

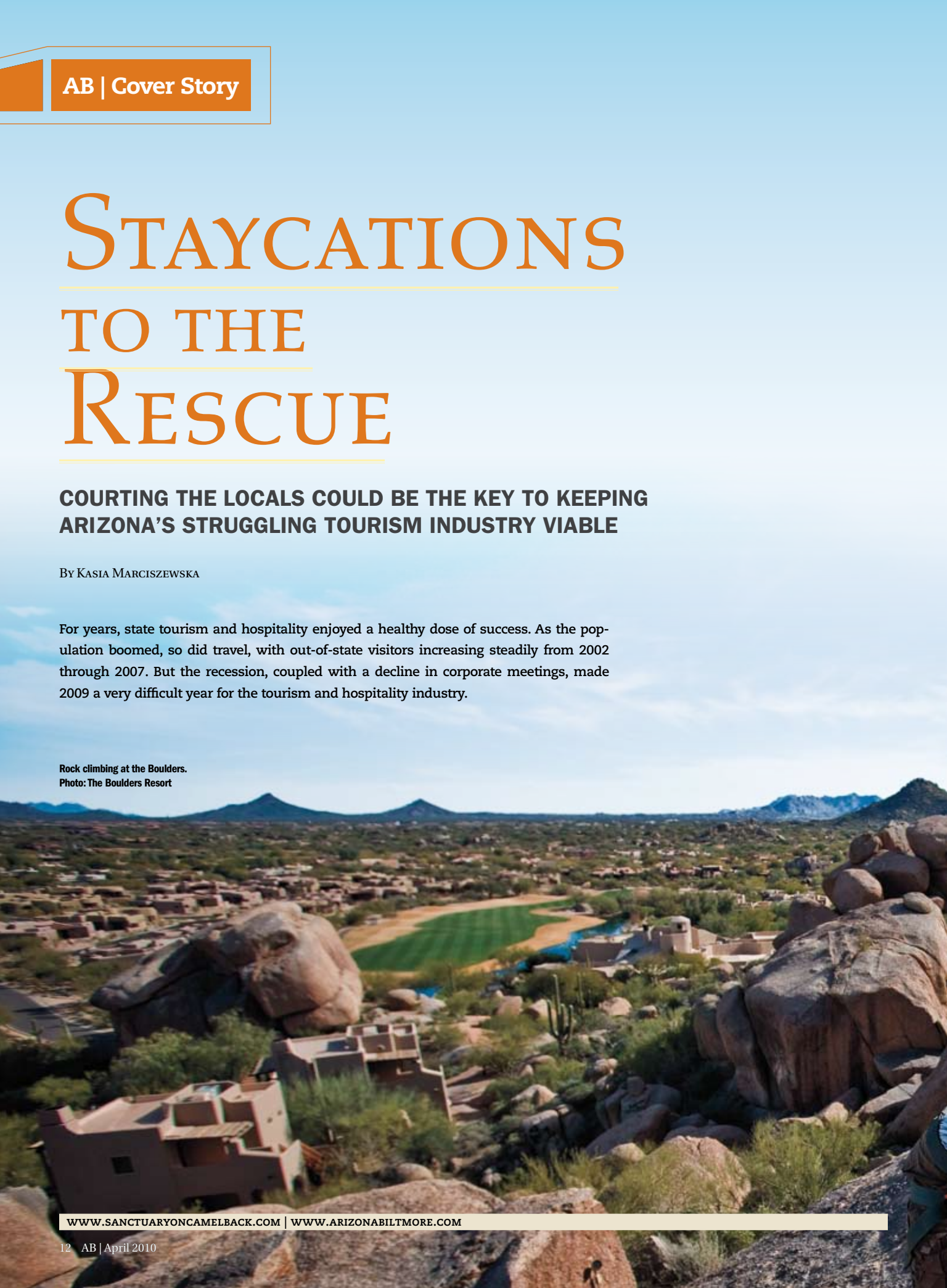
# STAYCATIONS TO THE RESCUE

**COURTING THE LOCALS COULD BE THE KEY TO KEEPING ARIZONA'S STRUGGLING TOURISM INDUSTRY VIABLE**

By KASIA MARCISZEWSKA

For years, state tourism and hospitality enjoyed a healthy dose of success. As the population boomed, so did travel, with out-of-state visitors increasing steadily from 2002 through 2007. But the recession, coupled with a decline in corporate meetings, made 2009 a very difficult year for the tourism and hospitality industry.

Rock climbing at the Boulders.  
Photo: The Boulders Resort



Arizona resorts and hotels that promoted staycations as a way to ride out the slow summer months, are now counting on them year-round to remain viable until the economy improves significantly.

"We are seeing more local and regional business to the resort throughout the entire year than ever before," says Michael Stephens, general manager of the Hyatt Regency Scottsdale. "If ever there was a time to take advantage of some really great offers in-season, this is the year."

Industry insiders hope that by providing extra incentives and cost-saving measures to locals, tourism will get the boost it needs to get through the economic downturn.

"If embraced and harnessed correctly, tourism is the state's strongest weapon against further economic woes," says Debbie Johnson, president and CEO of the Arizona Hotel & Lodging Association.

And the local market is one that can be deeply mined. According to the Arizona Office of Tourism's (AZOT) year-end summary, the second largest tourist segment was comprised of state residents, with 9.8 million overnight visitors. Although domestic non-residents still made up the largest share of overnight visitors, Arizonans logged an impressive 33 percent of the state's domestic overnight visitors in 2008.

Industry professionals are sending the message to locals that a staycation is a cost-effective alternative to out-of-state travel.

"Why spend tons of time and money on flights or inflated gas prices when we have such an incredibly diverse state with attractions and amenities that other people travel the globe to experience," Johnson asks. "It's not either/or; what we're trying to communicate is that a staycation IS a vacation."

#### **Economic Impact**

In AZOT's year-end summary it was reported that direct travel spending in Arizona in 2008 was \$18.5 billion. Travel spending also generated 166,900 direct jobs paying \$5 billion in earnings. The report also stated that Arizona visitors staying overnight in paid lodging accounted for 41.2 percent of all visitor spending in 2008.

"Choosing a staycation keeps hard-earned money in our state, which generates tax revenues that trickle through the entire Arizona economy," says Jennifer Wesselhoff, president and CEO of the Sedona Chamber of Commerce.

In-state travel is important to every county, although some rely on it more than others. According to AZOT, travel spending is more critical to the economies of Arizona's rural counties.

To help Arizona communities and tribal entities with their tourism development and marketing efforts, AZOT is coordinating an educational outreach program called Arizona Tourism University. The uni-







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versity conducts free workshops on tourism topics and offers advice on marketing plans, style guidelines and more.

Last year, AZOT also partnered with the Arizona Hotel & Lodging Association to launch a Web site, [www.valueaz.com](http://www.valueaz.com), dedicated to helping individuals find the best travel deals available.

"We're trying to help our members get the word out about their great deals, and educate residents that they can and should feel good about spending their money on in-state travel," says Johnson, who is also president and CEO of the Valley Hotel and Resort Association in addition to serving as the executive director of the Arizona Tourism Alliance.

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— Michael Stephens,  
Hyatt Regency Scottsdale

### Deals for Locals

Along with the limping economy, a sharp drop in corporate meetings since 2008 has forced resorts to diversify their brands and market staycations. To that end, hospitality establishments across the Valley and state are pushing incentives aimed at the local community.

"We have chosen to be creative in positioning ourselves with a variety of different package options," says Michael Hoffman, managing director of the Boulders Resort & Golden Door Spa.

The Boulders has created a series of adult-centered activities, including rock climbing, hiking and spa treatments, to lure Arizona's adult community.

Even resorts that are synonymous with exclusive luxury are now a more affordable option for locals.

"(Staycations) are more important than ever in building occupancy. They serve as a catalyst for increasing business across the entire resort," says David Richard, area director of sales and marketing for Starwood Hotels, a hotel and leisure company that owns the Phoenician.

Richard also notes that staycations allow the local community to experience the Phoenician at a much more attractive price point.





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And the Valley staple is not the only high-end resort to recognize the importance of attracting residents during these dismal economic times. The Arizona Biltmore — a presence in the Valley since 1929 — also has set its sights on increasing its staycation market.

“It creates an opportunity for a lot of people to visit our resort,” says Andrew Stegen, general manager of the Arizona Biltmore.

In addition to traditional advertising, the Biltmore has successfully utilized social media and Internet specials as a way of alerting locals about deals and promotions.

Beginning on May 22, summer rates for the luxurious resort start at \$99 a night. In addition to these reduced rates, the Biltmore offers numerous cost-saving options, including all-inclusive golf packages, spa specials and restaurant deals. Stegen is certain that with more exposure, staycations will change the way residents view travel.

*“It’s not either/or; what we’re trying to communicate is that a staycation IS a vacation.”*

— Debbie Johnson, Arizona Hotel & Lodging Association

The Sanctuary Camelback Mountain Resort & Spa also has developed many promotional efforts focusing on staycations. Special deals are e-mailed exclusively to individuals who follow the resort online.

“(With a staycation) you wind up getting a lot more vacation hours for your buck,” says Michael Surguine, general manager of the Sanctuary.

Another resort offering incentives to residents is the Hyatt Regency Scottsdale Resort and Spa at Gainey Ranch. Last year, the resort launched its Shades of Summer program, which offered deals to families, including free meals, Camp Hyatt activities for kids and giveaways. The resort is planning to have similar incentives this summer.

“Our success was really built on adding value,” acknowledges general manager Michael Stephens. “I will say that the Hyatt Regency Scottsdale has never been this affordable all year round than this year.”

#### Arizona Amenities

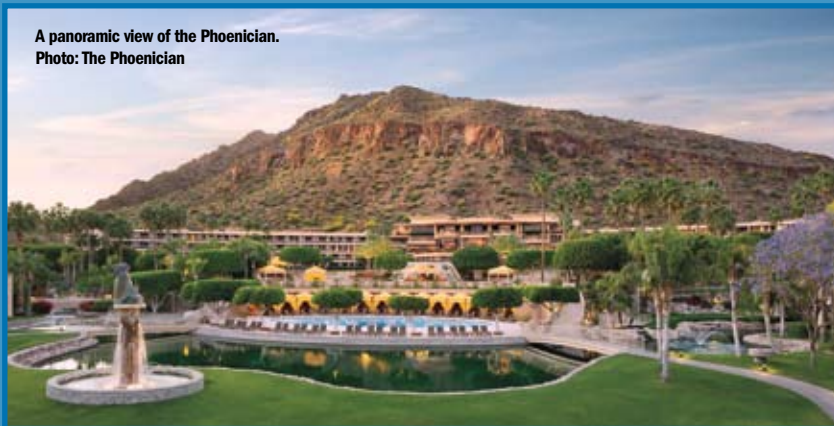
Thanks to the deals now being offered at local hotels and resorts, Arizonans can take advantage of the state’s abundant natural endowments. According to AZOT, exploring the state’s wonders is one of the top activities for resident travelers. Overnight residents were more likely to take part in hiking or backpacking — 15.1 percent versus 11.4 percent for overnight, non-resident tourists. Residents also led the pack in camping and fishing activities.

“In economic downturns, people often look for more ‘real’ and natural experiences, and Arizona is very well positioned to offer travelers an authentic experience,” says Heather Ainardi, director of the Flagstaff Convention & Visitors Bureau.

#### The Future of Staycations

While the economy begins its slow trek back, staycations remain a viable option for locals looking for a special travel experience at affordable prices. More importantly, it is this type of local travel that can stimulate the hospitality industry and help it survive the recessionary downturn.

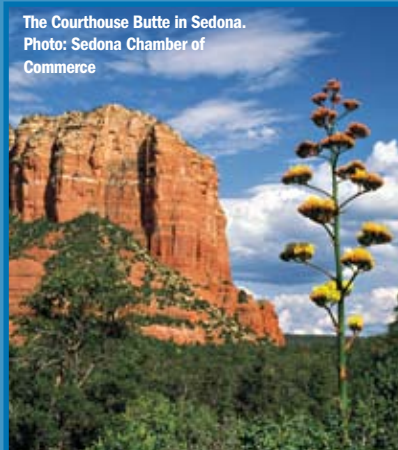
“Regardless of the economic climate, or perhaps because of it, people will want to get away from it all and enjoy some leisure time,” says Richard of Starwood Hotels. **AB**



A panoramic view of the Phoenician.  
Photo: The Phoenician



Couple’s massage at the Boulders Resort & Golden Door Spa.  
Photo: The Boulders Resort



The Courthouse Butte in Sedona.  
Photo: Sedona Chamber of Commerce



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