

# Crossroads

Arizona Office of Tourism



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## Arizona Travel Facts

### FUN WITH FAST FOOD IN THE GRAND CANYON STATE

The McDonald's in Sedona is the only McDonald's in the world with teal green arches.

The Burger King in Kayenta is home to a one-of-a-kind Navajo Code Talker display.

The McDonald's at the corner of Warner Rd. and Val Vista Dr. in Gilbert serves up music with their fries, featuring a piano, and musical instruments and artwork adorning the walls.

## AOT Headlines

### Focus on: Germany

Arizona has everything the German traveler is looking for – warm weather, Native American culture and once-in-a-lifetime outdoor adventures. As the European Union's most populous nation, Germany is one of the most important international markets for Arizona. In addition to Germany, AOT has also had travel industry marketing and media relations representation in the German-speaking countries of Switzerland and Austria for more than 10 years. By having consistent representation in this valuable market, AOT has been able to establish the relationships and marketing programs necessary to make Arizona a premier destination for German travelers.

Although international travel to the U.S. started rebounding in 2003, Arizona's challenges in attracting German visitors continued with the cancellation of the Lufthansa Airlines flight that offered direct service between Frankfurt and Phoenix. Although there still is not a direct flight today, the merger of U.S. Airways and America West Airlines opens up a world of possibilities with U.S. Airways' affiliation in the Star Alliance. Partners in the Star Alliance, which include Lufthansa and United Airlines, offer more than 300 weekly flights from Germany to the U.S., and with the U.S. Airways hub in Phoenix, it is extremely convenient for German travelers to get to the Grand Canyon State. German travelers can also take advantage of British Airways' direct service from Heathrow Airport to Phoenix.

According to the U.S. Department of Commerce, 78,000 Germans visited Arizona in 2005, representing slightly more than a 1 percent increase in visitation from 2004. Because the U.S. continues to be the top long-haul destination for German travelers and the Euro is maintaining its strength against the U.S. dollar, there is a tremendous amount of opportunity for Arizona to build on this success. Germany is only behind the United Kingdom and Japan in overseas travelers to the U.S., so Arizona is one of many U.S. destinations vying for German visitors. In order to make the state stand out among a sea of competition, AOT executes a marketing program that reaches the three most important audiences – travel trade, media and consumers.

The combination of travel industry marketing and media relations is what ultimately makes the consumer want to visit Arizona, so using these two tools in tandem is critical. Last year, AOT generated more than \$9.3 million in positive publicity about



FTI Tour Operator brochure featuring Arizona product.

Arizona in top German media outlets, reaching an estimated 33 million people. Based on in-market data gathered by AOT's German representative, there are currently 87 tour operators featuring Arizona product, and travelers that booked Arizona product through these operators spent \$25.5 million in 2005. These numbers are the result of a well-executed marketing program that includes trade shows, media and trade familiarization tours, cooperative marketing and promotions.

Although AOT has not conducted extensive consumer advertising in the German market, the Arizona message is still reaching key German consumers. Consumer trade shows are a more cost-effective way to reach this valuable group, so Arizona participates in a "Southwest USA" booth at six leading consumer trade shows in conjunction with Utah, Colorado and New Mexico. Last year, Arizona was represented at consumer trade shows in Cologne, Mannheim, Luxemburg, Stuttgart, Hamburg and Munich and nearly 6,500 new consumers were added to AOT's German database.

Germany is an extremely important market for Arizona and there are numerous opportunities for partners around the state to participate in marketing activities, whether it is attending a trade show, advertising in the German-language travel planner or distributing brochures at a trade or consumer show. For more information on AOT's German marketing plan, visit azot.gov.

## AOT Headlines (continued)

### AOT Launches Arizona Tourism University Education Program

AOT is inviting the Arizona travel and tourism industry to go back to school with its new education and outreach program, Arizona Tourism University. This year-long program features several different workshop series, all aimed at providing in-depth information and practical application on a variety of topics that are timely and important in Arizona's tourism industry. Each of the Arizona Tourism University workshop series will be presented five times, once in each of AOT's marketing regions, so industry members around the entire state will have an opportunity to attend each of the workshops. The first series, "Economic Impact of the Travel Industry in Arizona," is concluding this fall, with the final workshop scheduled for Nov. 8, 2006 at the Pointe Hilton Squaw Peak Resort in Phoenix. Future Arizona Tourism University workshop series topics will include: "Branding," "Principles of Geotourism," "How to Conduct a Visitor Survey" and "How to Conduct a FAM Tour/Develop an Itinerary." In addition to receiving detailed information on each of the workshop series topics, attendees of any workshop will receive AOT's

*Arizona Tourism University Reference Manual*, which provides a detailed overview of AOT's marketing programs and procedures for implementing programs on a community level. Please stay tuned to *AOT in Action* for information on future workshops and visit [azot.gov](http://azot.gov).

### AOT's Season of Sponsorships

AOT executes an extremely diverse marketing plan, ranging from traditional print advertising and television commercials, to innovative online promotions and targeted E-blasts. One of the most effective and versatile components of the overall marketing mix is sponsorships. AOT sponsors several high-profile events in Arizona that draw a significant out-of-state audience, encouraging attendees to extend their stay in the Grand Canyon State. This fall marks the beginning of sponsorship season, with many of the top events taking place in the next few months:

- **Smithsonian CultureFest:** In conjunction with the Scottsdale and Phoenix convention & visitors bureaus, AOT welcomes this signature event back to Arizona for the second time, Nov. 2-5, 2006.

Smithsonian CultureFest is a weekend full of activities, lectures and events with Smithsonian's experts at some of the most renowned locations in the Valley. New this year is an extended CultureFest weekend in Prescott and Flagstaff, Nov. 11-12, 2006. Visit [smithsonianmagazine.com/culturefest](http://smithsonianmagazine.com/culturefest) for more information.

- **ARIZONA.TRAVEL 2006:** AOT is taking its first spin around the track with NASCAR as the title sponsor for the ARIZONA.TRAVEL 2006 BUSCH Series Race on Nov. 11, 2006, at Phoenix International Raceway (PIR). This marks AOT's first strategic alliance with PIR and the NASCAR brand, which is widely recognized as one of the nation's most powerful lifestyle brands that transcends geographic, demographic and psychographic boundaries. AOT is also encouraging racing fans to "take a victory lap around Arizona" and extend their stay to explore more of the state. Visit [phoenixinternationalraceway.com](http://phoenixinternationalraceway.com) for more.

## Meet An Industry Professional



**Name:** Debbie Johnson

**Title:** President & CEO of the Arizona Hotel & Lodging Association: 3 ½ years  
Valley Hotel & Resort Association: 11 years

**Education and School:** BS in Marketing from Arizona State University.

**Associations:** Governor's Arizona Tourism Advisory Council: Member

Arizona Film & Television Commission: Member  
Arizona Tourism Alliance: Executive Committee  
Phoenix Tourism & Hospitality Board: Member  
Int'l Society of Hotel Association Executives: Vice President

**Family:** Husband, Vince, and three children: Sean, 13, Meghan, 10 and Erin, 4.

**How did you get involved in this industry?** Pure luck. I was fortunate to have some event planning experience, which is how I started at Valley Innkeepers more than 10 years ago.

**What is your ultimate career goal?** I'm living it!

**What were some of your previous jobs?** Worked my way through college in Wyoming and Arizona as a legal secretary and after graduation had an opportunity to work as a marketing coordinator at a Phoenix law firm.

**If you didn't have this job, what job would you want?** I would want to be an elementary school teacher.

**When you were 8, what did you want to be when you grew up?** An elementary school teacher. Then I did a real classroom experience in my

second year of college and realized how hard it is and how much patience you need. Teachers are amazing.

**What do you enjoy doing in your free time?** Most of my free time is with my family, but when I get REAL free time I enjoy reading, scrapbooking and relaxing.

**What is your biggest pet peeve?** It is people who don't follow through with their commitments.

**What is your favorite Arizona restaurant?** We are lucky to have so many great ones to choose from, but I would pick LON's at the Hermosa Inn for a special night out without kids and Islands when dining with kids.

**What section of the newspaper do you read first?** Business or Valley & State.

**What is your favorite TV show?** Can't choose between 24 and Grey's Anatomy.

**Whom do you most admire?** I am truly grateful to know and have learned from so many wonderful women who have worked hard and achieved a great deal both in and out of our industry.

**Why is your role important to the tourism industry?** I have the responsibility to be the voice for lodging and its role in tourism and to speak out and represent their interests and needs. The partnerships and relationships that I have been involved in creating are crucial to making sure tourism and lodging remain recognized as an important part of Arizona. We have all learned that speaking with a united voice is much stronger than the smaller individual voices.

**What is your biggest wish for the industry in the next year?** To continue to prosper and be recognized by our leaders and residents as a valuable part of our communities.

# Tourism Research By The Numbers

## Second Quarter 2006 National and Statewide Lodging Trends

The lodging sector nationally saw smaller gains during the second quarter compared to the first quarter of 2006, according to data from Smith Travel Research. Occupancy rates increased slightly, up 1.2 percent to a rate of 66.8 percent compared to Q2 2005. The increase in occupancy was driven by the increase in rooms demanded, up 1.7 percent to 90.5 million rooms. Increases in the Average Daily Rate (ADR) contributed to increases in the Revenue per Available Room (RevPAR) during the second quarter. ADR grew 7 percent to a rate of \$97.01. RevPAR increased 8.3 percent to a rate of \$64.79 compared to Q2 2005.

The Mountain Region, as defined by the U.S. Census Bureau also had a positive second quarter. Occupancy rates increased 1.6 percent to a rate of 68.6 percent, exceeding the national occupancy rate average for the second quarter. Occupancy rates were driven by room demand, up 2.7 percent compared to the same period last year.

Arizona's lodging occupancy increased 1.4 percent to a rate of 68.2 percent during the second quarter. Occupancy for the state exceeded the average occupancy rate seen nationally during the second quarter (66.8 percent), but fell slightly below the average occupancy rate for the Mountain Region states (68.6 percent). Arizona's occupancy was driven by rooms demanded as room supply remained relatively flat. Demand for lodging in the state increased 2.1 percent during the quarter, equivalent to 2.07 million rooms. Increases in ADR drove RevPAR rates for the state during the second quarter. ADR increased 8.8 percent to a rate of \$95.14. Arizona's average RevPAR rate for the second quarter (\$65.30) exceeded the national average RevPAR rate (\$64.79), due to higher average occupancy rates mentioned earlier.

Metro Phoenix's average occupancy rate during the second quarter was up 1.4 percent to a rate of 67.8 percent compared to the same period last year. Demand for the area increased 2.1 percent, equivalent to approximately 1.1 million rooms. The average ADR rate for Metro Phoenix during the second quarter was \$107.13, an increase of 10.4 percent over Q2 2005. Metro Phoenix's average ADR rate exceeded the average rate for the U.S., Mountain Region and the state during the second quarter. Increases in ADR drove increases in RevPAR. The RevPAR rate for Metro Phoenix increased 11.7 percent during the second quarter to a rate of \$73.54.

Metro Tucson's average occupancy rate increased 3.8 percent to a rate of 67 percent during the second quarter. Increased room demand contributed to the increased occupancy rates for the area. Demand for Metro Tucson increased 3.9 percent, equivalent to approximately 308,848 rooms. Both increases in occupancy and ADR contributed to increases in RevPAR. Metro Tucson's average RevPAR rate during the second quarter was \$58.46, an increase of 9.4 percent.

Pima, Apache, Coconino, Gila, Graham and Navajo counties all experienced increases in occupancy, ADR, RevPAR and demand during the second quarter.

Graham County, in particular, experienced tremendous growth compared to the same period last year. Rooms demanded increased 16.6 percent, contributing to increases in the average occupancy, up to a rate of 72.9 percent. ADR for Graham County increased 11.5 percent to a rate of \$64.41. Increases in both ADR and occupancy contributed to a 30 percent increase in the average RevPAR rate for Graham County.

Gila County also experienced strong growth during the second quarter compared to the same period last year. Room demand was up an average of 6.5 percent during the period. Room demand drove increased occupancy, which was up 5.6 percent to a rate of 67.6 percent. Gila County's ADR rate was \$64.77, up 6.1 percent and the average RevPAR rate was \$43.81, up 12.1 percent compared to the same period last year.

In Coconino County, occupancy increased 2.7 percent, to a rate of 74.6 percent during the second quarter. Increased room demand (2.2 percent) and a slight decrease in room supply (-0.3 percent) contributed to the increased hotel occupancy rate. Coconino County's ADR rate for the quarter was \$81.94, up 6.1 percent. Increases in ADR contributed to the increase in the average RevPAR rate for the quarter. The average RevPAR for Coconino County was \$61.32, up 14.6 percent compared to the same period last year.

## Arizona Airport Passenger Traffic

Airport passenger traffic from the four tracked Arizona airports increased 2 percent during the second quarter to more than 12.1 million passengers. The highest volume of airport passenger traffic at the four airports was recorded in the month of April, with approximately 4.3 million passengers, an increase of 0.1 percent from the previous year.

Phoenix and Tucson airports both experienced increased passenger traffic, with Phoenix Sky Harbor up 1.9 percent and Tucson International up 5.6 percent over the same period of last year. Yuma International posted an increase of 7.3 percent compared to Q2 2005. Grand Canyon Airport reported a slight decrease in air passenger traffic, down 3.8 percent to 232,983 enplanements/deplanements.

## AOT By The Numbers 2nd Quarter, 2006

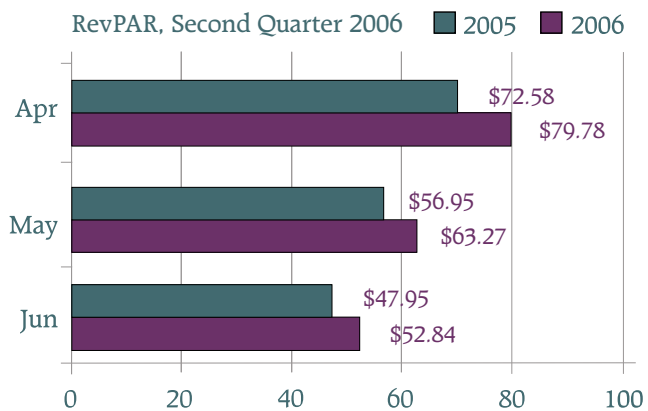
- arizonaguide.com Visits:\*  
**1,098,338**
- azot.gov Visits:\*\br/>**156,260**
- ArizonaVacationValues.com Visits:\*\br/>**199,258**
- High-Impact Advertising:  
"Girls Getaways" in  
Budget Travel, June 06  
Gourmet, May 06  
National Geographic  
Adventure, April 06  
Smithsonian, April 06  
Sunset, May 06  
Travel & Leisure, April 06

Travel Industry Marketing Leads  
Generated\*\* ..... **43**

- Total Traffic in Painted Cliffs  
Welcome Center  
Total ..... **38,572**  
Domestic Total ..... **36,557**  
International Total ..... **2,015**
- Media Relations Advertising Equivalency:  
Total ..... **\$5,635,166**

\* A visit is each unique individual accessing the Web site.

\*\* A lead is a request for a specific program that results in revenue that benefits Arizona, such as hotel revenue.



Source: Smith Travel Research

# Industry News

## “Discover America Partnership” Aims to Improve America's Image Abroad

America's image is declining around the globe. This decline has serious consequences for America's public policies and far-reaching economic ramifications for American businesses. Recognizing the seriousness of this issue, business leaders are taking action. The “Discover America Partnership” aims to empower the American people as our greatest ambassadors – by increasing their opportunities to interact with international visitors. With each new visitor, we have an opportunity to share what is best about America – our diversity, our energy and our optimism.

### 10 Million More Visitors, 1 Billion More Stories

The greatest public diplomacy tool America has is its people. Those who have visited the U.S. and interacted with the American people consistently feel more positive about the U.S. than those who have not visited.

- 16 percent increase in favorable opinion of the U.S. among those who have visited the country.
- 72 percent of those who have visited the country have a positive opinion of Americans.
- 68 percent of those who have visited the country think America has a high-quality of life; only 48 percent of those who have not visited the U.S. share that opinion.

While there are no easy solutions to our image crisis, tapping into the power of travel must be a significant part of our public diplomacy efforts. That's why the Discover America Partnership is challenging our country to attract 10 million more visitors each year.

By achieving this goal, we can share the best of America with 10 million potential supporters. And, as each new visitor returns to their home country and shares their experiences with friends and family, we have the potential to reach and positively influence another billion people annually. The Discover America Partnership is about solutions – and the American people are the greatest asset we have.

### Opening our Doors

Achieving 10 million new visitors will not happen easily. Our nation does little to encourage international travelers to visit the U.S. And those who choose to do so are often greeted by an increasingly difficult entry process. At a time when America needs “people-to-people” communications like never before, the U.S. share of the global travel and tourism market is declining – down 36 percent in the past 15 years. To improve our global standing and ensure our future vitality, we must address the obstacles to visiting the U.S. and recapture our place among the world's “destinations of choice.”

### Galvanizing Industry to Make a Difference

The Discover America Partnership is an intensive effort to help policymakers appreciate travel and tourism's diplomatic and economic potential. The partnership will:

- Educate policymakers and opinion leaders on the power of travel and the American people.
- Highlight the unnecessary obstacles to welcoming more international visitors to the U.S.
- Determine how we can better compete for international visitors.

This extraordinary effort will open our nation's eyes to the window of opportunity before us – an opportunity to restore our nation's image by investing in our people. The time has never been better, the need never greater. You are a powerful voice; we need your support.

For more information about the Discover America Partnership, visit [poweroftravel.org](http://poweroftravel.org).



### Top Five State Parks

(By visitation in the 2nd Quarter, 2006)

1. Lake Havasu ..... 137,538
2. Slide Rock ..... 81,040
3. Patagonia Lake ..... 66,174
4. Kartchner Caverns ..... 39,670
5. Dead Horse Ranch ..... 32,066

### Top Five National Parks

(By visitation in the 2nd Quarter, 2006)

1. Grand Canyon NP ..... 1,380,285
2. Glen Canyon NRA ..... 519,538
3. Lake Mead NRA ..... 474,272
4. Canyon de Chelly NM .... 247,588
5. Petrified Forest NP ..... 191,762

### Top 10 Originating States to Painted Cliffs Welcome Center

(2nd Quarter, 2006)

1. Texas ..... 4,350
2. California ..... 2,904
3. New Mexico ..... 2,031
4. Arizona ..... 1,988
5. Florida ..... 1,852
6. Oklahoma ..... 1,697
7. Illinois ..... 1,435
8. Missouri ..... 1,368
9. Colorado ..... 1,145
10. Michigan ..... 1,032



## Meet AOT Staff



**Name:** Brian Lang

**Title:** Visitor Services Manager

**How long have you been with AOT?**  
Sixteen years this November.

**Education:** I have an Associates of Science Degree in Travel & Tourism and Marketing Management from Sullivan University's National Center for Hospitality Studies in Louisville, Kentucky.

**What is your previous work history?** I've been here so long, I don't remember any other work history. I started my tourism career working in sales at The Travel Post travel agency in Salem, Indiana, and when I moved to Arizona I worked the front desk at the Howard Johnson's Plaza Hotel-Southbank which is now the Radisson Hotel Phoenix Airport. I was named employee of the year at the hotel and then left the job only a few months later.

**What is your role at AOT?** My role is to oversee the operations and development of state welcome centers in Arizona. This includes the daily operations of the Painted Cliffs Welcome Center in northeastern Arizona and the planning and implementation of the Needle Mountain Welcome Center in northwestern Arizona. I am also responsible for the Local Visitor Information Center signage program, which allows local communities to operate a local visitor information center designated by AOT. This program is a partnership between AOT and the Arizona Department of Transportation, who signs the centers for the community. I also am responsible for developing the curriculum for the Grand Impressions workshops. These workshops help attendees hone their customer service skills and broaden their knowledge of Arizona's points of interest and tourism-related amenities. Through my role at AOT, it is my goal that visitors who use our information centers, whether they are a state facility or a local facility, receive a warm welcome and the assistance they need to lengthen their stay in Arizona, or help plan a future trip to Arizona. I also serve as the agency's representative on the Transportation Enhancement Review Committee, Parkways Historic and Scenic Roads Advisory Committee and the state License Plate Commission.

**What do you enjoy most about your job?** I love being able to get out of the office and drive to the different communities in Arizona and work with community and industry representatives who really want to enhance tourism in their communities, especially those wanting to improve their visitor centers. I find that driving is therapeutic for me.

**What is your favorite Arizona experience?** Hmm...that's a tough one for me to answer, so I'll give you three. 1) Rafting the Grand Canyon – although I've only experienced a one-day trip, it was awe-inspiring. 2) Seeing the Comet Hyakutake in the middle of the night when I lived on the Navajo Reservation – it was so large and bright that it seemed like I could have reached out and grabbed a hold of it. 3) You can't beat an Arizona sunset waning behind our majestic saguaros.

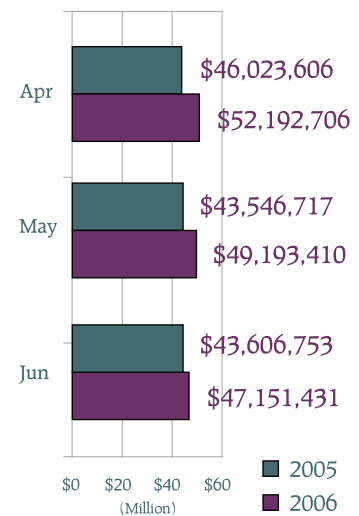
**What book are you currently reading?** Being that I suffer from a short attention span, I'm more of a magazine reader than a book reader. I've just started to read "Inside the Beltway: Offbeat Stories, Scoops, and Shenanigans from around the Nation's Capital" by John McCaslin. My favorite magazines to read are *Route 66 Magazine*, *American Road Magazine* and *National Geographic*.

## Tourism Research By The Numbers

### Estimated Tourism-Related Taxes for Second Quarter 2006

During the second quarter of 2006, travelers generated tax revenue in the tourism sectors of lodging, restaurant/bar, retail, and amusements amounting to approximately \$149 million, a 11.5 percent increase over the same period last year. Visitor-generated revenues were up in all sectors. The lodging sector increased 14.4 percent to over \$32 million dollars and lodging tax-related revenues generated by visitors surpassed the restaurant/bar sector revenues in the second quarter. The retail sector increased 11.1 percent, the amusement sector was up 23.9 percent, and the restaurant/bar sector was up 9.4 percent, compared to the second quarter 2005. The largest travel-related tax revenues were generated in the month of April, up 13.4 percent compared to the same month last year.

Tourism-Related Tax  
Revenues 2005 vs. 2006  
Second Quarter



Source: Arizona Department of Revenue, NAU

## Subscribe to *Crossroads*.

To receive your free issue of *Crossroads*, or to subscribe to AOT's weekly E-newsletter, *AOT in Action*, please send your name, organization, E-mail and physical address to Loretta Belonio at [lbelonio@azot.gov](mailto:lbelonio@azot.gov) or (602) 364-3725.

If you wish to unsubscribe from either newsletter, please let Loretta know.



Margie A. Emmermann, Director

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## From The Director



It's hard to believe that fall is well underway and we are already reporting numbers from the second quarter of 2006. We started this year with a bang, and as you'll see in this newsletter, things are only going up from there!

One of the main themes you'll see throughout this issue of *Crossroads* is "you never have a second chance to make a first impression." AOT's Visitor Services Manager Brian Lang brings this concept to life every day for Arizona's tourism industry and you will have the opportunity to get to know him a little better as you read his interview inside. He displays tremendous commitment to making sure that every visitor to Arizona has a great first impression.

On a larger scale, one of the primary concerns in today's tourism industry is the impression the U.S. is making on international travelers. A variety of factors, including our Visa regulations and foreign policy, have contributed to America's suffering global image. In most countries, favorable opinions of America are below 50 percent. As the

global tourism economy continues to grow and America's piece of the pie continues to shrink, leaders from several industries have come together and developed a dynamic initiative to strengthen our image around the globe. The "Discover America Partnership" was launched in September and is a massive undertaking that will take the commitment and dedication of our entire industry. I am fortunate to sit on the Travel Industry Association of America's Board of Directors and have been involved with this initiative since the inception. I look forward to seeing the Discover America Partnership continue to grow and I am committed to ensuring that Arizona is represented in this important program.

With the holidays right around the corner, I wish you and your family a wonderful holiday season and all the best in 2007.

Margie A. Emmermann  
Director  
Arizona Office of Tourism

## Coming Soon...

- Arizona Travel 200 NASCAR  
Busch series race at Phoenix International Raceway  
**November 11, 2006**
- Travel Classics West Travel Writer Conference  
**November 16-19, Scottsdale**
- Denver Area Media Marketplace  
**December 6-7**
- Tostitos Fiesta Bowl  
**January 1, Cardinals Stadium**
- Tostitos BCS National Championship Game  
**January 8, Cardinals Stadium**
- P.F. Chang's Rock 'n' Roll Marathon & Half-Marathon  
**January 14**