona's iconic natural features while enjoying these spectacular destinations.

It begins with **The Seven Principles of Leave No Trace** below.
More material is available on tourism.az.gov and VisitArizona.com.

The Seven Principles of Leave No Trace

PLAN AHEAD & PREPARE

STICK TO TRAILS

TRASH YOUR TRASH

LEAVE WHAT YOU FIND

BE CAREFUL WITH FIRE

RESPECT WILDLIFE

SHARE THE OUTDOORS



Center for Outdoor Ethics | LNT.org

2019 Economic Impact Data

46.8 million

Number of Domestic and International Overnight Visitors

⬆️ (2.8% annual increase)

194,300

Number of Industry Related Jobs Directly Generated

⬆️ (1.0% annual increase)

6.1 million

Number of International Overnight Visitors to Arizona, Including Mexico and Canada

⬆️ (3.8% annual increase)

\$7.7 billion

Amount of Earnings Generated from Industry Related Jobs

⬆️ (3.7% annual increase)

\$25.6 billion

Amount of Direct Travel Spending Generated Across Arizona

⬆️ (4.7% annual increase)

\$3.78 billion

Amount of Local, State and Federal Tax Revenue Generated

⬆️ (4.2% annual increase)

\$70.1 million

Amount of Direct Travel Spending Injected into Arizona's Economy Daily

⬆️ (4.9% annual increase)

\$1,400

Taxes Generated by the Tourism Industry Reduces the Average Annual Tax Burden for Arizona Households by More Than \$1,400

⬆️ (2.9% annual increase)

Sources: Tourism Economics, Dean Runyan Associates, updated 7/2020. Economic impact figures represent 2019 data.

ARIZONA

OFFICE OF TOURISM

For information about AOT's research, marketing programs and media plans, please visit:

Tourism.az.gov

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