Tourism Industry Research Update

Arizona Governor’s Conference on Tourism
July 13, 2022
2021 Year-End Industry Performance

Overnight Visitation

40.9 million

Direct Travel Spend

$23.6 billion

Source: Dean Runyan Associates, Tourism Economics
2021 Year-End Industry Performance

Overnight Visitation

27% vs. 2020

Direct Travel Spend

58% vs. 2020

Source: Dean Runyan Associates, Tourism Economics
2021 Year-End Industry Performance

Overnight Visitation

% of 2019 levels

Total Visitation

2019: 87%
2021: (not shown)

Source: Dean Runyan Associates, Tourism Economics

Direct Travel Spend

% of 2019 levels

Direct Spend

2019: 92%
2021: (not shown)
Direct Spending

Source: Dean Runyan Associates
Recovery by Sector

Source: Dean Runyan Associates

Spend by Commodity Purchased

Accommodations

2021

2017

$4.8 B

Source: Dean Runyan Associates
Recovery by Sector

Spend by Commodity Purchased

Food Service

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000

2021

Source: Dean Runyan Associates
Recovery by Sector

Spend by Commodity Purchased

Food Stores

Source: Dean Runyan Associates
Recovery by Sector

Source: Dean Runyan Associates
Transportation Costs

Source: GasBuddy.com
Transportation Costs

Gasoline expenditures
Index (Jan-2000=100)

Sources: Tourism Economics, EIA, BEA
Note: BEA data based on average annual expenditures by consumer units. PCE as of April-22, Gas Price as of May-
Transportation Costs

Fuel Distribution

Source: Arizona Department of Transportation
IMPACT ON TRAVEL PLANS

Impact of Rising Gas Prices on Travel Plans

- I'm reducing the number of trips I'm taking: 44% (July 6, 2022), 39% (June 8, 2022), 36% (May 11, 2022)
- I'm choosing destinations closer to home: 44% (July 6, 2022), 39% (June 8, 2022), 39% (May 11, 2022)
- I'm reducing the amount I spend on retail purchases: 34% (July 6, 2022), 31% (June 8, 2022), 36% (May 11, 2022)
- I'm reducing the amount I spend on entertainment and recreation: 36% (July 6, 2022), 31% (June 8, 2022), 30% (May 11, 2022)
- I'm reducing the amount I spend on food and beverage: 28% (July 6, 2022), 22% (June 8, 2022), 22% (May 11, 2022)
- I'm reducing the amount I spend on lodging: 19% (July 6, 2022), 17% (June 8, 2022), 17% (May 11, 2022)
- I'm choosing to drive instead of fly: 5% (July 6, 2022), 9% (June 8, 2022), 15% (May 11, 2022)
- I am choosing not to travel at all: 9% (July 6, 2022), 7% (June 8, 2022), 6% (May 11, 2022)
- I'm canceling trips: 12% (July 6, 2022), 9% (June 8, 2022), 6% (May 11, 2022)
- Rising gas prices are not impacting my travel plans: 18% (July 6, 2022), 15% (June 8, 2022), 13% (May 11, 2022)

Travel Sentiment Study Wave 63

Source: Longwoods International
Impact of Rising Gas Prices on Travel Plans

- I'm reducing the number of trips I'm taking
- I'm choosing destinations closer to home
- I'm reducing the amount I spend on retail purchases
- I'm reducing the amount I spend on entertainment and recreation
- I'm reducing the amount I spend on food and beverage
- I'm reducing the amount I spend on lodging
- I'm choosing to drive instead of fly
- I am choosing not to travel at all
- I'm canceling trips
- Rising gas prices are not impacting my travel plans

Source: Longwoods International
Recovery by Sector

Spend by Commodity Purchased

Arts, Ent. & Rec.

Source: Dean Runyan Associates
Activities on AZ Trips

Source: Longwoods International
Activities on AZ Trips

Source: Longwoods International
Recovery by Sector

Spend by Commodity Purchased

Retail Sales

Source: Dean Runyan Associates
Recovery by Sector

Spend by Commodity Purchased

Visitor Air Tran.

$0 $500 $1,000 $1,500 $2,000 $2,500

$1.5 B

Source: Dean Runyan Associates
Recovery by Sector

Spend by Commodity Purchased

- Accommodations: 107%
- Arts, Ent. & Rec.: 91%
- Food Service: 101%
- Food Stores: 107%
- Local Tran. & Gas: 95%
- Retail Sales: 103%
- Visitor Air Tran.: 65%

% of 2019 Value

Source: Dean Runyan Associates
Employment

Source: Dean Runyan Associates
Direct Spending, 2021p (millions)

Full Economic Impact Report

Source: Dean Runyan Associates
Direct Spending, 2021p compared to 2019

Full Economic Impact Report

Source: Dean Runyan Associates
Employment % change vs. 2019

Source: Dean Runyan Associates
Employment

Source: Dean Runyan Associates
Source: Dean Runyan Associates
Visitation
Domestic Overnight Visitation to Arizona

Source: Tourism Economics, 2021

- Up 26% from 2020
- Down 6.8% from 2019
Domestic Overnight Visitation to Arizona

Change relative to 2019

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>-11%</td>
<td>-23%</td>
<td>-21%</td>
<td>-19%</td>
<td>-4%</td>
<td>-3%</td>
<td>-0.5%</td>
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Source: Tourism Economics, 2021
Domestic Overnight Visitation to Arizona

Change relative to 2019

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
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<tbody>
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<td>1%</td>
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<td>Q3</td>
<td>-19%</td>
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<tr>
<td>Q4</td>
<td>-1%</td>
<td>-1%</td>
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Source: Tourism Economics, 2021
Domestic Overnight Visitation to Arizona

Source: Tourism Economics, Q1 2022

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
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</thead>
<tbody>
<tr>
<td>-18%</td>
<td>-65%</td>
<td>-49%</td>
<td>-41%</td>
<td>-36%</td>
<td>-17%</td>
<td>-14%</td>
<td>-8%</td>
<td>-9%</td>
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Change relative to 2019

Source: Tourism Economics, Q1 2022
Domestic Overnight Visitation to Arizona

Change relative to 2019

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1
2020 2021 2022

-6% -18% -13% -13% -1% 1% -2%
-34% 0%

Source: Tourism Economics, Q1 2022
Domestic Overnight Visitation to Arizona

Change relative to 2019

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
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<tbody>
<tr>
<td>Q1</td>
<td>-13%</td>
<td>-26%</td>
<td>-24%</td>
<td>-21%</td>
<td>-5%</td>
<td>-4%</td>
<td>-1%</td>
<td>-5%</td>
<td>-5%</td>
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Source: Tourism Economics, 2021
International Overnight Visitation to Arizona

Source: Tourism Economics, 2021
International Overnight Visitation to Arizona

Source: Tourism Economics, 2021
International Overnight Visitation to Arizona

![Bar chart showing international overnight visitation to Arizona from different countries in 2020 and 2021.](chart)

Source: Tourism Economics, 2021
Arizona Visitor Profile
Trip Segment

Source: Longwoods International
Main Purpose of Trip - continued

Source: Longwoods International
Travel Party Composition

Source: Longwoods International
Travel Party Composition

Children in Travel Party

Source: Longwoods International
Average Age

Source: Longwoods International
Total Nights Away

Source: Longwoods International
Accommodation

Source: Longwoods International
Activities of Interest

Source: Longwoods International
Thank you