

TRACKING DOMESTIC VISITOR VOLUMES FOR ARIZONA 2023 Q4 and 2023 Full Year Estimates

Prepared for:
The Arizona Office of Tourism



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QUARTERLY SUMMARY

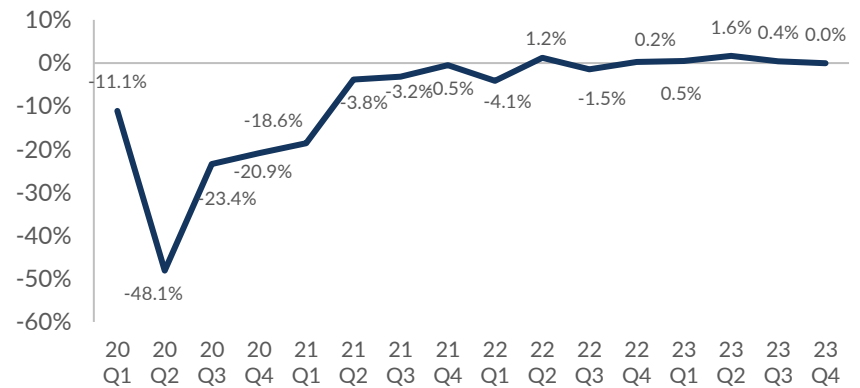
2023 Q4

Overnight visitation to Arizona during 2023 Q4 decreased 0.2% relative to a year ago, falling even with pre-pandemic levels

Travel activity in 2023 Q4 was in-line with pre-pandemic levels as overnight visitors decreased 0.2% relative to the prior year. Business and non-resident visitors moved closer to full recovery.

Overnight visitation 2020 Q1 - 2023 Q4

Amounts expressed in % change relative to 2019 levels



Source: Arizona Office of Tourism/Tourism Economics

Change relative to 2019	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	-11.1%	-48.1%	-23.4%	-20.9%	-18.6%	-3.8%	-3.2%	-0.5%	-4.1%	1.2%	-1.5%	0.2%	0.5%	1.6%	0.4%	0.0%
Overnight Leisure	-9.6%	-44.9%	-19.1%	-16.5%	-14.8%	-1.3%	-1.3%	1.1%	-3.2%	2.3%	-0.3%	1.4%	1.4%	2.5%	1.3%	0.8%
Overnight Business	-18.1%	-65.3%	-48.9%	-41.1%	-36.2%	-17.4%	-13.9%	-8.0%	-8.3%	-4.7%	-8.3%	-5.1%	-4.1%	-3.1%	-4.9%	-3.9%
Overnight Resident	-5.6%	-34.2%	-17.5%	-13.0%	-12.8%	-1.2%	-0.4%	0.2%	-2.6%	4.3%	0.2%	0.1%	4.4%	4.8%	4.4%	1.9%
Overnight Nonresident	-13.0%	-53.8%	-25.8%	-23.6%	-20.6%	-4.9%	-4.3%	-0.7%	-4.7%	0.0%	-2.2%	0.3%	-0.9%	0.4%	-1.2%	-0.7%

QUARTERLY SUMMARY

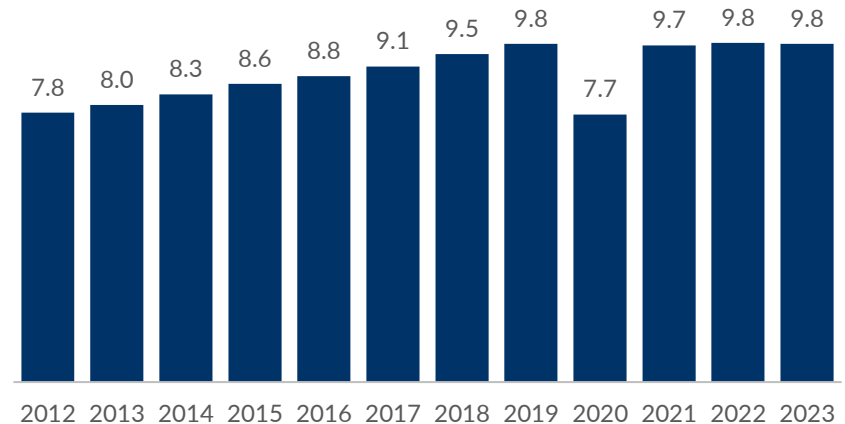
2023 Q4

Overnight visits to Arizona in 2023 reached 9.8 million

Overnight visits were estimated at 9.8 million, approximately 20,000 below levels a year ago.

Overnight visitor trend, 2023 Q4

Amounts expressed in millions



Source: Arizona Office of Tourism/Tourism Economics

QUARTERLY SUMMARY

2023 Q4

Despite a dip in hotel rooms sold, real amusement sales and National Park visits remained strong

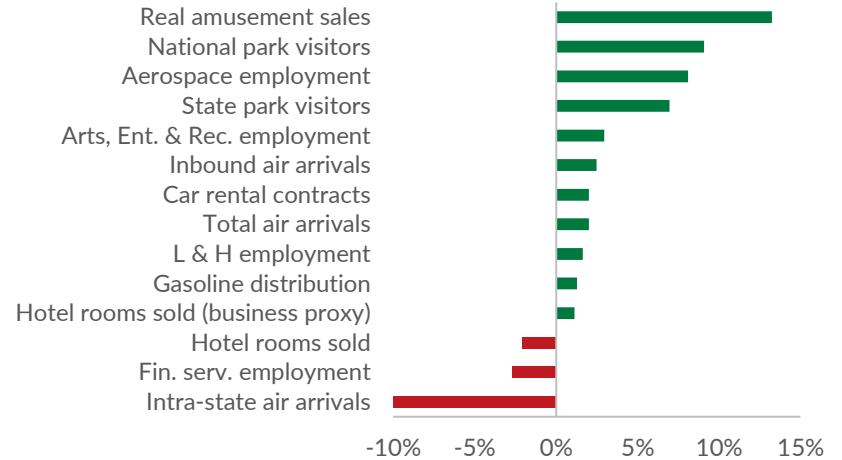
The number of hotel rooms sold, an important indicator of overnight demand, declined 2.1% year-over-year but was 1.5% above 2019 levels. Positive year-over-year growth in 2023 Q4 was observed across most other visitor metrics, excluding financial services employment and intra-state air arrivals.

Real amusement sales continued to expand at a solid year-over-year clip of 13.2% in 2023 Q4, reaching 39.1% above pre-pandemic levels.

National Park visitation surged in 2023 Q4, growing 9.1% year-over-year and surpassing pre-pandemic levels.

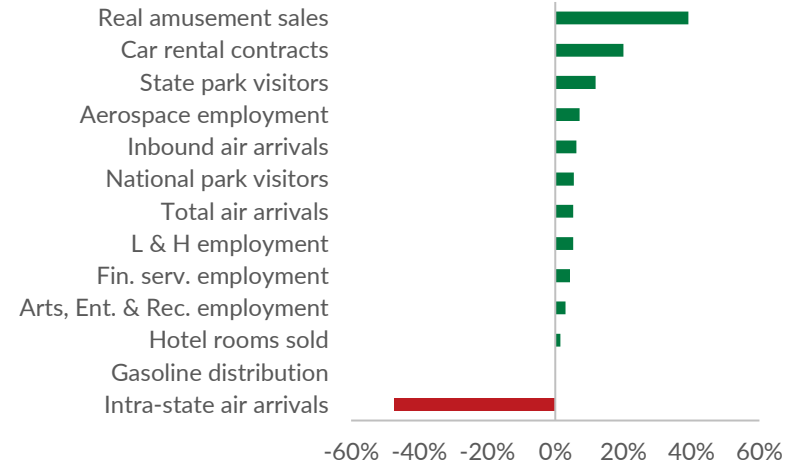
Indicator growth, 2023 Q4

Amounts expressed in % change year-over-year



Indicator growth, 2023 Q4

Amounts expressed in % change from the same quarter in 2019



Source: Tourism Economics

DOMESTIC OVERNIGHT VISITOR VOLUME ESTIMATES

2023 Q4

Millions	2019				2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	10.74	10.31	9.82	9.76	9.55	5.35	7.52	7.72	8.74	9.92	9.51	9.71	10.30	10.44	9.67	9.78	10.79	10.48	9.86	9.76
Overnight Leisure	8.84	8.71	8.38	8.03	8.00	4.80	6.78	6.70	7.54	8.60	8.27	8.12	8.56	8.91	8.36	8.14	8.97	8.93	8.49	8.10
Overnight Business	1.89	1.60	1.44	1.73	1.55	0.55	0.73	1.02	1.21	1.32	1.24	1.59	1.74	1.52	1.32	1.64	1.82	1.55	1.37	1.66
Overnight Resident	2.84	2.98	2.82	2.54	2.68	1.96	2.32	2.21	2.47	2.95	2.81	2.54	2.76	3.11	2.82	2.54	2.96	3.12	2.94	2.58
Overnight Nonresident	7.90	7.33	7.00	7.22	6.87	3.39	5.20	5.52	6.27	6.97	6.70	7.17	7.53	7.33	6.85	7.24	7.83	7.36	6.92	7.17

Annual % growth	2019				2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Overnight Visitors	1.8%	1.8%	3.8%	3.2%	-11.1%	-48.1%	-23.4%	-20.9%	-8.4%	85.3%	26.5%	25.8%	17.7%	5.2%	1.7%	0.7%	4.8%	0.41%	1.90%	-0.24%
Overnight Leisure	1.8%	1.6%	4.2%	3.4%	-9.6%	-44.9%	-19.1%	-16.5%	-5.8%	79.2%	21.9%	21.1%	13.6%	3.7%	1.0%	0.2%	4.8%	0.20%	1.62%	-0.55%
Overnight Business	1.8%	3.1%	1.7%	2.3%	-18.1%	-65.3%	-48.9%	-41.1%	-22.1%	138.2%	68.4%	56.3%	43.9%	15.5%	6.5%	3.1%	4.6%	1.64%	3.64%	1.29%
Overnight Resident	1.5%	0.5%	1.6%	2.2%	-5.6%	-34.2%	-17.5%	-13.0%	-7.7%	50.1%	20.8%	15.2%	11.8%	5.6%	0.6%	-0.1%	7.2%	0.41%	4.18%	1.77%
Overnight Nonresident	1.9%	2.4%	4.7%	3.6%	-13.0%	-53.8%	-25.8%	-23.6%	-8.7%	105.7%	29.0%	30.0%	20.1%	5.1%	2.2%	1.0%	3.9%	0.42%	0.96%	-0.95%

Source: Tourism Economics

SHARE OF DOMESTIC OVERNIGHT VISITS

2023 Q4

Percent	2019				2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Overnight Leisure	82.4%	84.5%	85.4%	82.3%	83.8%	89.7%	90.2%	86.8%	86.2%	86.7%	87.0%	83.6%	83.1%	85.4%	86.4%	83.2%	83.2%	85.2%	86.1%	83.0%
Overnight Business	17.6%	15.5%	14.6%	17.7%	16.2%	10.3%	9.8%	13.2%	13.8%	13.3%	13.0%	16.4%	16.9%	14.6%	13.6%	16.8%	16.8%	14.8%	13.9%	17.0%
Overnight Resident	26.4%	28.9%	28.7%	26.0%	28.0%	36.7%	30.9%	28.6%	28.3%	29.7%	29.5%	26.2%	26.8%	29.8%	29.2%	26.0%	27.4%	29.8%	29.8%	26.5%
Overnight Nonresident	73.6%	71.1%	71.3%	74.0%	72.0%	63.3%	69.1%	71.4%	71.7%	70.3%	70.5%	73.8%	73.2%	70.2%	70.8%	74.0%	72.6%	70.2%	70.2%	73.5%

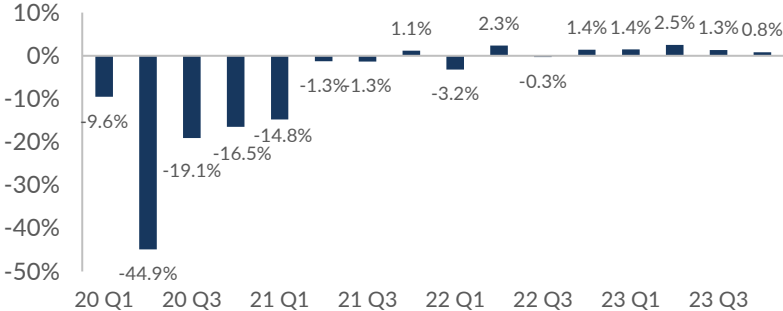
Source: Tourism Economics

VISITATION COMPARED TO 2019 LEVELS

2023 Q4

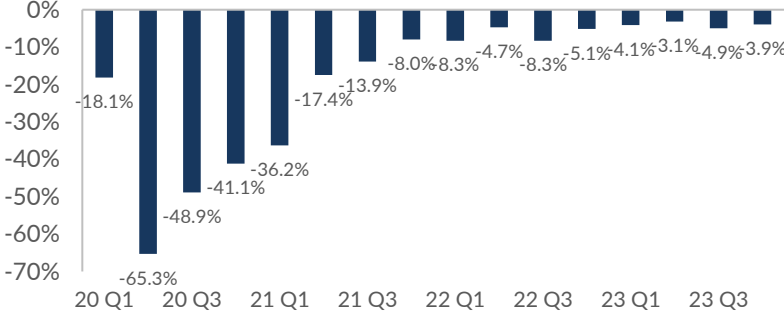
Leisure

Amounts expressed in % change versus same quarter in 2019



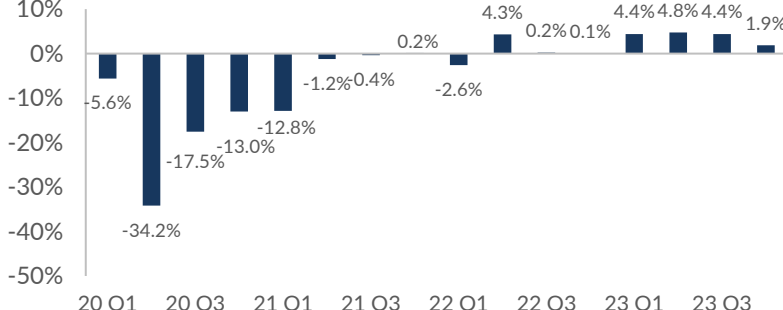
Business

Amounts expressed in % change versus same quarter in 2019



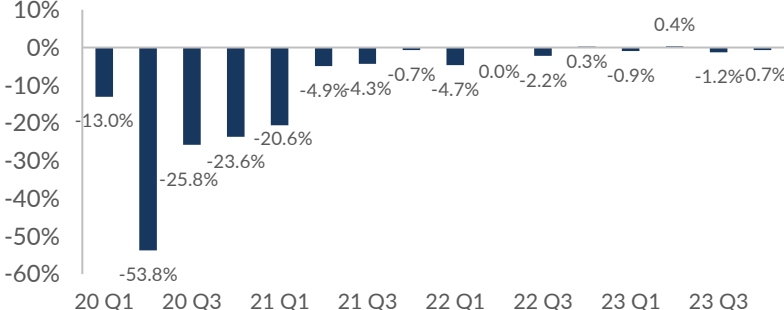
Resident

Amounts expressed in % change versus same quarter in 2019



Nonresident

Amounts expressed in % change versus same quarter in 2019



Source: Tourism Economics

OVERNIGHT VISITATION

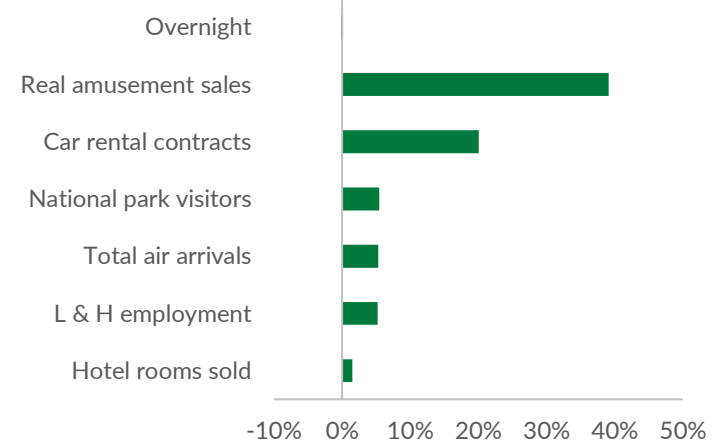
2023 Q4

Total overnight visitation was even with 2019 levels in 2023 Q4

Hotel rooms sold were 1.5% above 2019 levels in 2023 Q4 but were a significant negative contributor to the overall year-over-year visitor decline. Partially offsetting the decline was strong growth in year-over-year National Park visitation, which registered 5.4% above pre-pandemic levels. The total air arrivals contribution to overnight visitor growth was also significant, as arrivals rose 5.3% above 2019 levels.

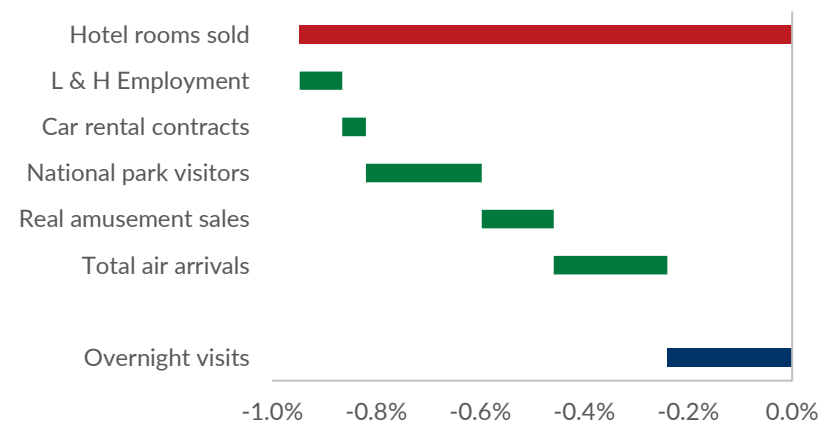
Overnight visits and indicator growth, 2023 Q4

Amounts expressed in % change relative to 2019



Contributions to overnight growth, 2023 Q4

Amounts expressed as %-point contribution to year-over-year growth



Source: Tourism Economics

OVERNIGHT LEISURE VISITATION

2023 Q4

Leisure visitation to Arizona in 2023 Q4 was 0.8% higher than leisure visitation in 2019 Q4

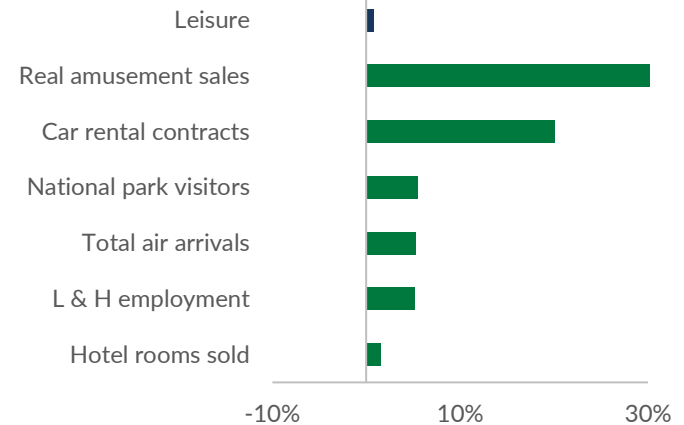
Leisure visits decreased by 0.5% year-over-year in 2023 Q4 but remained above 2019 levels. Year-over-year visitation decline was driven by hotel rooms sold, which decreased by 2.1% compared to 2022 Q4.

The decline was offset by strong gains in National Park visitors and real amusement sales. Hospitality employment continued to climb as well (+5.2% vs. 2019).

The share of leisure visitors was 83.0% in 2023 Q4, up 0.7 percentage points from its share in 2019 Q4 (82.3%).

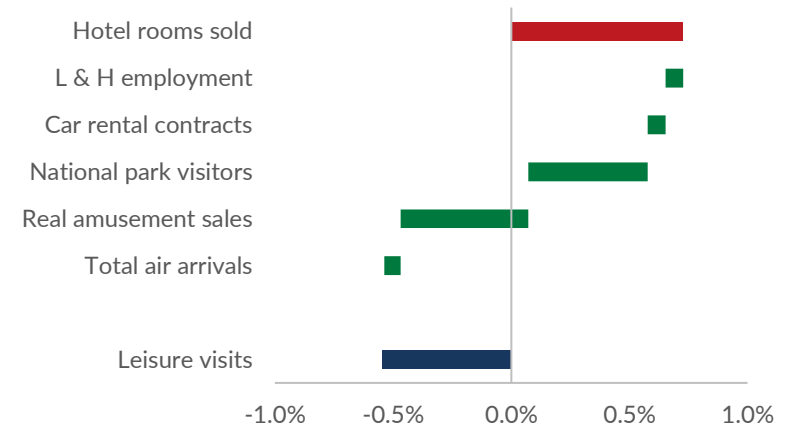
Leisure visits and indicator growth, 2023 Q4

Amounts expressed in % change relative to 2019



Contributions to leisure growth, 2023 Q4

Amounts expressed as %-point contribution to year-over-year growth



Source: Tourism Economics

OVERNIGHT BUSINESS VISITATION

2023 Q4

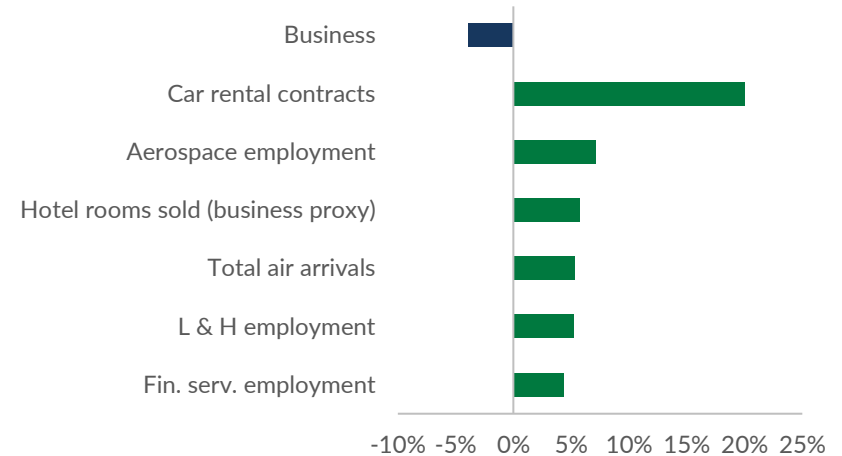
Business visitation to Arizona moved closer to full recovery, registering 3.9% behind 2019 Q4 levels

Despite year-over-year growth of 1.3%, the number of business travelers to Arizona remained below pre-pandemic levels (-3.9%), reflecting broader business travel trends. Hotel demand in 2023 Q4 was above 2019 levels (+5.8%).

Total air arrivals continued to grow in significance, reaching 5.3% above 2019 levels. Aerospace employment – another important contributor to year-over-year business visitor growth – was 7.2% above 2019 levels. Financial services employment was 4.3% above pre-pandemic levels but was a negative contributor to year-over-year growth.

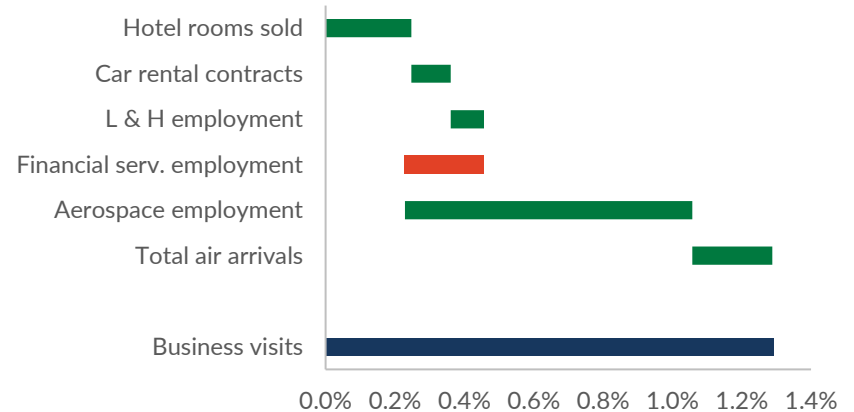
Business visits and indicator growth, 2023 Q4

Amounts expressed in % change relative to 2019



Contributions to business growth, 2023 Q4

Amounts expressed as %-point contribution to year-over-year growth



Source: Tourism Economics

OVERNIGHT RESIDENT VISITATION

2023 Q4

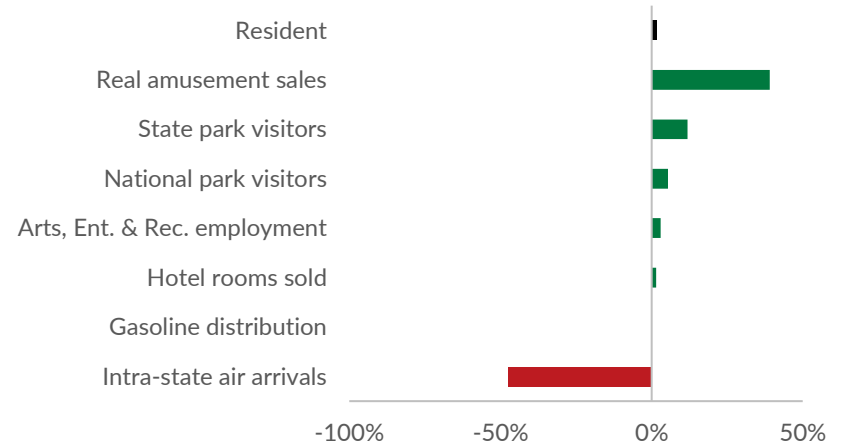
Resident overnight visitation to Arizona in 2023 Q4 was 1.9% above pre-pandemic levels

Resident visitation in 2023 Q4 grew 1.8% year-over-year, improving to 1.9% above pre-pandemic levels. Continued growth in resident visits was driven by strong growth in real amusement sales (+39.1% versus 2019). The number of National Park visitors increased at a solid clip in Q4, growing to 5.4% higher than 2019 levels. Hotel rooms sold were above levels in 2019 but were a negative contributor to year-over-year growth. Intra-state air arrivals declined year-over-year and was below pre-pandemic levels, meaning it was a negative contributor to overnight resident visitor growth.

Gasoline distribution experienced positive year-over-year growth to boost resident visitation growth and surpass pre-pandemic levels.

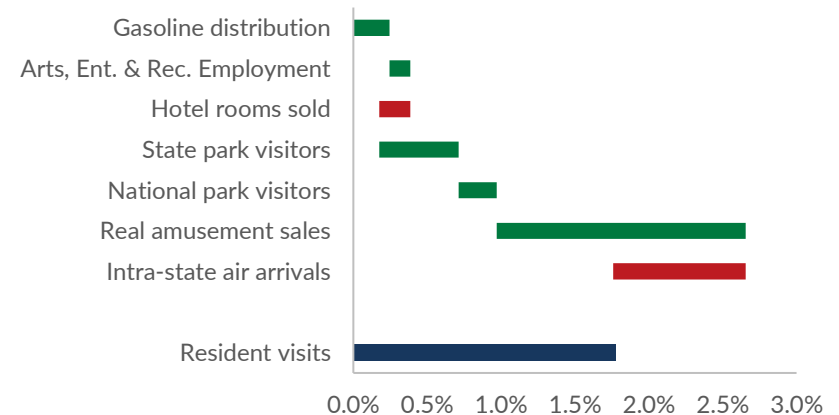
Resident visits and indicator growth, 2023 Q4

Amounts expressed in % change relative to 2019



Contributions to resident growth, 2023 Q4

Amounts expressed as %-point contribution to year-over-year growth



Source: Tourism Economics

OVERNIGHT NON-RESIDENT VISITATION

2023 Q4

Non-resident visitation to Arizona in 2023 Q4 was 0.7% below pre-pandemic levels.

Estimated non-resident visits in 2023 Q4 declined by 0.9%, falling to 0.7% below pre-pandemic levels.

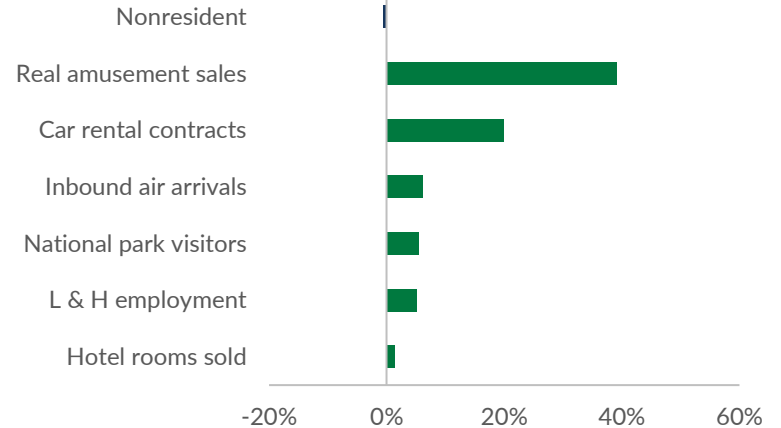
National Park visitors – who often come from out of state – was the biggest positive driver of year-over-year non-resident visitation growth in 2023 Q4. Leisure and hospitality employment was also an important contributor to year-over-year growth, up 5.2% versus 2019.

Hotel rooms sold was a negative contributor to year-over-year visitor growth as they fell to 1.5% above 2019 levels compared to 3.6% a year ago.

The non-resident visitor share in Q4 was 73.5%, 0.5 percentage points below the same quarter in 2019 (74.0%).

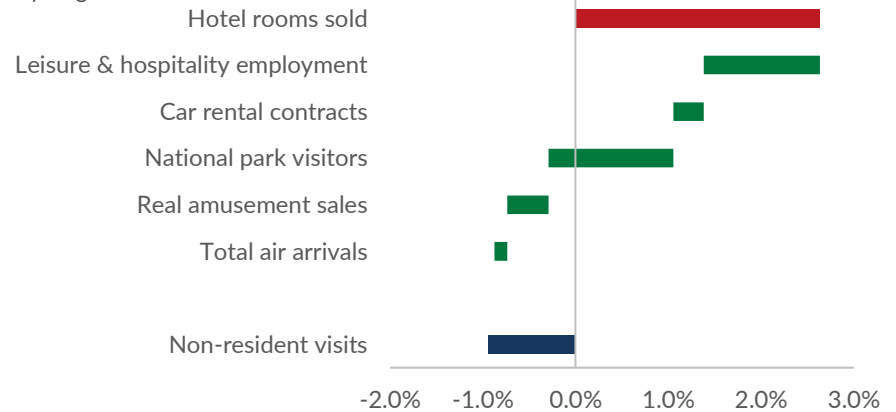
Non-resident visits and indicator growth, 2023 Q4

Amounts expressed in % change relative to 2019



Contributions to non-resident growth, 2023 Q4

Amounts expressed as %-point contribution to year-over-year growth



Source: Tourism Economics

ANNUAL RESULTS

ANNUAL VISITATION SUMMARY

2023

Arizona welcomed 40.88 million overnight domestic visitors for the year as visitation increased 1.7% in 2023 to surpass 2019 levels for the first time.

The growth in visitation was led by resident visits, which grew by 3.3% to reach 104% of pre-pandemic levels. Business visits continued to recover towards pre-pandemic levels with 2.8% year-over-year growth.

Steady and modest growth across all four visitor categories indicates a return to normalcy. While rapid growth was the theme in 2021 and 2022, growth was moderate in 2023, slowing to a more sustainable pace. This growth is likely to continue as business and non-resident visitors have yet to recover to 2019 visitation levels.

Millions	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Overnight Visitors	33.80	32.39	30.03	31.80	32.81	33.13	33.77	35.03	36.43	37.41	38.35	39.59	40.63	30.14	37.88	40.19	40.88
Overnight Leisure	27.00	25.60	24.75	26.08	27.02	27.44	28.03	29.14	30.35	31.24	32.07	33.08	33.97	26.28	32.53	33.97	34.49
Overnight Business	6.80	6.79	5.28	5.72	5.79	5.69	5.74	5.90	6.08	6.17	6.28	6.51	6.66	3.86	5.36	6.22	6.39
Overnight Resident	10.08	9.70	8.96	9.25	9.31	9.37	9.56	9.89	10.20	10.44	10.68	11.01	11.17	9.17	10.76	11.23	11.61
Overnight Nonresident	23.72	22.69	21.08	22.55	23.50	23.76	24.22	25.14	26.23	26.97	27.67	28.58	29.46	20.98	27.12	28.95	29.28

Source: Tourism Economics

ANNUAL OVERNIGHT VISITOR SHARES BY SEGMENT

2023

Annual % growth	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Overnight Visitors	1.0%	-4.2%	-7.3%	5.9%	3.2%	1.0%	1.9%	3.7%	4.0%	2.7%	2.5%	3.2%	2.6%	-25.8%	25.7%	6.1%	1.7%
Overnight Leisure	1.2%	-5.2%	-3.3%	5.4%	3.6%	1.5%	2.2%	3.9%	4.2%	2.9%	2.7%	3.1%	2.7%	-22.6%	23.8%	4.4%	1.5%
Overnight Business	0.5%	-0.2%	-22.2%	8.3%	1.3%	-1.7%	0.9%	2.7%	3.1%	1.5%	1.7%	3.8%	2.2%	-42.1%	38.8%	16.1%	2.8%
Overnight Resident	1.1%	-3.8%	-7.6%	3.3%	0.7%	0.6%	2.0%	3.5%	3.1%	2.3%	2.3%	3.1%	1.4%	-17.9%	17.4%	4.4%	3.3%
Overnight Nonresident	1.0%	-4.4%	-7.1%	7.0%	4.2%	1.1%	1.9%	3.8%	4.3%	2.8%	2.6%	3.3%	3.1%	-28.8%	29.3%	6.8%	1.1%

Percent	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Overnight Leisure	79.9%	79.0%	82.4%	82.0%	82.3%	82.8%	83.0%	83.2%	83.3%	83.5%	83.6%	83.5%	83.6%	87.2%	85.9%	84.5%	84.4%
Overnight Business	20.1%	21.0%	17.6%	18.0%	17.7%	17.2%	17.0%	16.8%	16.7%	16.5%	16.4%	16.5%	16.4%	12.8%	14.1%	15.5%	15.6%
Overnight Resident	29.8%	29.9%	29.8%	29.1%	28.4%	28.3%	28.3%	28.2%	28.0%	27.9%	27.8%	27.8%	27.5%	30.4%	28.4%	28.0%	28.4%
Overnight Nonresident	70.2%	70.1%	70.2%	70.9%	71.6%	71.7%	71.7%	71.8%	72.0%	72.1%	72.2%	72.2%	72.5%	69.6%	71.6%	72.0%	71.6%

Source: Tourism Economics

TOURISM ECONOMICS

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