



# 2013 Research Roundup: Arizona Tourism in 2012 and Beyond



## 2012 Arizona Travel Industry Performance

**\$19.3 billion**

in direct spending

**38.1 million**

overnight visitors



## 2012 Arizona Travel Industry Performance - Introduction

- **Economic Impact**
- **Total Overnight Visitation**
  - U.S. Visitors to Arizona
  - International Visitor to Arizona
- **Regional Profiles**
- **Indicators**

# Economic Impact

## 2012 Arizona Travel Impact Summary

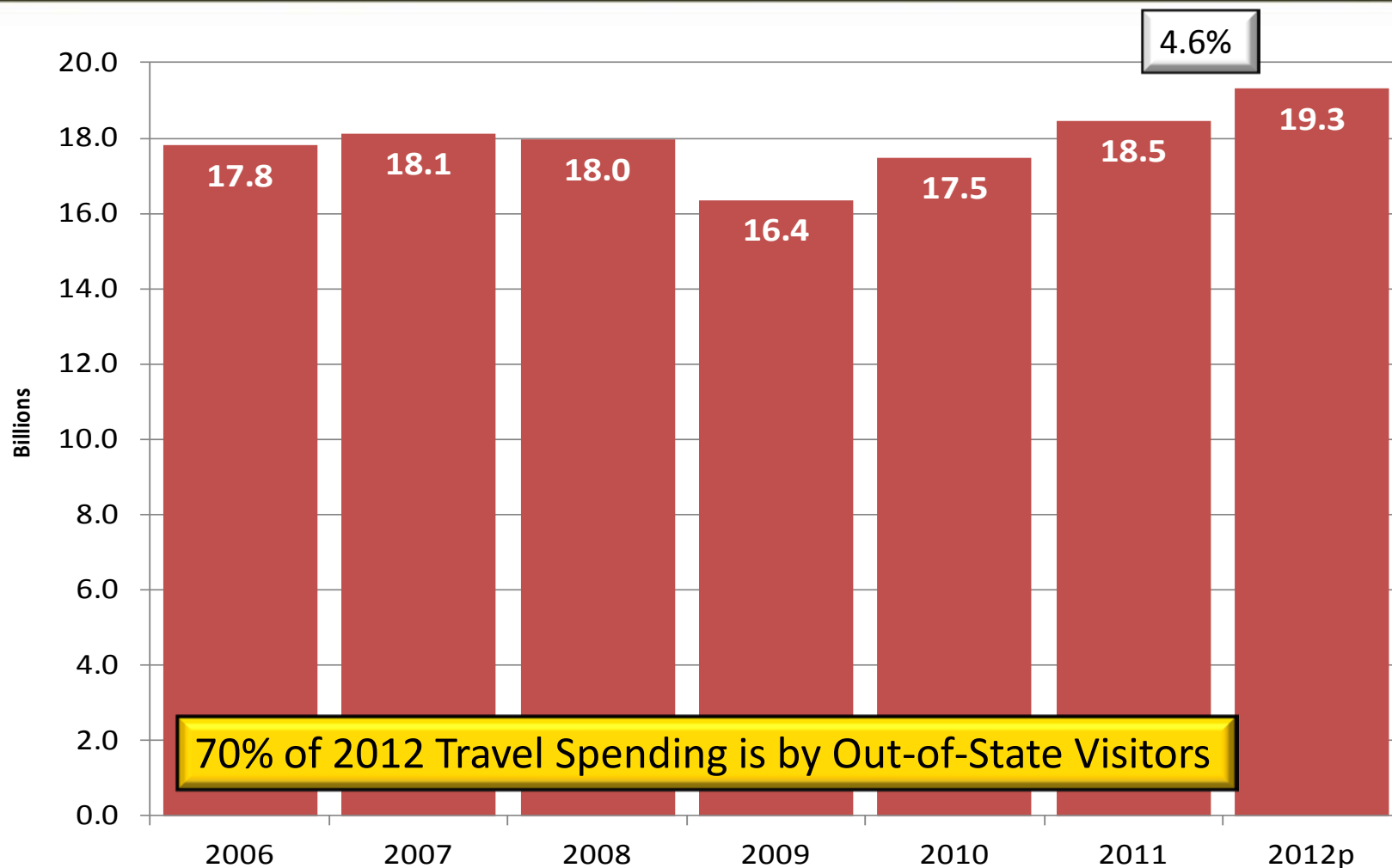
# \$19.3 billion

in direct spending generated:

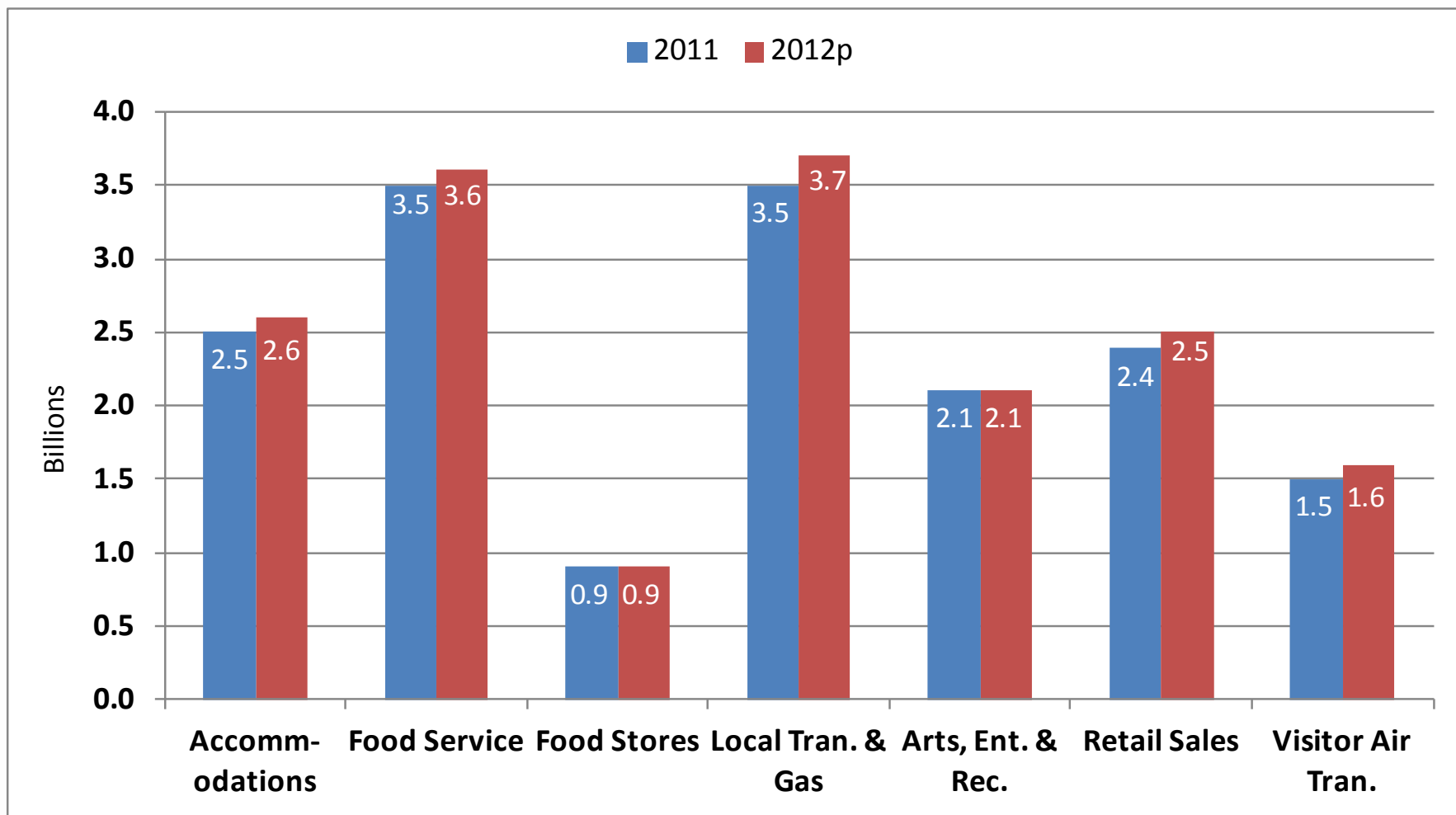
- 161,300 direct jobs
- \$5.4 billion direct earnings
- \$2.6 billion in local, state and federal tax revenues

# 2012 Direct Travel Spending in Arizona (dollars)

*historical comparison from 2006*



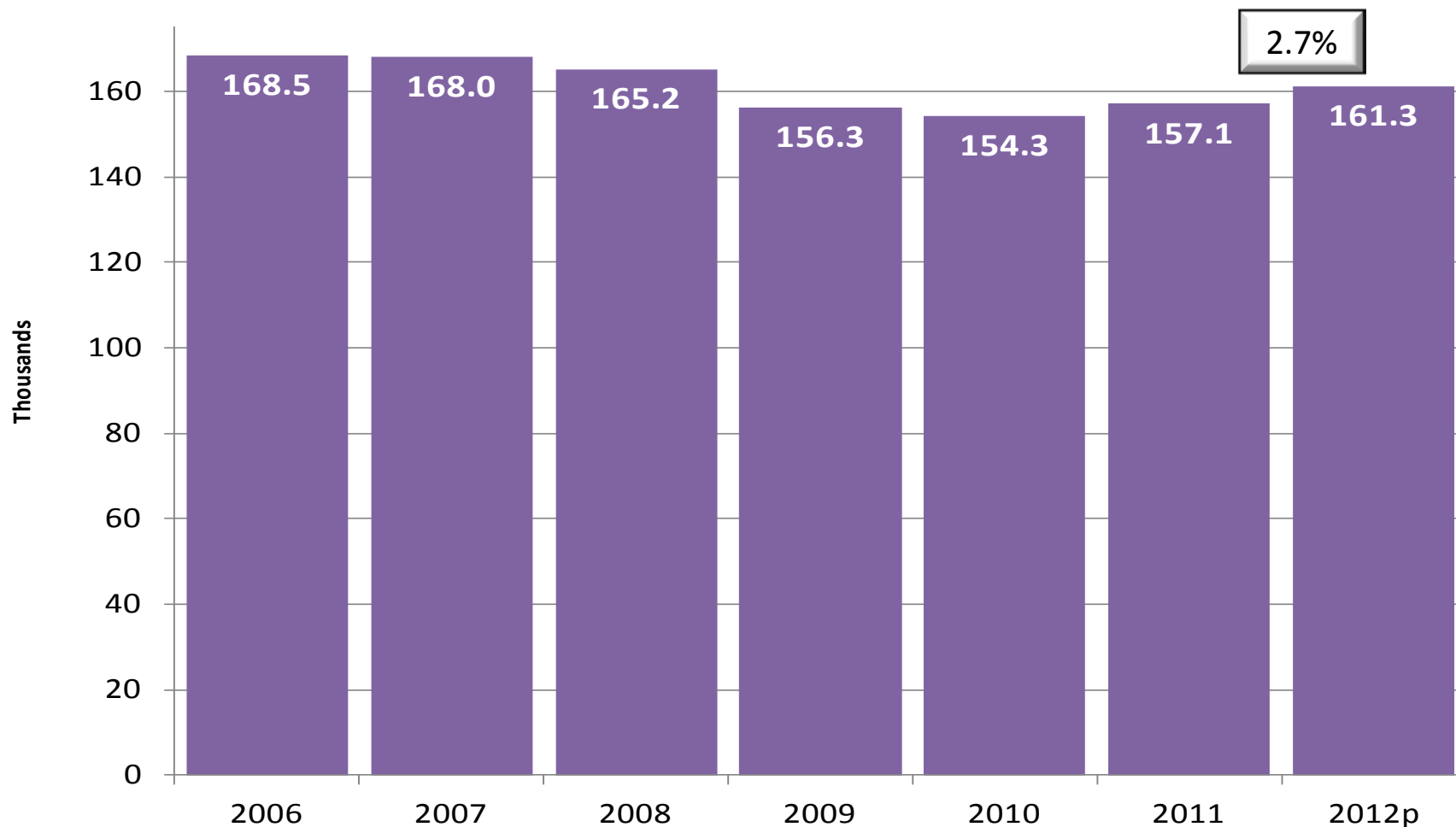
## 2012 Direct Travel Spending in Arizona - by Commodity Purchased





# 2012 Direct Travel Employment in Arizona

*historical comparison through 2006*



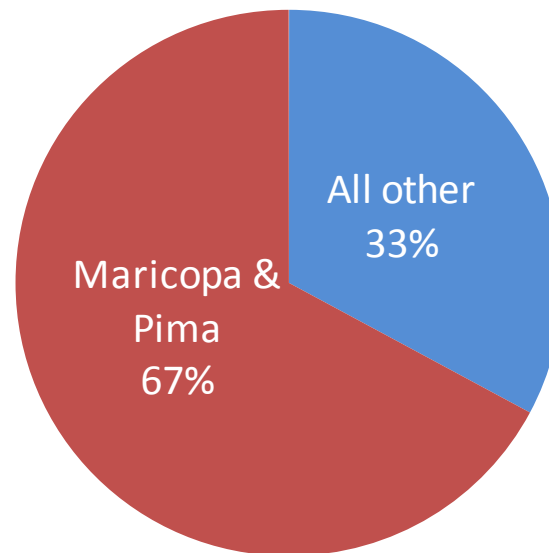
Source: Dean Runyan Associates



# 2012 Arizona Travel Employment Distribution

## 2012p, Distribution of Travel-Generated Employment

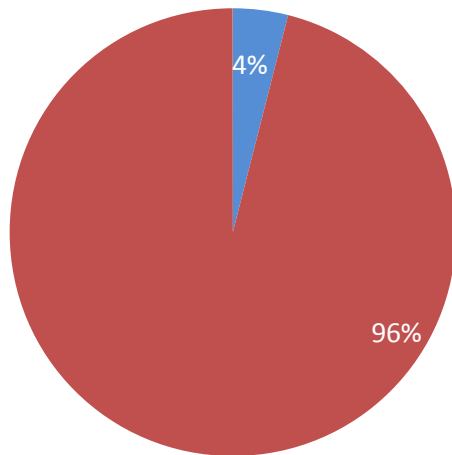
*Percent of State Direct Travel-Generated Employment*



# 2012 Arizona Travel Employment as Percent of Total Area Employment

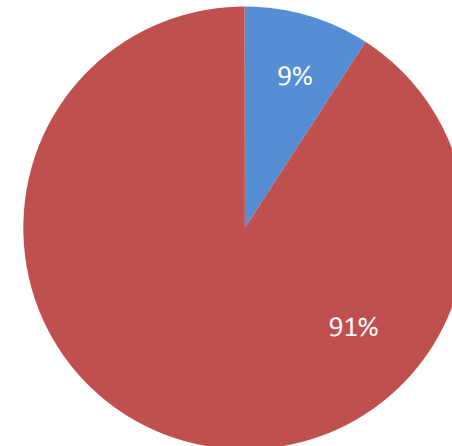
## 2012p, Travel-Generated Employment as Percent of Total Area Employment in Maricopa & Pima Counties

*Percent of Total Area Employment that is Travel-Generated*



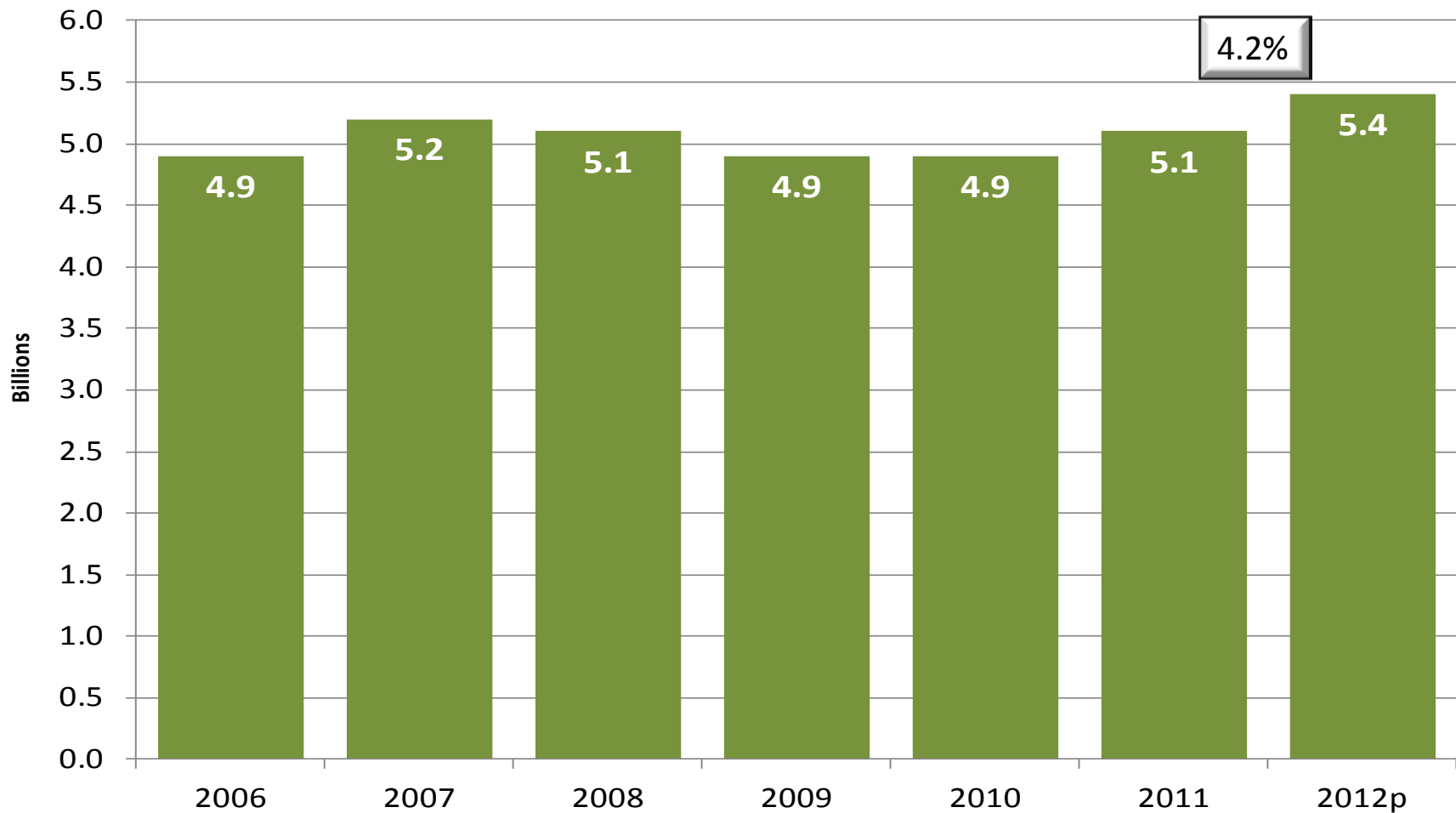
## 2012p, Travel-Generated Employment as Percent of Total Area Employment in All Other Counties

*Percent of Total Area Employment that is Travel-Generated*



## 2012 Direct Travel Earnings in Arizona (dollars)

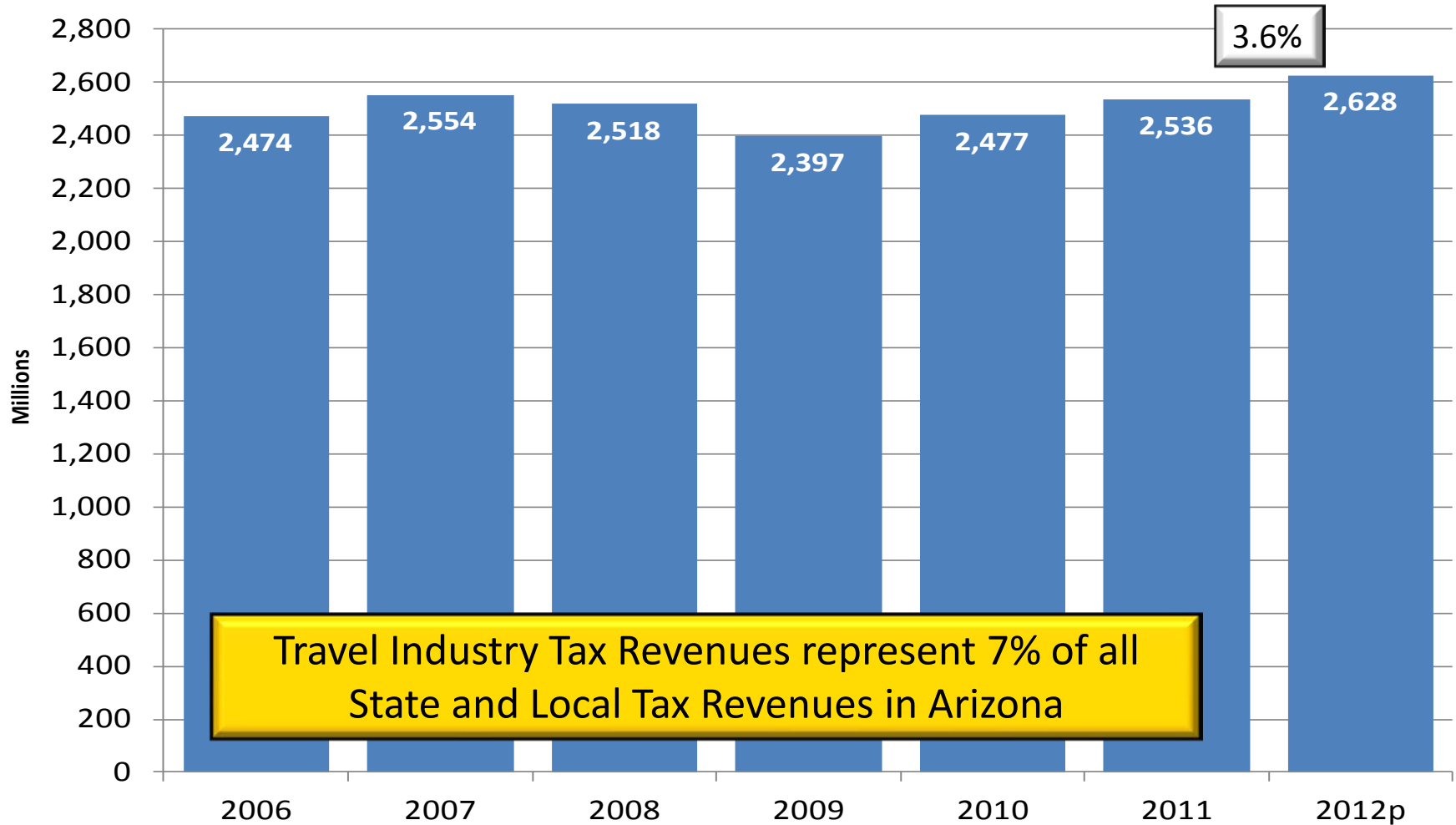
*historical comparison from 2006*



# 2012 Local, State and Federal Tax revenue generated by Direct Travel Spending in Arizona

*historical comparison from 2006*

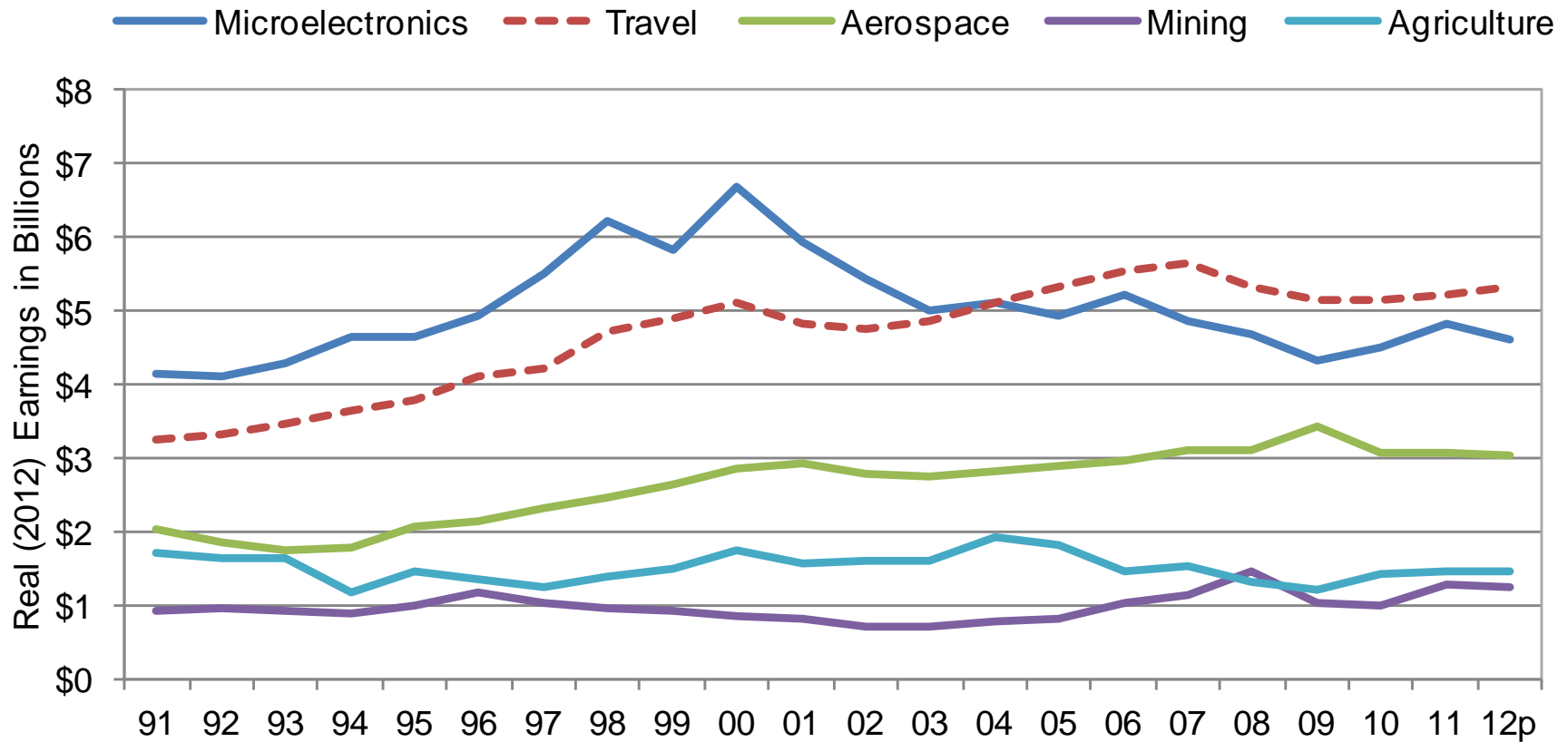
12



# Annual Earnings, Selected AZ Export-Oriented Industries

*historical comparison from 1991*

## Annual Earnings, Selected Arizona Export-Oriented Industries



# 2012 Total Overnight Visitation

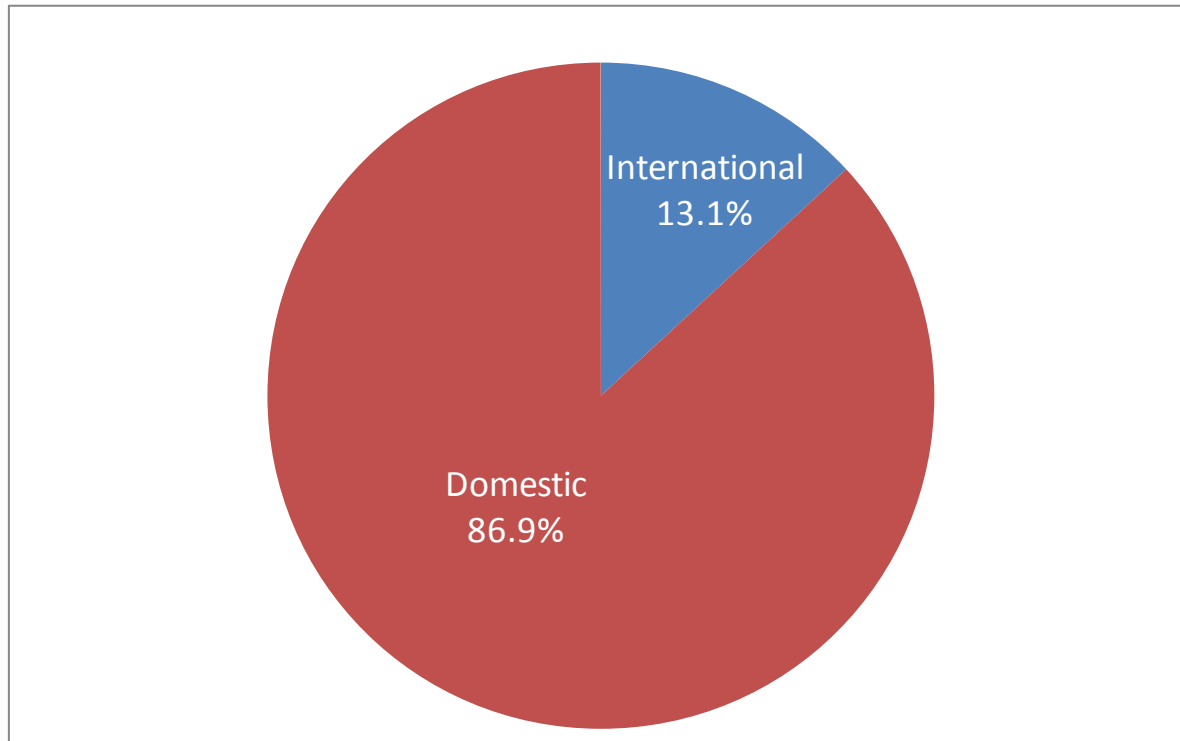
## Total Overnight Visitation to Arizona

| <u>2011</u>  | <u>2012</u>  | <u>% Change</u> |
|--------------|--------------|-----------------|
| 37.6 million | 38.1 million | 1.4%            |



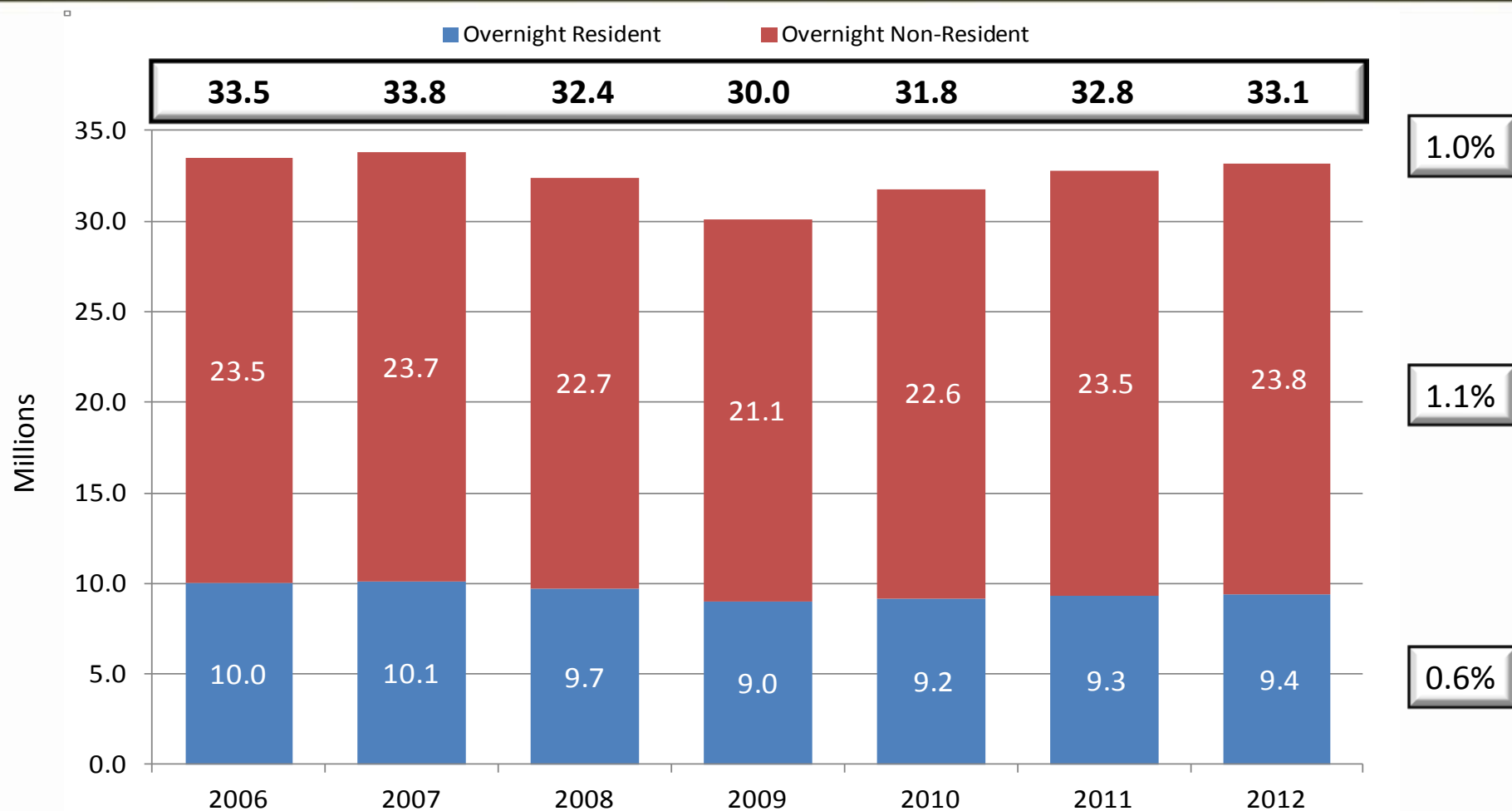
## 2012 Total Visitation to Arizona - Share

### 38.1 million Overnight Visitors to Arizona



Source: Tourism Economics, Office of Travel & Tourism Industries - U.S. Department of Commerce, 2007-08 Mexican Visitors to Arizona – University of Arizona, Statistics Canada

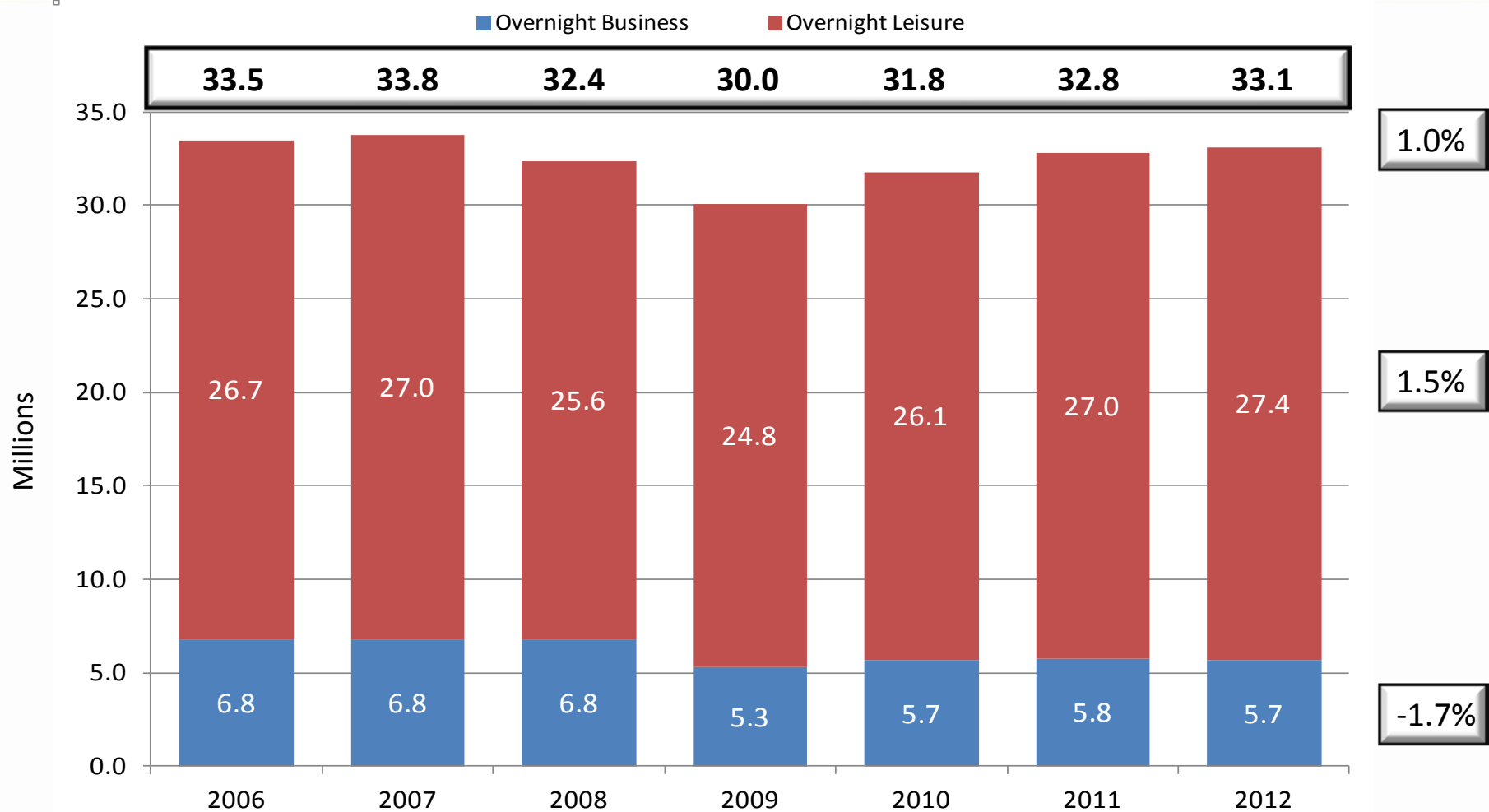
# 2012 Arizona Domestic Overnight Visitation Volume Resident vs. Non-Resident



# 2012 Arizona Overnight Visitor Profile: Domestic Overnight Residents vs. Non-Residents

|  | Domestic Overnight<br>Non-Residents   | Domestic Overnight<br>Residents           |
|--|---------------------------------------|---|
| Share of AZ Overnight Visitors   | 72 %                                  | 28 %                                      |
| Average Length of Stay   | 4.7 nights                            | 2.5 nights                                |
| Average Travel Party Size  | 2.7 persons                           | 2.8 persons                               |
| Purpose of Stay  | 45% VFR, 15% Business,<br>14% Touring | 40% VFR, 14% Business,<br>12% Outdoors    |
| Average Age  | 45.4 years                            | 46.6 years                                |
| Average Household Income   | \$76,880                              | \$63,480                                  |
| Mode of<br>Transportation  | 55% Auto, 38% Air,<br>29% Rented Auto | 88% Auto, 5% Rented Auto,<br>4% Camper/RV |
| Accommodations   | 72% Paid, 28% Non-Paid                | 63% Paid, 37% Non-Paid                    |
| Trip Quarter   | 29% Q1, 25% Q2                        | 29% Q1, 25% Q3                            |
| Trip Expenditures <i>(excluding<br/>transportation to destination)</i> | \$792                                 | \$342                                     |

# 2012 Arizona Domestic Overnight Visitation Volume Leisure vs. Business



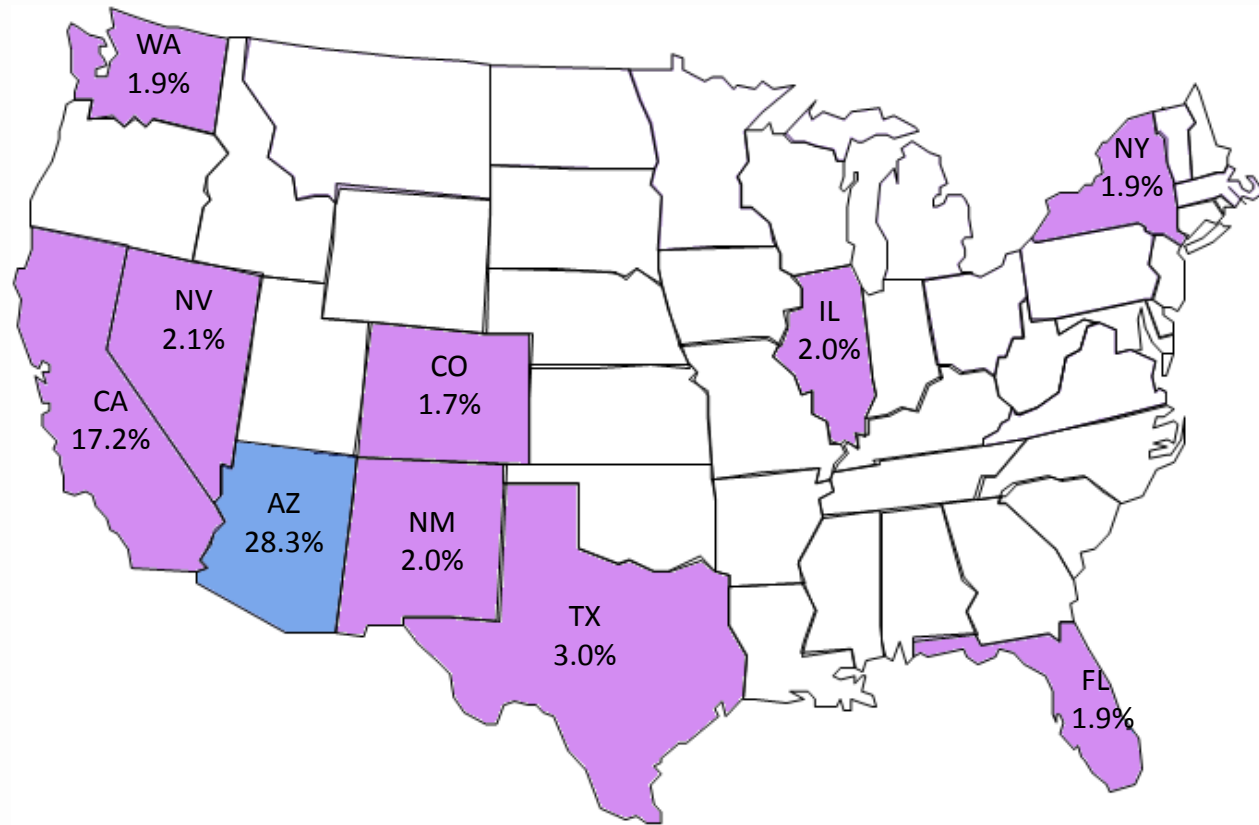
# 2012 Arizona Overnight Visitor Profile: Domestic Overnight Leisure vs. Business

|  | Domestic Overnight<br>Leisure         | Domestic Overnight<br>Business                 |
|--|---------------------------------------|--|
| Share of AZ Overnight Visitors   | 83 %                                  | 17 %   |
| Average Length of Stay   | 3.9 nights                            | 3.4 nights                                     |
| Average Travel Party Size  | 2.9 persons                           | 2.0 persons                                    |
| Purpose of Stay  | 51% VFR, 15% Touring,<br>9% Outdoors  | 69% General Business &<br>31% Conf./Convention |
| Average Age  | 46.9 years                            | 48.8 years                                     |
| Average Household Income   | \$70,520                              | \$86,020                                       |
| Mode of<br>Transportation  | 69% Auto, 24% Air,<br>19% Rented Auto | 50% Auto, 42% Air,<br>30% Rented Auto          |
| Accommodations   | 67% Paid, 33% Non-Paid                | 87% Paid, 13% Non-Paid                         |
| Trip Quarter   | 28% Q1, 24% Q2                        | 32% Q1, 25% Q4                                 |
| Trip Expenditures <i>(excluding<br/>transportation to destination)</i> | \$609                                 | \$668  |

## 2012 Domestic Overnight Visitation – Top Origin States

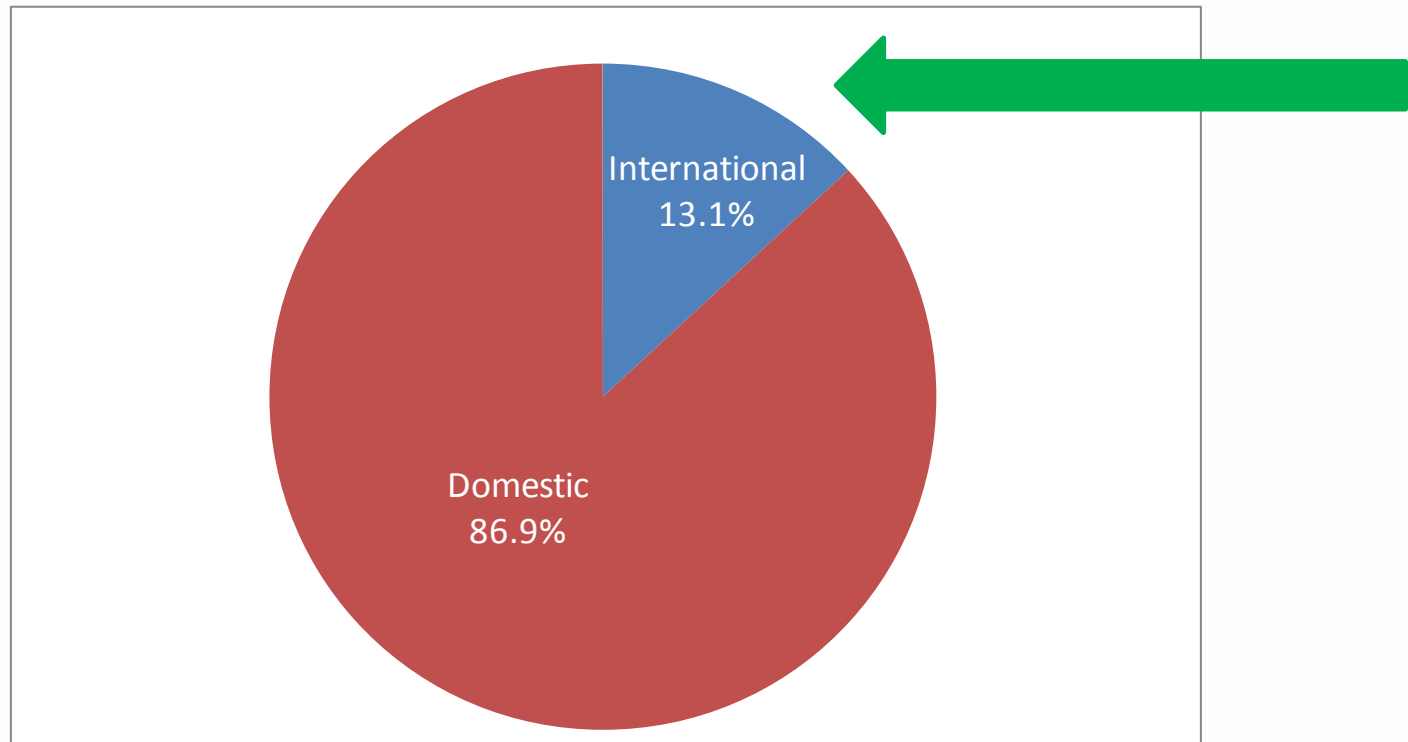
### Top Origin States:

|               |        |
|---------------|--------|
| 1. Arizona    | 28.28% |
| 2. California | 17.16% |
| 3. Texas      | 2.98%  |
| 4. Nevada     | 2.11%  |
| 5. New Mexico | 2.04%  |
| 6. Illinois   | 2.01%  |
| 7. Florida    | 1.91%  |
| 8. Washington | 1.90%  |
| 9. New York   | 1.89%  |
| 10. Colorado  | 1.68%  |



## 2012 Total Visitation to Arizona - Share

### 38.1 million Overnight Visitors to Arizona

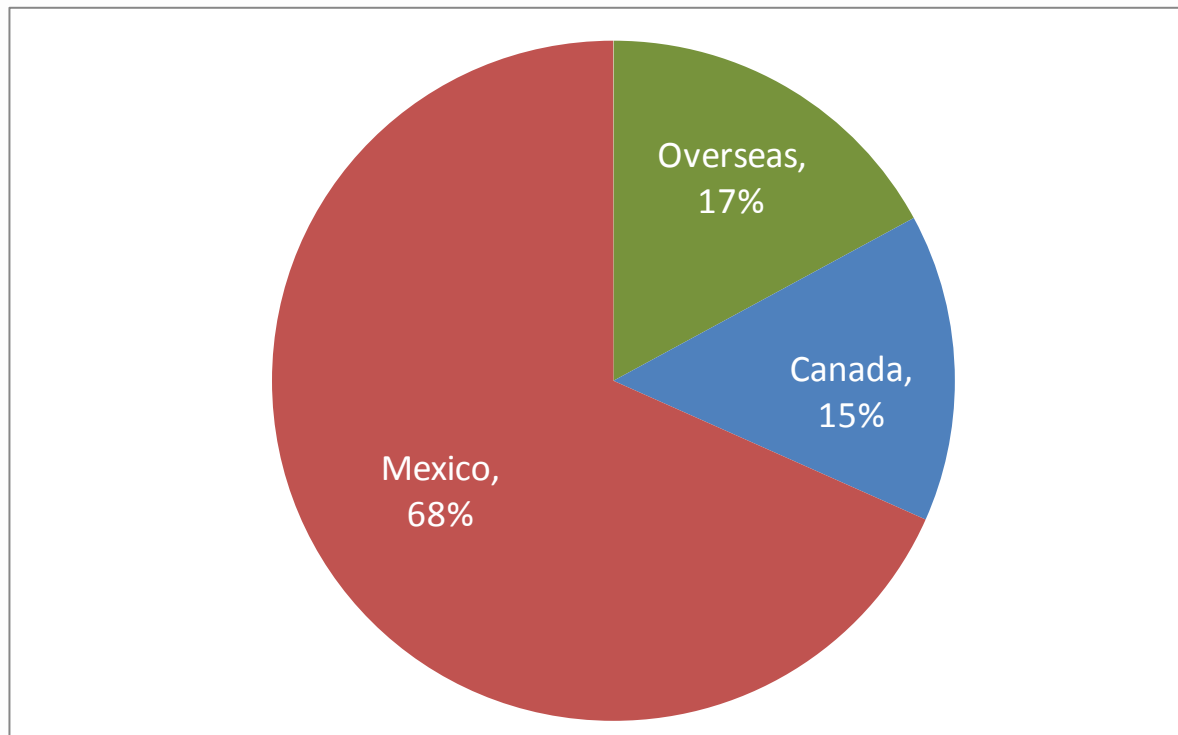


Source: Tourism Economics, Office of Travel & Tourism Industries - U.S. Department of Commerce, 2007-08 Mexican Visitors to Arizona – University of Arizona, Statistics Canada

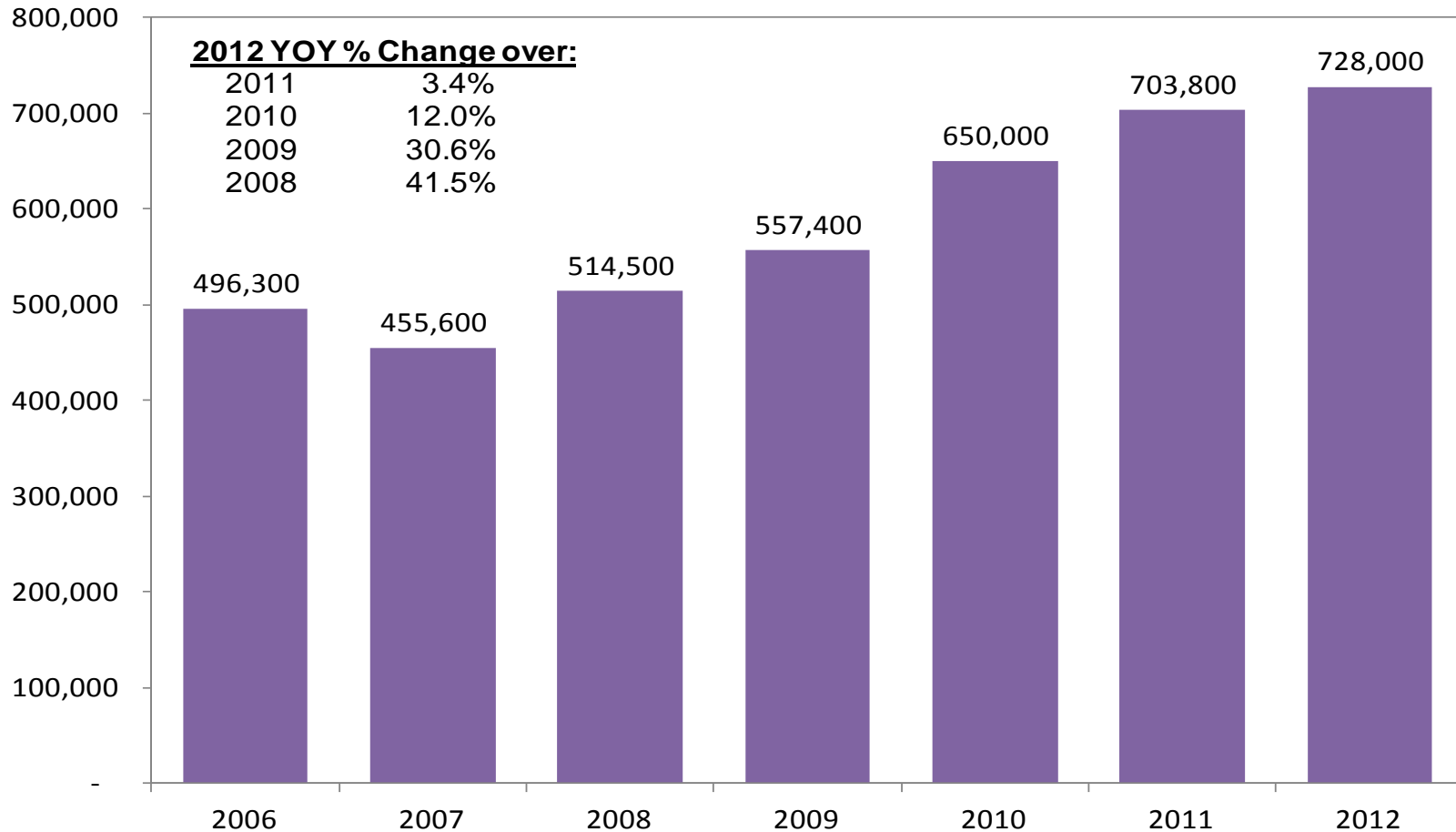


## 2012 International Visitation Market Share – Arizona

International to Arizona  
*5 million overnight visitors*



## 2012 Canadian Visitation to Arizona



## 2012 Canadian Visitation to Arizona by Province

| Province         | 2012           | % Change<br>12/11 |
|------------------|----------------|-------------------|
| Alberta          | 243,600        | 3.3%              |
| Ontario          | 168,100        | -3.9%             |
| British Columbia | 164,500        | 7.0%              |
| Quebec           | 52,300         | 13.2%             |
| Saskatchewan     | 50,600         | 45.4%             |
| Manitoba         | 34,500         | -8.5%             |
| Atlantic Canada  | 14,500         | 29.3%             |
| <b>TOTAL</b>     | <b>728,000</b> | <b>3.4%</b>       |

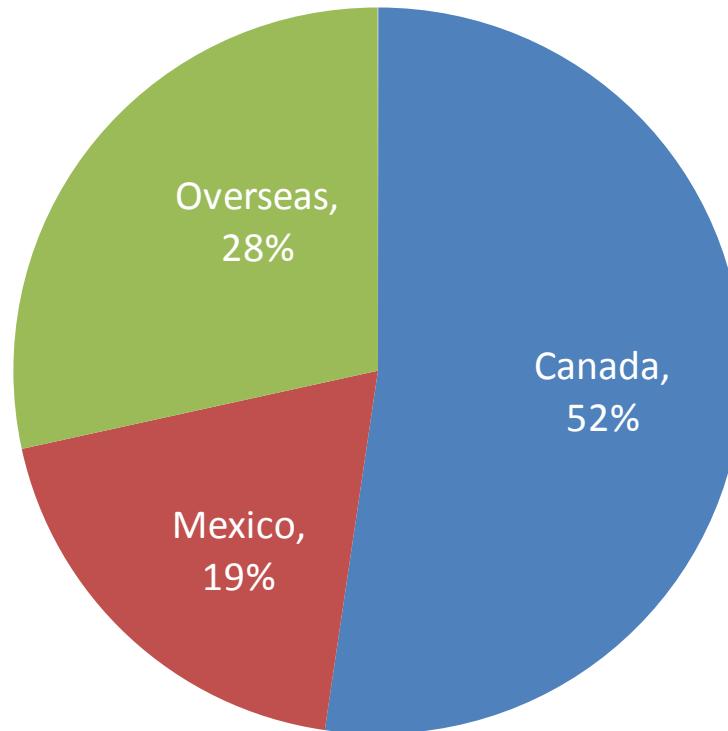
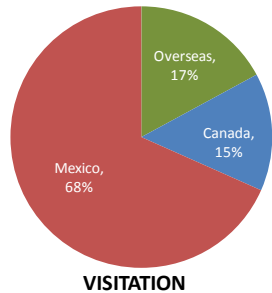
# 2012 International VisaVUE Spending Trends in Arizona

## Top 10 Countries

|                  |                | % CHANGE |          |          |          |          | MARKET SHARE |       |       |       |       |       |
|------------------|----------------|----------|----------|----------|----------|----------|--------------|-------|-------|-------|-------|-------|
| Top Countries to |                | 2008 YOY | 2009 YOY | 2010 YOY | 2011 YOY | 2012 YOY |              |       |       |       |       |       |
| Arizona          |                | % Change | % Change | % Change | % Change | % Change | 2007         | 2008  | 2009  | 2010  | 2011  | 2012  |
| 1                | CANADA         | 0.0%     | -7.9%    | 25.3%    | 11.8%    | 0.8%     | 44.1%        | 45.8% | 50.1% | 53.5% | 53.0% | 52.3% |
| 2                | MEXICO         | -8.1%    | -23.6%   | 10.8%    | 16.4%    | 9.7%     | 21.3%        | 20.2% | 18.4% | 17.4% | 17.9% | 19.2% |
| 3                | UNITED KINGDOM | -10.2%   | -37.4%   | -0.2%    | -3.4%    | -0.4%    | 7.4%         | 6.9%  | 5.1%  | 4.4%  | 3.7%  | 3.6%  |
| 4                | GERMANY        | -15.9%   | -18.3%   | 0.4%     | 8.1%     | -2.8%    | 3.8%         | 3.3%  | 3.2%  | 2.7%  | 2.6%  | 2.5%  |
| 5                | FRANCE         | 32.9%    | -16.8%   | -1.9%    | 6.3%     | -0.3%    | 2.3%         | 3.2%  | 3.2%  | 2.7%  | 2.5%  | 2.4%  |
| 6                | JAPAN          | -22.2%   | -26.0%   | 15.8%    | 29.0%    | 1.7%     | 2.6%         | 2.1%  | 1.8%  | 1.8%  | 2.1%  | 2.1%  |
| 7                | CHINA          | 17.9%    | 18.1%    | 26.2%    | 61.5%    | 41.9%    | 0.5%         | 0.6%  | 0.8%  | 0.9%  | 1.2%  | 1.7%  |
| 8                | AUSTRALIA      | -12.7%   | -8.6%    | 14.9%    | 15.6%    | -3.1%    | 1.6%         | 1.4%  | 1.5%  | 1.5%  | 1.5%  | 1.5%  |
| 9                | SWITZERLAND    | 2.9%     | -10.6%   | 16.2%    | 24.5%    | -8.4%    | 0.9%         | 1.0%  | 1.0%  | 1.0%  | 1.1%  | 1.0%  |
| 10               | BRAZIL         | -4.8%    | 1.2%     | 50.3%    | 15.8%    | 3.4%     | 0.7%         | 0.7%  | 0.8%  | 1.0%  | 1.0%  | 1.0%  |
| TOTAL            |                | -3.5%    | -15.8%   | 17.2%    | 12.9%    | 2.3%     |              |       |       |       |       |       |

Source: The Arizona Office of Tourism estimates based on and extrapolated from aggregate card usage data provided by VisaVue Travel for the period of 2012 and incorporates data from other independent research sources.

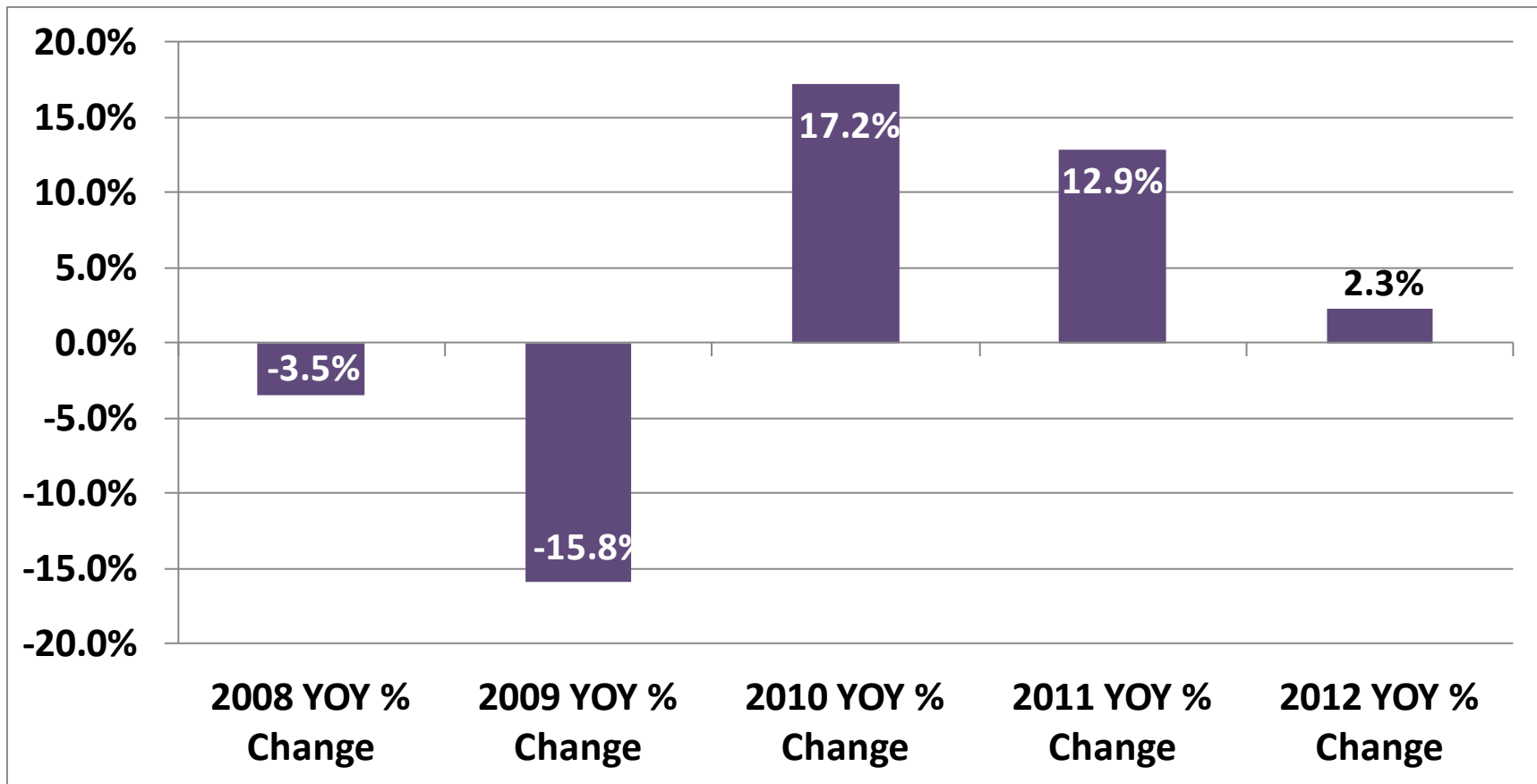
## 2012 International VisaVUE Spending Trends in Arizona



Source: The Arizona Office of Tourism estimates based on and extrapolated from aggregate card usage data provided by VisaVue Travel for the period of 2012 and incorporates data from other independent research sources.

## 2012 International VisaVUE Spending Trends in Arizona

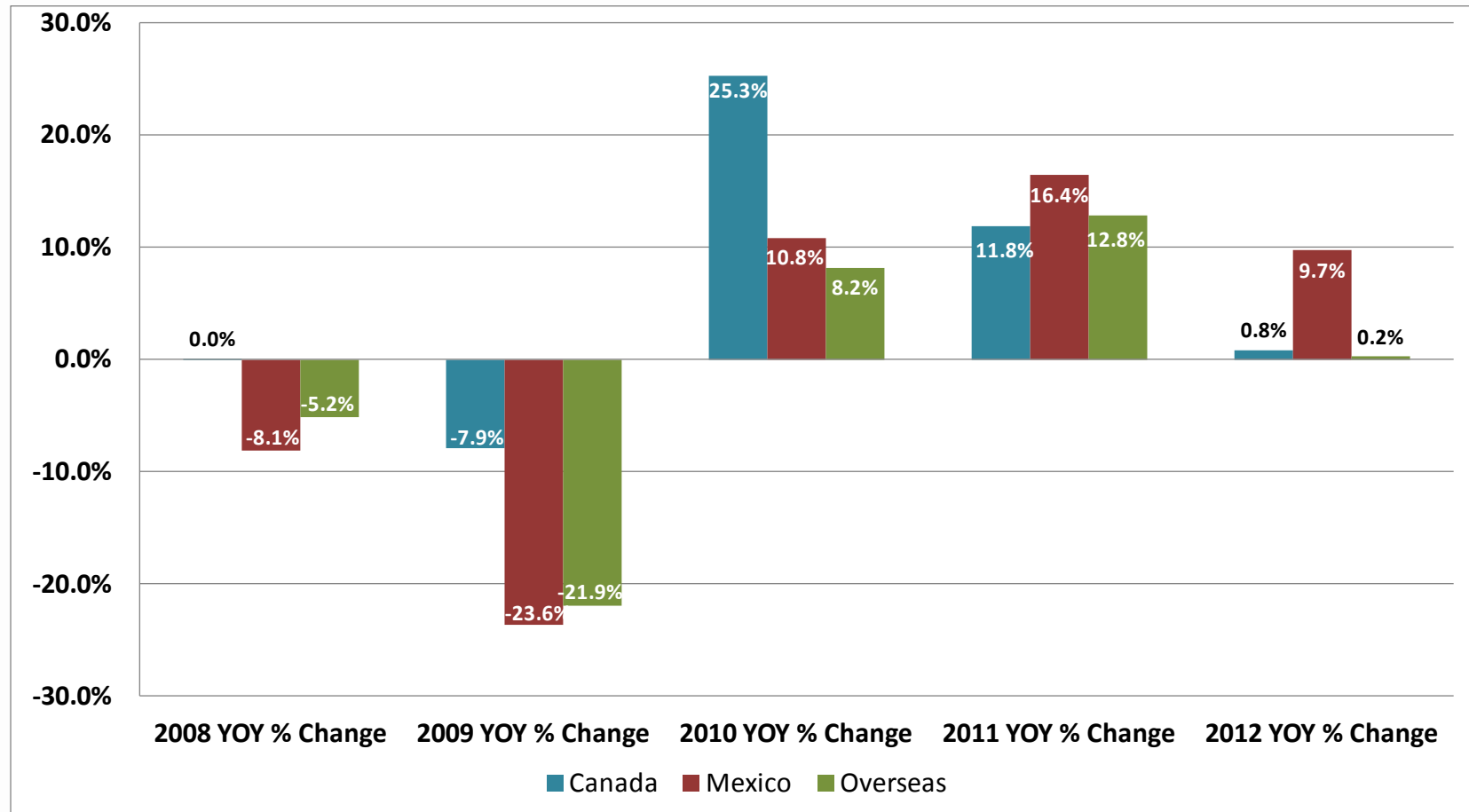
Total International Spending % Change (Year-over-Year)



Source: The Arizona Office of Tourism estimates based on and extrapolated from aggregate card usage data provided by VisaVue Travel for the period of 2012 and incorporates data from other independent research sources.

## 2012 International VisaVUE Spending Trends in Arizona

**Total International Spending % Change (Year-over-Year) by Segment**



Source: The Arizona Office of Tourism estimates based on and extrapolated from aggregate card usage data provided by VisaVue Travel for the period of 2007-2012 and incorporates data from other independent research sources.



# Arizona Regional Profiles

# Arizona's Five Marketing Regions



Northern  
North Central  
West Coast  
Central & Phoenix  
Tucson & Southern

# Arizona's Northern Region Profile

**\$1.5 billion** (7.8% of Arizona Direct Travel Spending)  
in direct spending generated:

- 15,900 direct jobs
- \$394 million direct earnings
- \$103 million in local and state tax revenues

**5.8 million Domestic Overnight Visitors**  
(17.7% of Arizona's Domestic Overnight Visitors)

**9% Share of VisaVUE International Spending**  
(Top Country Spending from Canada, France and Germany)



Counties: Apache, Coconino, Navajo

## Arizona's North Central Region Profile

**\$1.06 billion** (5.6% of Arizona Direct Travel Spending)  
in direct spending generated:

- 12,100 direct jobs
- \$257 million direct earnings
- \$66 million in local and state tax revenues

**4.5 million Domestic Overnight Visitors**  
(13.7% of Arizona's Domestic Overnight Visitors)

**4% Share of VisaVUE International Spending**  
(Top Country Spending from Canada, Japan and UK)



Counties: Gila, Graham, Greenlee, Yavapai



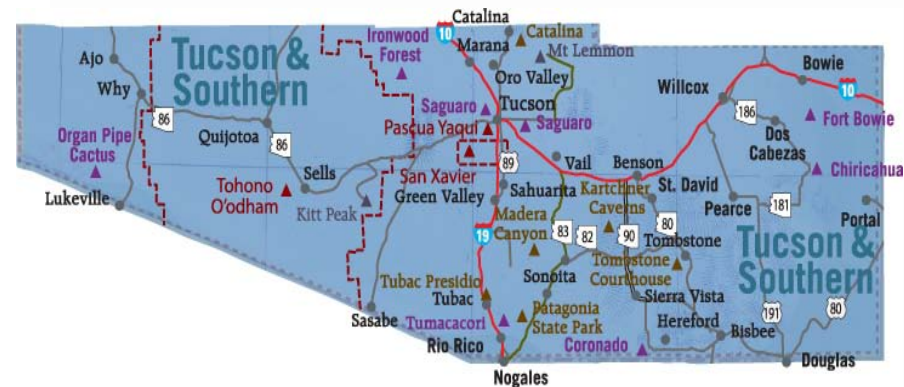
## Arizona's Tucson & Southern Region Profile

**\$3.3 billion** (17.1% of Arizona Direct Travel Spending)  
in direct spending generated:

- 28,000 direct jobs
- \$700 million direct earnings
- \$190 million in local and state tax revenues

**7.0 million Domestic Overnight Visitors**  
(21.0% of Arizona's Domestic Overnight Visitors)

**21% Share of VisaVUE International Spending**  
(Top Country Spending from Mexico, Canada and UK)



Counties: Cochise, Pima, Santa Cruz

## Arizona's West Coast Region Profile

**\$ 1.3 billion** (6.7% of Arizona Direct Travel Spending)  
in direct spending generated:

- 13,800 direct jobs
- \$313 million direct earnings
- \$81 million in local and state tax revenues

**4.2 million Domestic Overnight Visitors**  
(12.7% of Arizona's Domestic Overnight Visitors)

**8% Share of VisaVUE International Spending**  
(Top Country Spending from Canada, Mexico and Germany)



Counties: La Paz, Mohave, Yuma

## Arizona's Phoenix & Central Region Profile

**\$ 12.2 billion** (63.2% of Arizona Direct Travel Spending)  
in direct spending generated:

- 91,600 direct jobs
- \$3.7 billion direct earnings
- \$772 million in local and state tax revenues

16.7 million Domestic Overnight Visitors  
(50% of Arizona's Domestic Overnight Visitors)

60% Share of VisaVUE International Spending  
(Top Country Spending from Canada, Mexico and UK)



Counties: Maricopa, Pinal



# Arizona Indicators

# Arizona Indicators - Summary

2012 Annual % Change compared to 2011, 2010 & 2007

| 2012 Arizona Tourism Indicators |                    |        |                    |       |                    |       |               |
|---------------------------------|--------------------|--------|--------------------|-------|--------------------|-------|---------------|
| Indicator                       | % Change from 2007 |        | % Change from 2010 |       | % Change from 2011 |       | 2012 Volume   |
| Tourism Related Tax             | ▼                  | -5.5%  | ▲                  | 13.3% | ▲                  | 4.9%  | \$559,148,796 |
| Airports (Enplaned & Deplaned)  | ▼                  | -1.0%  | ▲                  | 2.8%  | ▲                  | 0.6%  | 46,694,380    |
| State Park Visitation           | ▼                  | -6.1%  | ▼                  | -0.4% | ▲                  | 5.2%  | 2,170,077     |
| National Park Visitation        | ▼                  | -2.9%  | ▼                  | -2.2% | ▼                  | -1.0% | 11,507,469    |
| Statewide Lodging               |                    |        |                    |       |                    |       |               |
| <i>Occupancy</i>                | ▼                  | -13.1% | ▲                  | 3.0%  | ▲                  | 0.3%  | 57.5%         |
| <i>ADR</i>                      | ▼                  | -7.9%  | ▲                  | 4.8%  | ▲                  | 1.8%  | \$97.10       |
| <i>RevPAR</i>                   | ▼                  | -20.1% | ▲                  | 7.9%  | ▲                  | 2.1%  | \$55.82       |
| <i>Demand</i>                   | ▼                  | -2.4%  | ▲                  | 4.3%  | ▲                  | 0.6%  | 23,568,277    |
| <i>Supply</i>                   | ▲                  | 12.5%  | ▲                  | 1.3%  | ▲                  | 0.3%  | 40,998,183    |

\* The above tax estimates DO NOT include the 1% temporary tax increase which took effect June 1, 2010 and expired June 1, 2013.

Source: Arizona State Parks, National Park Service, Individual Arizona Airports, Arizona Dept. of Revenue, Northern Arizona University and Smith Travel Research

# Arizona Indicators 2013 YTD

| 2013 YTD Arizona Tourism Indicators |          |       |       |
|-------------------------------------|----------|-------|-------|
| Indicator                           | 2013 YTD |       |       |
| Tourism Related Tax                 | ▲        | 5.0%  | April |
| Airports (Enplaned & Deplaned)      | ▼        | -0.2% | April |
| State Park Visitation               | ▼        | -2.0% | March |
| National Park Visitation            | ▲        | 4.7%  | Jan   |
| Statewide Lodging                   |          |       |       |
| <i>Occupancy</i>                    | ▲        | 1.5%  | May   |
| <i>ADR</i>                          | ▲        | 3.1%  | May   |
| <i>RevPAR</i>                       | ▲        | 4.6%  | May   |
| <i>Demand</i>                       | ▲        | 1.3%  | May   |
| <i>Supply</i>                       | ▼        | -0.1% | May   |

\* The above tax estimates DO NOT include the 1% temporary tax increase which took effect June 1, 2010 and expired June 1, 2013.

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