

TEAM SAN JOSE

Community and Economic Development Committee
September 25, 2023
Item (d)1



Presenters:

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Team San Jose
Convention Center and Facility
Performance Results
YTD June 30, 2023 (Unaudited)

Economic Drivers: Measurements of success in supporting local and regional economic growth.

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>Annual Goal</u>	<u>% Achieved</u>	<u>% Annual Goal Achieved</u>
Estimated Visitor Spending (EEI)*	\$ 52,061,524	\$44,294,493	\$ 7,767,031	\$ 44,294,493	118%	118%
Future Hotel Room Nights Booked (Citywide)	111,486	111,000	486	111,000	100%	100%

Operating Drivers: Measurements of success relating to operating all facilities.

	<u>YTD Actual</u>	<u>YTD Goal</u>	<u>Variance</u>	<u>Annual Goal</u>	<u>% Achieved</u>
Customer Satisfaction	100%	95%	5%	95%	105%
Response Rate - Theaters	14%				
Response Rate - Convention Center	100%				
Total Response Rate	29%				
Theater Occupied Days	91%	74%	17%	71%	123%
Gross Operating Revenue	\$ 33,488,018	\$ 39,762,481	\$ (6,274,462)	\$ 39,762,481	84%
Gross Operating Results	\$ 2,970,444	\$ 643,003	\$ 2,327,441	\$ 643,003	462%

Occupied Days include move-in, move-out and performance.

* Formula is based on visitor spending and event type booked at the facilities managed by Team San Jose.

Team San Jose
Convention Center and Facility
Performance Goals
Fiscal Year 2023-24

	<u>FY 2023-24 Goal</u>	<u>FY 2022-23 Actual*</u>	<u>% Variance to Last FY Actual</u>
Estimated Direct Visitor Spending	\$ 55,108,300	\$ 52,061,524	6%
Future Hotel Room Nights Booked (Citywide)	112,000	111,486	0%
Theater Occupancy	91%	91%	0%
Gross Operating Results	\$ 1,539,364	\$ 2,970,444	-48%
Customer Satisfaction	95%	100%	-5%

* - Unaudited

ECONOMIC IMPACTS

KEY FINDINGS

VISITOR SPENDING

Interest in travel continued to grow in 2022, increasing visitor activity. Strong consumer confidence and demand for travel boosted visitor volumes, while rising prices drove spending even higher. In 2022, visitors to San Jose spent \$2.4 billion, an increase of 51% over the prior year.

TOTAL ECONOMIC IMPACT

The \$2.4 billion spent in 2022 by visitors generated a total economic impact of \$3.2 billion. This total economic impact included 21,135 jobs, and \$367 million in state and local tax revenues.



\$3.2 BILLION

Total Economic Impact of Tourism in San Jose in 2022



\$2.4B

Direct Visitor
Spending



\$3.2B

Total
Economic
Impact



21,135

Total
Jobs
Generated



\$367M

State & Local
Taxes
Generated



VISITOR TRENDS

San Jose welcomes a diverse array of visitors each year. In 2022, visitors who spent less than a day in the city accounted for 69% of all visitors. Overnight visitors, however, were responsible for 60% of spending. The average overnight visitor spent \$231 in San Jose. Visitors from countries other than the U.S. represented only 3% of all visitors but 16% of all visitors spending. The average international visitor to San Jose spent \$691.

Visitors by Trip Type

Number of visitors in millions, Visitor spending in \$ billions, Per visitor Spending in \$

	2018	2019	2020	2021	2022	2022 Growth	% of 2019
Total visitors M	20.6	21.1	11.2	14.8	19.9	34.8%	94.4%
Day	13.3	13.8	7.8	10.6	13.8	29.9%	99.7%
Overnight	7.3	7.3	3.4	4.2	6.1	47.4%	84.2%
Visitor spending \$B	\$2.803	\$2.847	\$1.254	\$1.558	\$2.352	51.0%	82.6%
Day	\$0.860	\$0.922	\$0.528	\$0.716	\$0.936	30.6%	101.5%
Overnight	\$1.943	\$1.925	\$0.726	\$0.842	\$1.416	68.3%	73.6%
Per visitor spending \$	\$136	\$135	\$112	\$105	\$118	12.0%	87.6%
Day	\$65	\$67	\$67	\$68	\$68	0.6%	101.8%
Overnight	\$265	\$264	\$213	\$202	\$231	14.2%	87.4%

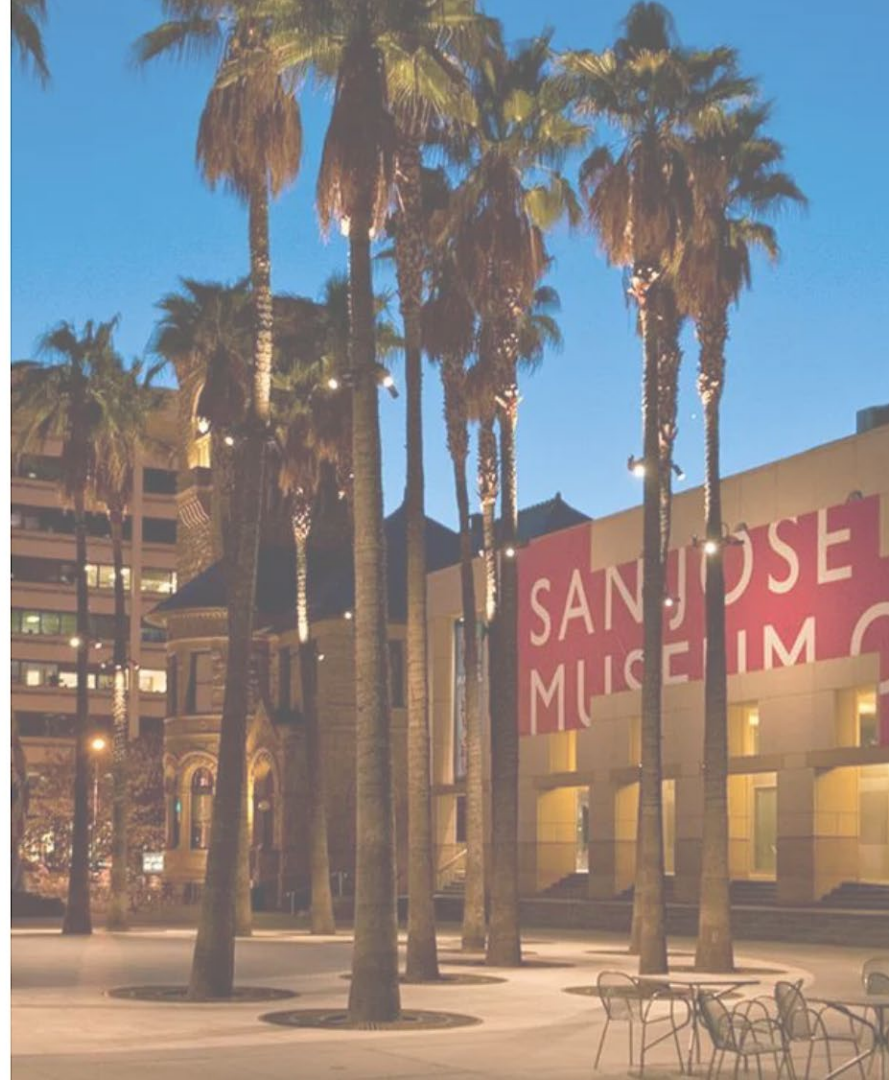
Sources: Longwoods International, STR, Tourism Economics
Totals may not sum due to rounding

Visitors by Origin

Number of visitors in millions, Visitor spending in \$ billions, Per visitor Spending in \$

	2018	2019	2020	2021	2022	2022 Growth	% of 2019
Total visitors M	20.6	21.1	11.2	14.8	19.9	34.8%	94.4%
Domestic	19.6	20.1	11.0	14.4	19.4	34.1%	96.1%
International	1.0	1.0	0.2	0.3	0.6	64.3%	57.5%
Visitor spending \$B	\$2.803	\$2.847	\$1.254	\$1.558	\$2.352	51.0%	82.6%
Domestic	\$1.979	\$2.096	\$1.124	\$1.428	\$1.966	37.7%	93.8%
International	\$0.824	\$0.750	\$0.130	\$0.130	\$0.387	196.9%	51.5%
Per visitor spending \$	\$136	\$135	\$112	\$105	\$118	12.0%	87.6%
Domestic	\$96	\$99	\$100	\$97	\$99	2.1%	99.4%
International	\$833	\$771	\$571	\$383	\$691	80.7%	89.7%

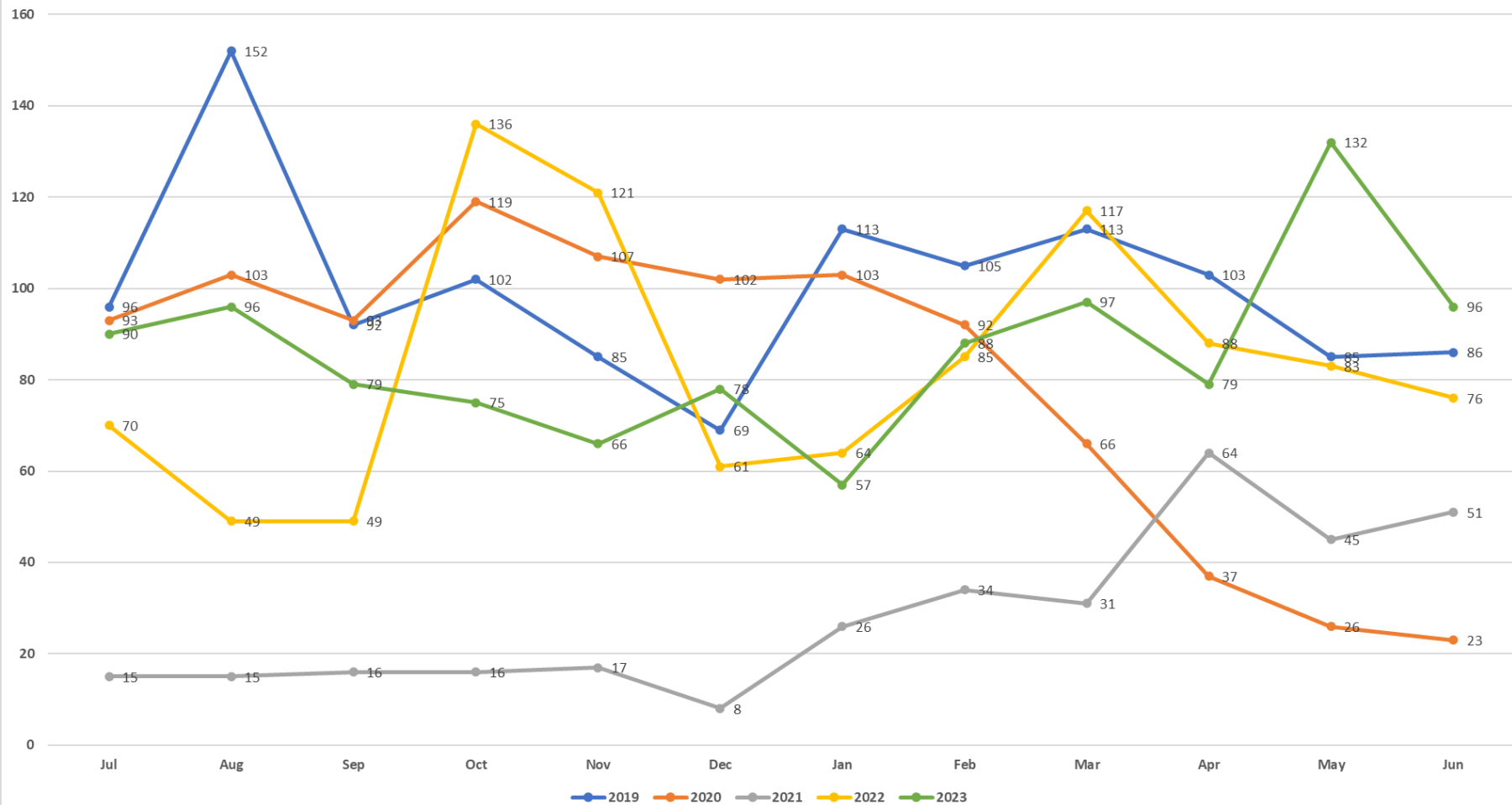
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Overarching Sales Strategies

- Primary focus on proactive sales for 24-month window (2023 – 2024)
- “Mosaic Approach” to business solicitation, belief that most groups and events have good value if they are placed correctly
- Extensive, integrated group marketing campaign to raise planner awareness of San Jose as a stand-alone NorCal destination (less emphasis on Bay Area) and generate RFPs
- Working closely with hotel partners to align sales strategies for large groups with larger room block needs
- Utilizing T&E and sponsorship funding for highest customer engagement opportunities and to mitigate meeting cost increases

Sales Leads Comparison YOY
FY18-19 - FY22-23



Paid Media Plan Overview

- The objective of the plan is to drive incremental hotel room nights, and thus incremental TOT revenue, through visitation by targeting and converting digital travel intenders with paid digital media strategies.
- The media mix for this plan is made up of digital programmatic, travel endemic (such as TripAdvisor and Expedia), paid social, and paid search. The campaign creative was produced by local artists and is also featured on Team San Jose's owned media channels including consumer and meetings websites, eCRM, (email data bases of both consumers and meeting planners), earned media (PR placements), and social media.
- Visit California (the state's destination marketing organization) media partnerships were leveraged in every way possible including features in their Meetings print and digital campaigns, podcast sponsorship, full-page insertion in the Visit CA Road Trips Guide, and additional e-newsletters to Visit California consumer subscribers.

Fiscal Year 2023 Consumer Paid Media Production Reporting, Spend Produced

IMPRESSIONS	145,449,217	INQUIRIES	9,112,861
HOTEL SEARCHES	2,428,801	HOTEL BOOKINGS	20,942 Bookings (79,580 room nights)
FLIGHT SEARCHES	3,298,971	FLIGHT BOOKINGS	31,295
HOTEL REVENUE	\$11,777,363	REACH	48,483,072
TOTAL REVENUE	\$35,801,621	TOTAL ROAS	\$34.49

Definitions:

- Inquiries = Website pageviews/interactions, off-site ad unit interactions
- ROAS = Return on Ad Spend
- Impressions = How many times the an ad was delivered to users.

All production data above is sourced from: ADARA Impact, Sojern and Expedia.

*Inclusive of paid media and paid social

Paid Media Plan Overview

- The objective of the plan is to drive new meetings business and group bookings. This is done through paid digital media strategies that drive leads. Leads are then used by our TSJ Sales team to convert curious meeting planners into booked clients.
- The media mix is made up of digital programmatic, meeting endemic digital (display, email, eNewsletters, webinars), paid social and paid search.
- These efforts are supported by meetings-specific creative content and in conjunction with Team San Jose's owned B2B channels including website, meeting planner database, PR, and social media efforts.

Paid Media Report:

Fiscal Year 2023 Performance

Meetings Performance Overview

65,343,603	20,418,407	2,681,716	120	3,394
Total Campaign Impressions	Total Campaign Reach	Total Campaign Inquiries	Total RFP Completions	Total email contacts received

*Inclusive of Paid Digital Media and Paid Social

Definitions:

- Impressions = How many times the an ad was delivered to users.
- Reach = Unique individuals reached through media campaign
- Inquiries = Website pageviews/interactions, off-site ad unit interactions
- RFP = Request for Proposal (an online form used to request more information for planning a meeting/event to be held in San Jose)

Owned Organic Social Media

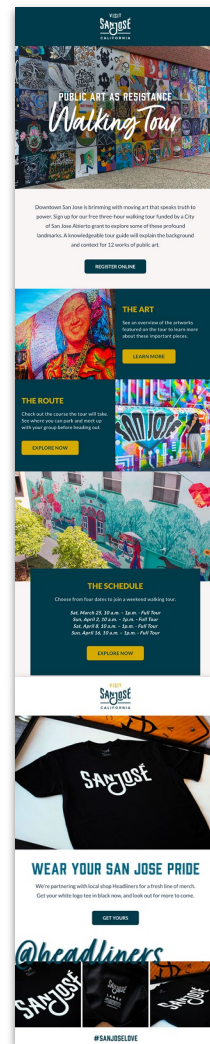
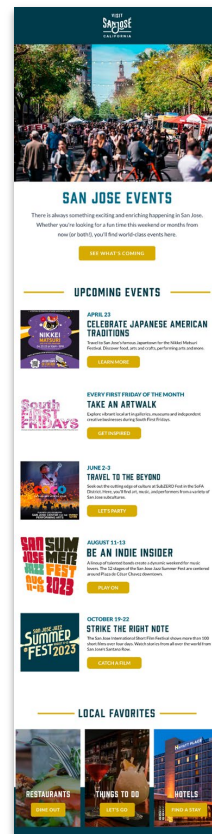
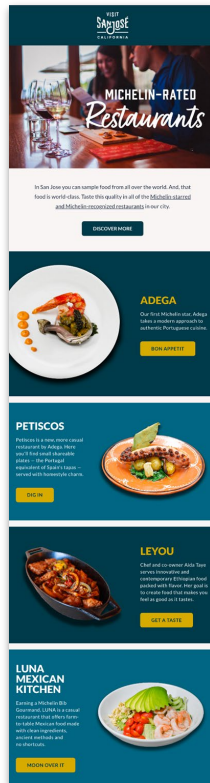
PLATFORM	JUNE 2022	JUNE 2023	YOY
FACEBOOK	29,009	30,475	5%
INSTAGRAM	16,841	28,545	69.5%
TWITTER	8,639	8,398	-2.79%
LINKEDIN	2,751	3,105	12.87%
YOUTUBE	437	460	5.26%
PINTEREST	579	633	9.33%
TikTok		371	
TOTALS	58,256	71,987	23.57%

Organic followers increased by 116% across all Visit San Jose social platforms, **+ 24% YoY**. This includes Instagram, Facebook, LinkedIn, Twitter, YouTube, Pinterest, and the addition of TikTok.

Despite a continued pause in X, (formerly Twitter) activity, average engagement jumped to **12% across all platforms** (previously 1.5% from July - December 2022). This is attributed to increased weekly social posts, leaning heavily on short form video, favored by algorithms.

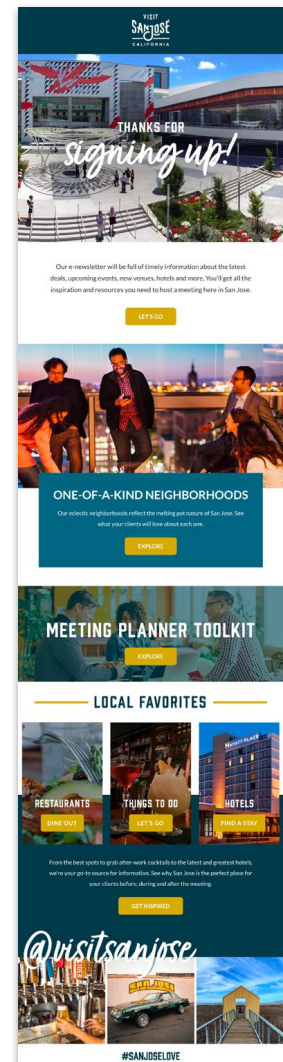
EMAIL: January - June 2023 (Leisure)

- From January to June, **11 campaigns** were launched totaling over **590k emails sent**. **21,824 new subscribers** were added between July and December due largely to paid search and paid social efforts.
- Emails to our active and modal signup segments generated an average **32% open rate** and **1.4% click rate**.
 - Travel industry benchmarks: 20% open rate and 1.4% click rate
- Total Leisure Database 81,114**



EMAIL: January - June 2023 (Meetings)

- From January to June, 1722 new Meeting Planner email signups were sent our Meetings Welcome Email.
- Another 4,611 meeting planner leads in the Bay Area were also sent a welcome email.
- These emails generated an average 29% open rate and 1.6% click-to-open rate.
- In addition, 8 media emails were deployed via various vendors to their meeting planner databases.
- **Total Meetings database 7,650**



PR Highlights

- Placed 38 stories in national and local publications and outlets
 - Reach 30M unique views**
 - Ad Value \$191.5K**
- Compared to the last half of 2022, both reach and ad value increased 73% and 15%.
 - Increase is attributed to several national press hits, including North American exposure across affiliate broadcast stations stemming from local TV news coverage of Genesis Gaming.
- Focused on positioning San Jose as a meetings and leisure destination, reiterating the economic impacts of tourism.



All the Non-Tech Related Reasons to Plan
Your Next Trip to San Jose

Online

Reach 4.7M | Ad Value \$9K



Vote: Best New Winery
Experience

Online

Reach 1.7M | Ad Value \$3.2K



How American Chinatowns Emerged
Amid 19th-Century Racism

Online

Reach 11.7M | Ad Value \$22.1K



Homegrown E-Sports Competition
is Back

Broadcast + Online

Reach 2.2M | Ad Value \$85.4K



California: Offering Diversity, Great
Weather and an Abundance of Outdoor
Options

Print + Online

Reach 6.1K | Ad Value \$4.6K

Thank You!



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