

TEAM SAN JOSE

CEDC Update

September 28th, 2020

Agenda

- FY 19-20 Performance Measures
- FY 19-20 Dashboard Metrics
- FY 20-21 Performance Goals
- Hotel Performance and Forecast w/ COVID
- FY 20-21 Sales Strategy and Tactics
- FY19-20 – Marketing Performance
- FY 19-20 – Public Relations
- 3/20-9/20 – COVID and WILDFIRE PIVOT
- FY 20-21 – Marketing Strategy and Tactics
- Operational Adjustments Under COVID

FY19-20 Performance Results

Team San Jose
Convention Center and Facility
Performance Results
Year-End (Unaudited) vs Feb 2020 YTD

	FY 2019-20 Unaudited Year End				Feb 2020 YTD (Pre-COVID)			
	<u>YTD Actual</u>	<u>Annual Goal</u>	<u>Variance</u>	<u>% Annual Goal Achieved</u>	<u>Feb 2020 YTD Actual</u>	<u>Feb 2020 YTD Goal</u>	<u>Variance</u>	<u>% Feb 2020 YTD Goal Achieved</u>
Estimated Direct Visitor Spending	\$ 62,653,107	\$ 89,419,561	\$ (26,766,454)	70%	\$ 60,631,192	\$ 46,267,176	\$ 14,364,016	131%
Future Hotel Room Nights Booked (Citywide)	105,975	160,000	(54,025)	66%	90,071	102,666	(12,595)	88%
Theater Occupancy	64%	87%	-23%	74%	87%	79%	8%	110%
Gross Operating Revenue	\$ 35,283,692	\$ 52,245,505	\$ (16,961,813)	68%	\$ 32,769,777	\$ 24,457,740	\$ 8,312,037	134%
Gross Operating Results	\$ 3,167,000	\$ 14,326,389	\$ (11,159,389)	22%	\$ 7,394,998	\$ 6,039,528	\$ 1,355,470	122%
Customer Satisfaction	100%	95%	5%	105%	100%	95%	5%	105%
Response Rate	33%				33%			

FY19-20 Dashboard Metrics

// TEAM SAN JOSE HIGHLIGHTS //

// ECONOMIC IMPACT

Direct Spending

FYTD \$62,653,107

FYTD YOY ↓ 50.7%

Local Tax

FYTD \$2,717,258

FYTD YOY ↓ 54.7%



// OPERATING REVENUES

F & B

FYTD \$12,271,602

FYTD YOY ↓ 55.9%



Labor

FYTD \$9,514,085

FYTD YOY ↓ 51.4%



Building Revenue

FYTD \$4,257,458

FYTD YOY ↓ 47.0%



Other

FYTD \$3,336,941

FYTD YOY ↓ 56.2%



// VENUE ATTENDANCE

Total Venue Attendees

715,087

Convention Center

FYTD

247,688

FYTD YOY

↓ 40.9%

California Theatre

FYTD

28,845

FYTD YOY

↓ 47.5%

Center for the Performing Arts

FYTD

163,566

FYTD YOY

↓ 13.5%

San Jose Civic

FYTD

87,632

FYTD YOY

↓ 25.4%

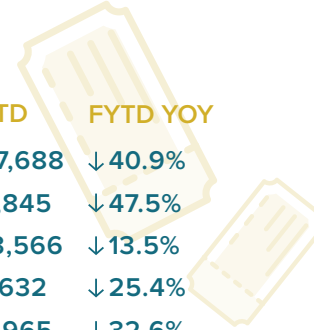
Montgomery Theater

FYTD

22,965

FYTD YOY

↓ 32.6%



// HOTEL INFO

Occupancy

FYTD

57.5%

FYTD YOY

↓ 25.7%

Average Daily Rate

FYTD

\$181.73

FYTD YOY

↓ 9.3%

Revenue Per Room

FYTD

\$141.95

FYTD YOY

↓ 6.6%

// ROOM NIGHT BOOKINGS

Future Room Night Sales

FYTD

105,975

FYTD YOY

↓ 40.1%



// WEBSITE UNIQUE VISITORS

Total Newsletter Subscribers

88,477

SanJose.org

SanJoseTheaters.org

MONTHLY

49,668

15,492

FYTD

1,006,805

818,562

FYTD YOY

↓ 10.7%

↓ 26.9%

// SOCIAL MEDIA

Facebook Likes



30,320

Instagram Followers



9,908

Twitter Followers



8,395

Pinterest Followers



560

YouTube Subscribers



387

LinkedIn Followers



2,568



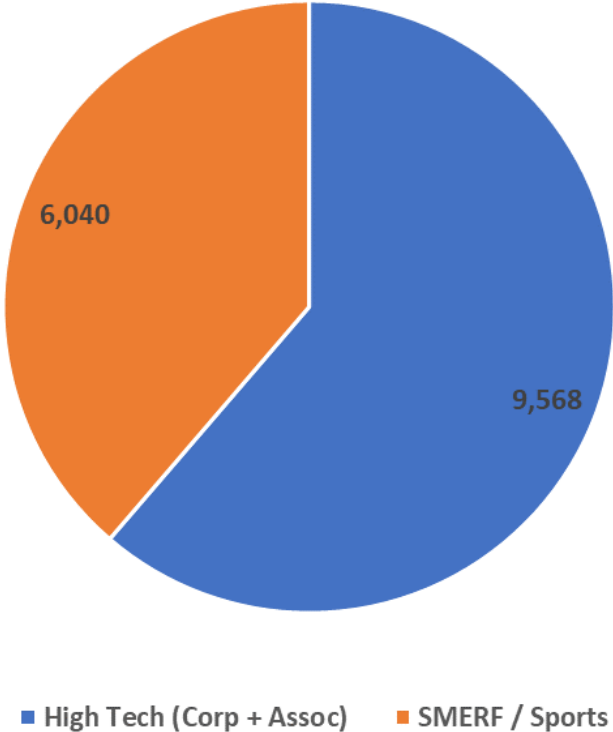
YEAR END FY 19/20

Sales Dashboard

Market Segmentation of Future Citywide Room Nights Booked

Future Citywides Booked	FYTD	%FYOY
Count	10	-61.5%
Rooms	15,608	-87.6%

Lead Generation	FYTD	%FYOY
Event Leads Entered	963	-19.5%
Room Night Leads Entered	1,067,514	-20.7%



FY20-21 Performance Goals

Non-Financial Performance Measure Assumptions

- **Hotel Room Nights:** Reviewed and approved by the hoteliers. Utilized a gap analysis of future bookings by year to target amounts of rooms we want for each year. However, we are seeing decreased demand with high levels of uncertainty about the future of the meetings and event space right now. Decreasing goal greatly as so much uncertainty will hamper the team's ability to close.
- **Estimated Visitor Spend:** We are anticipating a few events to return in Q2 of the FY with business slowly building over Q3 – Q4. However, we anticipate that a combination of new social distancing requirements, a hampered economy, and consumer leanness around large group spaces will combine to greatly reduce attendance for events that do occur. Therefore, we anticipate a significant year-over-year decrease of both attendance and visitor spending for this fiscal year.

Non-Financial Performance Measure Assumptions (cont.)

- **Theater Occupancy:** Similar to above, a small amount of events forecasted (limited mainly to arts partners) for Q2 of the FY with business building steadily over Q3 – Q4.
- **Customer Satisfaction:** Customer Satisfaction is the one area where we are holding our performance targets flat as we will continue to deliver excellent service regardless of event volume or size.

**Team San Jose
Convention Center and Facility
Performance Goals
Fiscal Year 2020-21**

	<u>Annual Goal</u>	<u>% Variance to Last FY Goal</u>
Estimated Direct Visitor Spending	\$ 28,707,785	-68%
Future Hotel Room Nights Booked (Citywide)	119,820	-25%
Theater Occupancy	77%	-11%
Gross Operating Revenue	\$ 29,979,348	-43%
Gross Operating Results	\$ 945,263	-93%
Customer Satisfaction	95%	0%

Hotel Performance and Forecast w/ COVID

Background

- Team San Jose contracted with Tourism Economics to analyze the effect of COVID-19 on visitor spending and hotel performance and to provide a forecast for FY 2020-21
- Of particular concern was the projection for hotel room revenues as they directly impact Transient Occupancy Tax (TOT)
- Output of this research was shared with City of San Jose Budget office and the derived room revenue forecasts were utilized in the creation of the FY 2020-21 TOT forecast and budget.
- TSJ will continue to partner with the Budget office in monitoring actual room revenue performance (and TOT receipts) to ensure adherence to forecasted budget.

FY 19-20 Benchmark Hotel Rev vs. FY 20-21 Actual Hotel Rev

	FY 2019-20 (Benchmark)				FY 2020-21 (Actual)		
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2 Month Total
Room Revenue Forecast*	\$ 20,746,960	\$ 6,383,383	\$ 8,967,500	\$ 10,834,762	\$ 11,380,144	\$ 13,516,363	\$ 24,896,507
Actual Room Revenue	\$ 17,227,713	\$ 4,393,261	\$ 6,415,339	\$ 8,608,019	\$ 10,163,167	\$ 13,227,045	\$ 23,390,212
% of Mid-Point Forecast	83.0%	68.8%	71.5%	79.4%	89.3%	97.9%	93.9%

* - Tourism Economics' forecast was utilized only in creation of the FY 2020-21 budget. TSJ began benchmarking against the forecast model in March 2020 to obtain a baseline of performance prior to the start of FY 20-21. After significant underperformance to the model in the early stages of COVID-19 - performance has rebounded to move into closer alignment with the model.

FY 20-21 Sales Strategy and Tactics

Overarching Sales Strategies

- Diversification of market segmentation with particular focus on local High Tech, Association and weekend business – SMERF and Sports
- Emphasize short-term (2021) opportunities; recognize that smaller in-house meetings will materialize prior to larger convention center events
- Build and maintain strong customer relations with business already booked for FY 20-21 amidst great uncertainty around COVID by always dealing in good faith
- Leverage GBAC Gold Star certification and other new safety and health innovations as sales tools
- Develop new virtual selling tool for the Convention Center and theaters
- Secure appropriate resources to ensure that sales team is engaged in the market as soon as it is safely possible to do so
- Maximize convention center space through pattern and space management, especially in peak seasons

FY19-20 Marketing Performance

FY19-20 Objectives and Strategies

OBJECTIVE	STRATEGY
Drive hotel room nights of Bleisure/Leisure audiences	Target and convert likely bleisure/leisure travel intenders for weekend rooms
Drive hotel room nights through Meeting Planners	Target and convert for weekend room nights
Identify hotel need periods and help offset	Use measurement resources combined with first- and third-party data to identify hotel need periods and activate tactical media support to drive bookings

FY19-20 ALL CAMPAIGNS: Bleisure, Meetings, Theaters

IMPRESSIONS
70.5M
TOTAL IMPRESSIONS DELIVERED
-
98.8M
PLANNED IMPRESSIONS
71% to Planned Impressions
Under delivery due to pausing campaigns in the wake of COVID-19

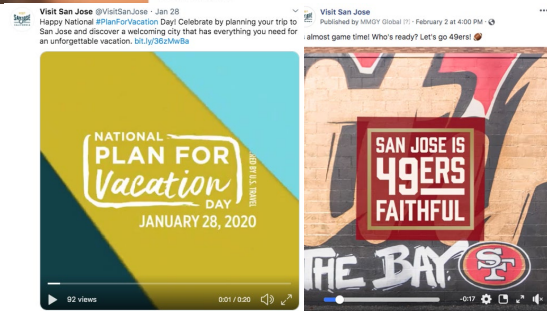
REVENUE / ROAS
\$4.48M
TOTAL EST. HOTEL REVENUE
-
23K
TOTAL EST. HOTEL BOOKINGS
-
6.6
TOTAL EST. ROAS

Source: ADARA Impact, July 2019–June 2020; DCM, July 2019–June 2020

OWNED

• Social:

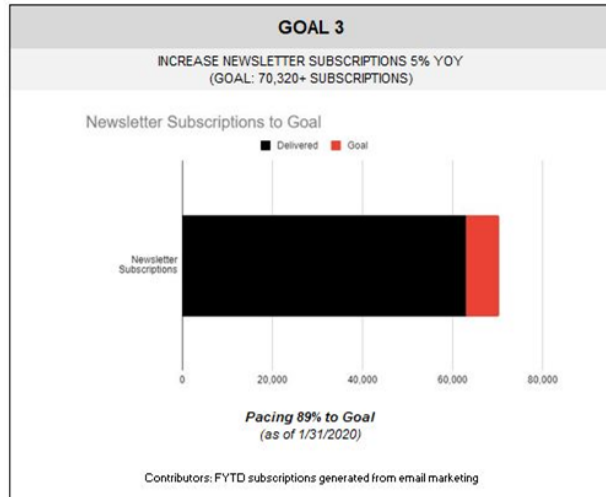
- Increased and streamlined organic posting cadence across platforms by 400%, driving significant increases in audience engagement MoM across channels
- Activated UGC collection for use throughout content
- Created custom content supporting the following campaigns:
 - Holiday Happenings
 - Theaters Month
 - San Jose Restaurant Week
 - Têt
 - #SanJoseLove
 - SuperBowl
 - Black History Month
 - Many More
- Follower growth up 15 % FYTD across all platforms



OWNED

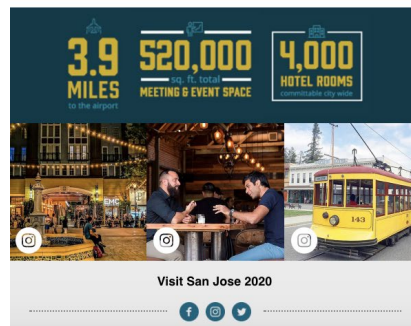
• Email:

- Segmented database to roll-out ongoing communication strategies specific to Leisure and Meeting Planner audiences
- Implemented new data-capture tactics via website and social channels to support database growth



Host your next innovative event in San Jose, the capital of Silicon Valley. Have your pick of over 500,000 square feet of flexible event space. Available in every size and shape, ready to accommodate your next meeting. The recently renovated, San Jose McEnery Convention Center is home to hundreds of popular events. Your guests will find themselves in the middle of it all in our compact, walkable downtown. When the event wraps up, the fun is just getting started at craft cocktail bars, intimate music venues, lounges, galleries and more, all steps from their hotel. And the nearby airport makes getting here as simple as choosing San Jose.

EXPLORE NOW



Enjoy the best of San Jose with special offers created just for you! Participating restaurants from San Jose neighborhoods are creating special menus with enticing offers so you can explore and discover special taste treats at fabulous 48% OFF.

SEE OFFERS



5.2% #SanJoseEats



Visit San Jose 2020



OWNED

- **Website:**

- Dedicated landing pages created for all need-period and earned/owned campaigns
- Web traffic seeing spikes across need-period and earned/owned campaign flights, comparing same period YOY:
 - Theaters Month: **up 167%**
 - Restaurant Week: **up 33%**
 - #SanJoseLove: **up 15%**



San Jose Restaurant Week is January 16 to 26!

Join in this citywide celebration of culinary talent and restaurants to explore neighborhoods, visit local gems and discover brand new favorites. Indulge your inner foodie with special prix fixe menus and dining deals throughout San Jose, only for a limited time!



OWNED

Shop San Jose page seeing 97% increase in traffic FYTD vs same period FY18-19

NEW STREET VENDOR LOCATIONS



Want some cool San Jose swag?

Be the first to get the newest San Jose branded T-shirts, hoodies, hats and more available here from Visit San Jose.



FY19-20

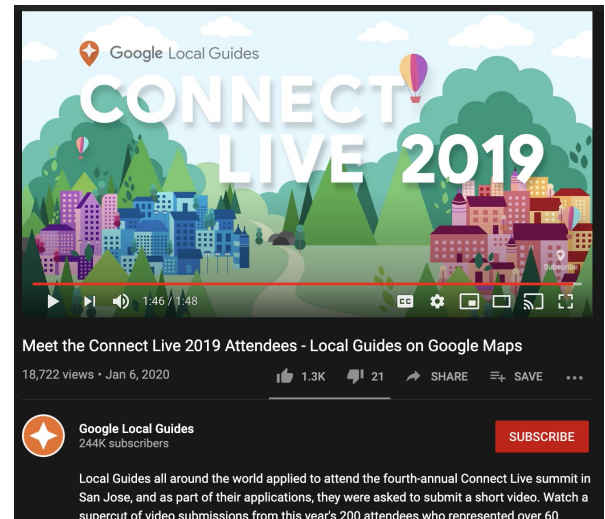
PUBLIC RELATIONS

PR Strategy

- Build and maintain media relationships across local, feeder and national markets to promote San Jose as a travel destination and to serve as a resource to media writing about San Jose
- Showcase a vibrant San Jose that aligns with Sales and Marketing targets and strategies by way of:
 - One-on-One media appointments
 - Hosted press trips (*i.e. Japanese lifestyle FAM*)
 - Influencer engagement and sponsored visits (*i.e. Google Local Guides Connect 2019, Simply Ming*)
 - Being a resource for journalists – from suggesting relevant story angles, assisting with photo and video, and connecting the appropriate interview and contract requests



PBS: Simply Ming



Google Local Guides Connect
2019

PR Highlights

- Secured **123 placements** totaling **8,817,411,952** unique visitors to publishers' sites, with an estimated ad value of **\$1,273,975**.

Forbes

47 views | Jan 16, 2020, 05:20pm

Take Advantage Of Restaurant Week At These San Francisco Bay Area Hot Spots



Chelsea Davis Contributor @ Dining

Given San Francisco's huge range of diversity, it shouldn't come as a surprise that this city has a melting pot of unique restaurants and internationally-acclaimed chefs at the helms of their kitchens. January is [California Restaurant Month](#) meaning that some of the most well-known food-centric Bay Area cities are hosting their own restaurant weeks! There's no better time than now to try out new restaurants that might normally be out of your price range. So go ahead, indulge.

Around the Bay Area

San Jose Restaurant Week

Over 30 restaurants are participating in the culinary celebration that runs from Jan. 16-26 including Michelin-rated ADEGA Restaurant, which serves authentic Portuguese cuisine; Luna Mexican Kitchen, which serves upscale Mexican cuisine; and the newly opened Meso on Santana Row, which serves modern Mediterranean fare.

San Jose Restaurant Week: Our top picks for fabulous meals at a discount

Deals offered at more than 30 restaurants, from casual to upscale

The Mercury News



The \$50 prix fixe menu at Meso Modern Mediterranean includes Rose Water Mousse dessert (pistachio pain de genes, dark chocolate shell and pistachio praline). (What V Meyer/Bay Area News Group)

By LINDA ZAVORAL | lzavoral@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: January 16, 2020 at 6:57 a.m. | UPDATED: January 16, 2020 at 3:06 p.m.

It's a world's fair of dining deals.

[San Jose Restaurant Week](#) starts today, Jan. 16, and runs through Jan. 26, with more than 30 restaurants offering prix fixe lunches and dinners for \$10, \$20, \$30, \$40 or \$50. The promotion is part of [California Restaurant Month](#), an annual campaign that highlights the state's culinary treasures.

Related Articles

[Restaurant Month 2020 deals: Oakland, San Jose, Concord, Cupertino and more.](#)

Here are five fabulous menus that represent a mix of San Jose's new and established restaurants. You'll find details on others at the [website](#). And remember: It's smart to make reservations for these meal deals.

3/20 – 9/20

COVID & WILDFIRE PIVOT

COVID

Social, Email and Web Reach:

- 1,708,862

PR Reach:

- 92,131,617

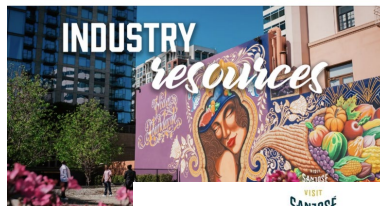
NEWS // BAY AREA & STATE

Sj: Marketing Giant Pivots From Conferences To Providing Aid During Coronavirus Pandemic

Team San Jose - once the marketing giant for the city and the managing force behind its conventions - has pivoted its in-house catering to provide meals to shelters housing people impacted by COVID-19.



Visit San Jose
April 28 at 2:23 PM · 0
Check out our collection of industry resources to help San Jose look out for each other. Remember, we're stronger together.
#sanjoselove #siliconvalleystrong #hospitalitystrong #tourismstrong



SANJOSE.ORG
Industry Resources
Share the love and resources

4

Like



Meet MARY CELESTIN

As we witness the dialogue shift in San Jose, our #sanjoselove remains constant. We're sharing our platform with local community organizer Mary Celestin, a San Jose native, musician, engineering student, and now activist who offers ways you can participate in the BLM movement through financial support.

Check out our blog as Mary recommends her favorite Black-owned restaurants to check out via al fresco, takeout or delivery.

CHECK OUT MARY'S FAVORITES!

Know someone from the community we should feature? [Message us!](#)

STAY IN THE KNOW

Keep up with the latest news and events by signing up for our San Jose eNews!

SUBSCRIBE TODAY!

#SANJOSELOVE

Visit San Jose 2020



RESTAURANTS AND BARS NEED YOUR SUPPORT MORE THAN EVER
restaurants in the San Jose area are open for take-out, curbside pick-up.

DINING AT A DISTANCE

WE'RE ALL IN THIS TOGETHER

SMALL BUSINESS. With sales down and jobs at risk, an easy way to support your favorite restaurant is to order takeout or buy a gift card! [SanJoseLove.com](#) is an easy way to order a meal online or purchase a gift card to support these businesses through these challenging times!

FIND YOUR FAVORITE RESTAURANT

SERVICE INDUSTRY IN SAN JOSE. Consider tipping, even in this time of distancing! [ServiceIndustryTips.com](#) selects a random local service industry business to be featured by the shutdowns and you can leave them a virtual tip!

LEAVE THEM A TIP

Wildfires

- Social, Email Reach: **140,349**
- PR Reach: **341,420,157**



'Stay strong': As California wildfires rage, hotels offer vouchers, discounts for those displaced

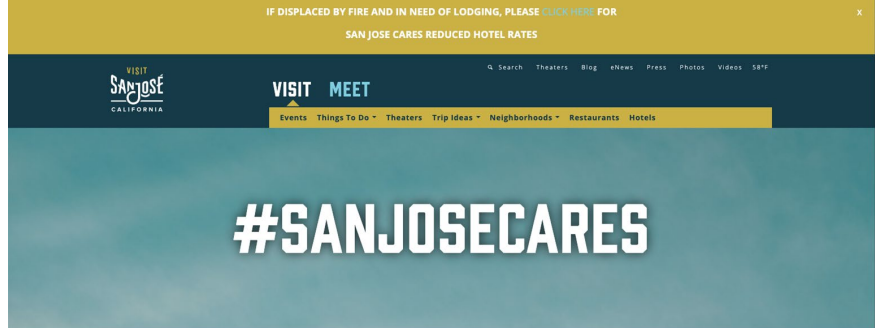
David Oliver, USA TODAY, USA TODAY - August 24, 2020

A list of hotels can be found [here](#), which lists the properties that allow pets and where discounts may be available. Some hotels report that they are already full, according to the [San Jose Mercury News](#).

The southern California city of San Jose has provided a list of discounted [hotels](#) on its [tourism website](#) with this message: "**Team San Jose** would like to thank our generous hotel partners and Silicon Valley Strong for these special, reduced rates. Stay strong, stay safe, stay well."

Those [hotels](#) include the AC Hotel San Jose Downtown, Best Western Plus Airport Plaza, Country Inn & Suites by Radisson, San Jose International Airport, DoubleTree by Hilton Hotel San Jose, Fairmont San Jose and more (a [full list is available here](#)).

The [Red Cross](#) has also offered assistance.



Team San Jose would like to thank our generous hotel partners and Silicon Valley Strong for these special, reduced rates.

Stay Strong. Stay Safe. Stay Well.

OPEN HOTELS



Aloft
Alviso
Pet Friendly



AC Hotel San Jose Downtown
Downtown
Pet Friendly



Best Western Plus Airport Plaza
The Alameda / Pet Friendly
408-243-2400



Country Inn & Suites by Radisson, San Jose International Airport
Downtown
Pet Friendly



DoubleTree by Hilton Hotel San Jose
Downtown
Pet Friendly



Fairmont San Jose
Downtown
Pet Friendly



Hayes Mansion
408-226-3200



Hilton San Jose
Downtown
Pet Friendly

FY20-21 MARKETING STRATEGY & TACTICS

Option 1: Pivot to All-Leisure

Strategy

Given the current state of meetings and the uncertainty that remains in the coming months as a result of the global pandemic, paid media strategy will pivot focus to reaching leisure travelers, only, for the upcoming fiscal year, primarily focusing on in-state and drive markets. Paid media tactics will align with evolving leisure traveler consumption habits to ensure San Jose is top of mind as consumers look to travel again.

Tactics

- Engage in-destination partners (hotels, restaurants, attractions) to cross-promote
- Focus on media vendors that can deliver hotel bookings (i.e Expedia)
- Feature curated itineraries that showcase the cultural fabric of the destination

Estimated Projected Results

- Reach: 208M
- Est. Hotel Revenue: \$37.1M
- Est. Return on Ad Spend (ROAS): 38.1

Option 2: Leisure and Meetings

Strategy

As we anticipate the return of meetings to occur further into 2021, paid media will first focus on reaching leisure travelers, primarily from in-state and drive markets. As the landscape evolves and we learn more about the meetings space in particular, paid media will begin targeting meeting planners and bleisure travelers as well, targeting these consumers at a national level. Paid media tactics will align with evolving media consumption habits of both leisure travelers and meeting planners, as well as bleisure travelers, to ensure San Jose is top of mind across all categories.

Tactics

- Engage in-destination partners (hotels, restaurants, attractions) to cross-promote
- Focus on media vendors that can deliver hotel bookings (i.e Expedia)
- Feature the San Jose meetings facilities as unique spaces and virtual/tech offerings
- Promote the GBAC certification and Safety Playbook as competitive differentiators

Estimated Projected Results

- Reach: 212.4M
- Est. Hotel Revenue: \$23.8M
- Est. Return on Ad Spend (ROAS): 23.9

Operational Adjustments Under COVID and Wildfires

Facilities

- Converted Parkside and South Hall into temporary shelters for homeless during COVID
- Parkside operated at capacity with 75 beds. Shutdown in mid-August to allow work to commence on the Park Habitat project (formerly Museum Place project)
- South Hall cleared to operate as a shelter through January 2021 with a capacity of 230 beds

Meal Service

- TSJ prepared and delivered food to shelters and 12 other city and county locations
- Provide between 17,000 – 21,000 meals per week; 385,000 total meals prepared to date
- Allowed 25 union team members to return to work with varying hours
- Contract is on a month to month basis until the new city bid is released

THANK YOU!