



TOURISM AUTHORITY

DESTINATION SALES AND MARKETING PLAN

2020-2021





MISSION

To drive visitor demand to economically benefit the San Diego region.

VISION

Leading San Diego to be the most desirable destination.

ABOUT US

The San Diego Tourism Authority (SDTA) is San Diego's umbrella destination marketing organization, charged with driving visitor demand and monitoring the health of the tourism industry. SDTA develops sales and marketing programs that promote San Diego as a preferred leisure and meetings destination. In collaboration with San Diego's tourism industry partners, SDTA serves as the collective voice of the destination and aims to keep San Diego top-of-mind.

Incorporated in 1954, SDTA is a private nonprofit 501c6 corporation that is governed by a 15-member board of directors composed of industry and non-industry representatives. Funding comes from the City of San Diego Tourism Marketing District, City of Coronado Tourism Improvement District and private source revenues (membership dues, advertising and events).

Investment by SDTA in sales and marketing of the San Diego brand has resulted in San Diego becoming one of the nation's top travel destinations.

STRATEGIC IMPERATIVES

- Grow visitor demand for San Diego.
- Grow awareness and preference for the San Diego brand domestically and internationally.
- Deliver consistent value for our customers and stakeholders.
- Actively inform, advocate and educate on behalf of the visitor industry.
- Reinforce and support a culture of excellence.



INTRODUCTION AND OVERVIEW

The 2020–2021 San Diego Destination Sales and Marketing Plan is developed to guide SDTA's sales and marketing programs over the next two years. The goal is to grow inbound travel demand and visitation revenues by boosting brand awareness, building new markets and converting more customers to choose San Diego.

This strategic plan has been developed with the San Diego Tourism Marketing District's "Experience San Diego: Destination 2040" Master Plan in mind. The plan takes into account current market conditions, tourism industry forecasts, SDTA funding resources, Visit California opportunities and Brand USA developments. Annual work plans are then developed to match funding resources to strategic initiatives.

EIGHT GUIDING PRINCIPLES USED IN THE DEVELOPMENT OF THE PLAN

1. Drive the maximum hotel room nights for Tourism Marketing District hotels.
2. Act as the collective voice of the destination and do what individual organizations can't do by themselves.
3. Elevate the San Diego brand and broaden context of San Diego's diverse travel product.
4. Leverage all SDTA's marketing assets across **BOUGHT + EARNED + OWNED** in order to increase San Diego's share of voice.
5. Focus on developing new markets and customers for the destination.
6. Align programs with Visit California and Brand USA in order to maximize efficiency.
7. Deliver strong return on investment for all major programs.
8. Support the membership by providing value and opportunity to effectively reach the marketplace.

<div>  <div> <div>SAN DIEGO TOURISM AUTHORITY</div> <div>2018-2020 STRATEGIC OVERVIEW</div> </div> </div>				KEY GOALS			
STRATEGIC ANCHORS				1 GROW VISITOR DEMAND	2 ELEVATE THE SAN DIEGO BRAND	3 LEAD OUR INDUSTRY	4 ADVANCE A CULTURE OF EXCELLENCE
<div> <div> <div>OUR VISION-OUT: Leading San Diego to be the most desirable destination.</div> <div>OUR VISION-IN: We are a dynamic organization with high-level expertise driving the tourism industry.</div> </div> <div> <div>OUR MISSION: To drive visitor demand to economically benefit the San Diego region.</div> <div>OUR UNIQUE VALUE: SDTA is the trusted global leader for the San Diego Brand.</div> </div> </div>				KEY OBJECTIVES			
<div>SAN DIEGO'S BRAND SUNIFESTO</div> <p>San Diego's unique blend of outdoor lifestyle, sun-soaked beaches and dynamic city experiences creates an unparalleled balance of relaxation and excitement – we're one part beach, one part city. Through our laid-back, friendly, refreshingly down-to-earth attitude, this is a destination that more than shines. Through our open-mindedness, we inspire optimism and positivity like no place else on earth, and bring out the best in everyone. Which is why we like to say, in San Diego, the outlook is always sunny.</p>				<ul style="list-style-type: none"> Audience Engagement Group (meetings, conventions, sports, tour) room nights Market share of room nights sold Visitor spending 	<ul style="list-style-type: none"> Media value and impressions U.S. Tourism Quality Index ranking U.S. Place Equity Index ranking 	<ul style="list-style-type: none"> Awareness of SDTA mission Net favorability of SDTA Stable funding from TMD Community engagement Member growth & retention 	<ul style="list-style-type: none"> Clean audit Successful TMD ROI audit Employee satisfaction Best places to work designation
<div>THE SAN DIEGO BRAND</div> <div> <div> <div>The Climate</div> <div>ALWAYS GREAT</div> <div>year-round sunny weather</div> </div> <div>+</div> <div> <div>The People</div> <div>CHILL</div> <div>laid-back, friendly, down-to-earth</div> </div> <div>+</div> <div> <div>The Place</div> <div>BEACH CITY</div> <div>outdoor lifestyle, sun-soaked beaches, dynamic city experiences</div> </div> <div>=</div> <div> <div>A Sunny Outlook</div> <div>UNIQUE ATTITUDE</div> <div>fueled by good vibes</div> </div> </div> <div> <div>Benefit</div> <div>A place that inspires optimism & positivity—where anything is possible</div> <div>Brand Character</div> <div>Vibrant, authentic, welcoming, joyful, laid-back, open-minded, and creative</div> </div>				KEY INITIATIVES			
				<ul style="list-style-type: none"> 360 customer/business insights Air service expansion Global customer acquisition New market development Global marketing program and ecosystem Leverage Visit California and Brand USA opportunities Convention center expansion and construction marketing San Diego Meeting Certified 	<ul style="list-style-type: none"> Beach-City experience pillars promotion Attract and market major events Global media partnerships Launch new technologies to bring brand experience to life Balboa Park promotion Create icons/visual identity for San Diego 	<ul style="list-style-type: none"> Engagement with elected officials, community and civic groups SDTA Board and Advisory Boards Speaker's Bureau Local media relations Member engagement Merchandise the workplan and deliverables 	<ul style="list-style-type: none"> SOPs Values Training Professional development Technology solutions to facilitate efficient workflows
STRATEGIC IMPERATIVES				BOLD BOX			
<ul style="list-style-type: none"> Grow visitor demand for San Diego. Grow awareness and preference for the San Diego Brand domestically and internationally. Deliver consistent value for our customers and stakeholders. Actively inform, advocate and educate on behalf of the tourism industry. Reinforce and support a culture of excellence. 				<ul style="list-style-type: none"> Partner with SDRAA to secure direct air service from China Medical tourism initiative Partnership with Baja 	<ul style="list-style-type: none"> Engage with the community to maintain San Diego as “clean and safe” Movies/TV shows/songs based in San Diego Choose an icon 	<ul style="list-style-type: none"> Continue evolving from “Destination Marketing” to “Destination Management” Host major industry events in San Diego Hold a Tourism Summit for local stakeholders and thought leaders 	<ul style="list-style-type: none"> Community recognition of team members
OUR VALUES							
COLLABORATION • INNOVATION • LEADERSHIP • EXCEPTIONAL RESULTS							



THE TRAVEL AND TOURISM MARKET

REGIONAL OVERVIEW OF SAN DIEGO TOURISM

San Diego is one of the nation’s most popular travel destinations, thanks to our temperate climate, natural beauty, diverse activities and ideal location. In 2019, **35 MILLION** day and overnight visitors came to San Diego, providing **\$11.8 BILLION** in direct visitor spending at local businesses, of which 70 percent are non-lodging businesses. Visitors generated more than **\$329 MILLION** in hotel transient occupancy tax revenues for local governments in FY 2019.

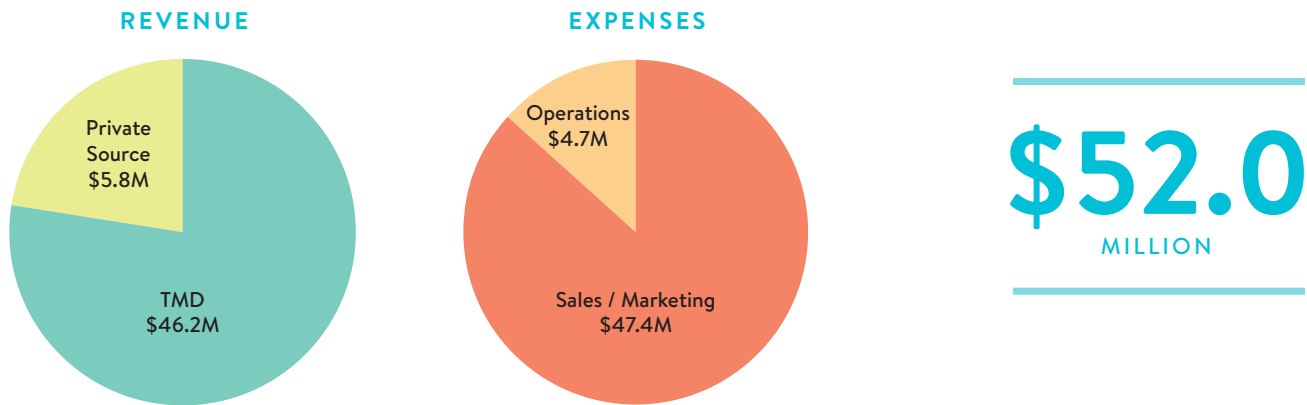
F A S T F A C T S

SAN DIEGO TOURISM INFRASTRUCTURE

Market Composition	85% Leisure, 14% Business, 1% Other (all visitors)
Number of County Hotels	564
Number of Hotel Rooms in County.....	64,203
Number of Hotel Rooms in the City of San Diego	42,538
Hotel Room Nights Mix	73% Leisure / Transient, 27% Group
Annual Airline Passengers.....	12.1 Million
Annual Attendance at Major Attractions	15.4 Million
Gaming Properties.....	10 Casinos
Cruise Embarkations	244,535 passengers total, 91,629 embarking passengers
Golf Courses.....	80
Arts Institutions.....	434
Craft Breweries	156

THE SAN DIEGO TOURISM AUTHORITY

FY 2020 ORGANIZATION BUDGET



KEY PERFORMANCE INDICATORS (KPIs)

	FY 2019 ACTUALS	FY 2020 GOALS
1. Market Share of Hotel Room Nights Sold in Western Region Comp Set	16.10%	16.06%
2. TOT Collections (City of San Diego)	\$249.6 M	\$260.3 M
3. Visitor Spending Growth	4.8%	4.0%
4. Citywide Room Nights	1,126,795	900,000
5. Non-City Wide Group Room Nights (new meetings only)	424,762	450,000
6. Sports Events Room Nights	108,450	90,000
7. Earned Media	\$31.5 M	N/A
8. Average Article Quality Score	N/A	70
9. Co-op Ad Dollars Raised	\$2.6 M	\$2.0 M
10. Advertising Gross Impressions	2.8 B	2.6 B
11. Visitor Engagements	23.3 M	24.0 M
12. Contracted Ad Sales	\$1.06 M	\$1.13 M



THE SAN DIEGO BRAND

In a world of too many product choices, it is critical to create brands that are memorable and relevant. A strong brand resonates with buyers on an emotional level and creates greater demand. Great brands attract buzz and marketing alliances, making limited dollars work harder in the marketplace. For San Diego, our destination brand is our greatest marketing asset.

SDTA engages in quantitative and qualitative brand research to gauge traveler perceptions, opportunities and barriers and advertising communications effectiveness.

To summarize the most recent key findings:

- In the United States, San Diego is seen as a highly desirable destination – second only to Hawaii in terms of aspirational appeal.
- Internationally, San Diego isn't as well known, and it is difficult to compete against a number of iconic "must-see" destinations.
- Across all markets surveyed, our climate, variety of experiences and opportunities for relaxation are key image drivers for San Diego.
- Every market is somewhat different and should be looked at individually in order for San Diego to best capitalize on opportunities:
 - While close-in markets such as Los Angeles are very familiar with San Diego and appreciate the vibe of the destination, they need to hear from San Diego often to stay top-of-mind. Given the large amount of repeat visitation from close-in volume markets, they also need to hear about what's new and different – beyond family attractions – to stimulate interest to travel.
 - Further-out markets such as Chicago and New York know San Diego at a more superficial level (weather) and need awareness plus education to build consideration to visit.
 - Japan and China are more likely to consider Hawaii, whereas the United Kingdom and Germany are more likely to consider New York.
 - Mexico is an opportunity market but highly sensitive to currency fluctuations and more likely to prefer Los Angeles.
- Those exposed to San Diego's integrated marketing efforts are much more likely to plan a trip to San Diego compared to those who were not aware.
 - Consideration and intent to visit increase with exposure to multiple campaign layers. Overall, the greater the number of times our audience sees our campaigns, the higher the likelihood they are to consider the destination for their next vacation.
- San Diego's diverse economic sectors and business culture aren't yet well known. San Diego is seen as a desirable destination for business travel due to the destination's beauty and lifestyle.

THE BRAND PLATFORM

The San Diego brand is built on a foundation of inspired optimism and positivity. Our unique blend of great weather, friendly people, and our laid-back yet vibrant beach city experiences infuse our region with an upbeat, anything's possible attitude. This blend of **CLIMATE + PEOPLE + PLACE** is what elevates our customers' mood and gives us a unique selling proposition in the marketplace. San Diego owns a Sunny Outlook.



The Climate

ALWAYS GREAT

year-round
sunny weather

+

The People

CHILL

laid-back,
friendly,
down-to-earth

+

The Place

BEACH CITY

outdoor lifestyle,
sun-soaked beaches,
dynamic city experiences

=

A Sunny Outlook

UNIQUE ATTITUDE

fueled by good vibes

Benefit

A place that inspires optimism
& positivity – where anything
is possible



Brand Character

Vibrant, authentic, welcoming,
joyful, laid-back, open-minded,
and creative



San Diego's Brand Sunifesto

San Diego's unique blend of outdoor lifestyle, sun-soaked beaches and dynamic city experiences creates an unparalleled balance of relaxation and excitement – we're one part beach, one part city. Through our laid-back, friendly, refreshingly down-to-earth attitude, this is a destination that more than shines. Through our open-mindedness we inspire optimism and positivity like no place else on earth, and bring out the best in everyone. Which is why we like to say, in San Diego, the outlook is always sunny.





THE SAN DIEGO BRAND

DESTINATION ATTRIBUTES

As destination marketers, we focus our time and resources on external audiences. Our goal is to get people to visit San Diego. We want them to get to know the destination, consider it, like it and share their experiences with others.

When looking nationally at the domestic market, the top attributes travelers look for in a vacation destination are good value for money (88%), a beautiful/scenic place (86%), a place to relax (85%), and great variety (77%). San Diego falls squarely in the middle of its competitive set for each of the destination's most important destination attributes. Sandwiched between Hawaii and Las Vegas for many types of trips, San Diego offers elements of both popular destinations – a place as enjoyable as Hawaii and with recreational variety as good as Las Vegas.

The diversity of San Diego's visitor experience is what sets it apart. While San Diego doesn't rank first in any product/attribute measured, it ranks higher in more attributes than any other competitive destination researched. **It is the sum of San Diego's experiences that set it apart.** San Diego blends the best of most worlds. Travelers have described San Diego as the best of California all in one place.

SAN DIEGO GETS HIGH MARKS FOR:

- Great beach/city blend, but not as strong as Hawaii or Caribbean
- Variety of outdoor activities, but not as strong as Hawaii, Caribbean, Orlando or Mexico
- Great family destination, but not as strong as Orlando or Hawaii
- Scenic beauty, but not as strong as Hawaii, Caribbean or Mexico
- Urban features like diverse neighborhoods, a vibrant urban atmosphere and great nightlife but not as strong as San Francisco or Los Angeles and in some cases Las Vegas
- Craft beer, behind only San Francisco

As marketing of the destination expanded globally into markets where there was less familiarity with San Diego, further context of the destination experience was required to drive consideration. Potential travelers needed tangible reasons and iconic imagery that clearly communicated why San Diego is a must-visit destination.

For these long-haul markets, the Brand Platform is combined with a Differentiating Product Message to better position San Diego in the consumer mindset.

San Diego's unique blend of vibrant, big city experiences and a year round, laid-back outdoor lifestyle make it **California's Beach City.**



INTERNATIONAL POSITIONING

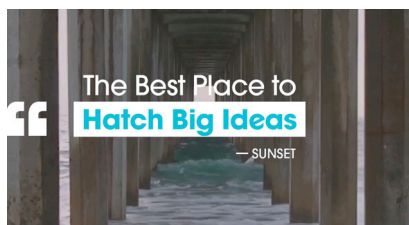
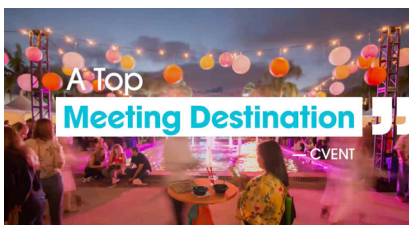




THE SAN DIEGO BRAND

DESTINATION ACCOLADES & STORYTELLING

As one of the most popular travel destinations in the country, San Diego and its visitor experience is often recognized by media and trusted influencers. San Diego gets credit for a variety of experiences, from the more expected beach and lifestyle accolades to recognition for its hip, urban offerings. The destination's location on the US-Mexico border lends San Diego a unique binational spirit and culture, commonly referred to as "Cali-Baja." This vibrant culture differentiates San Diego from other destinations in both California and the United States and draws media interest from around the world.



MAKING OUR ICONS

Aside from San Diego's many strengths, the destination lacks a distinct icon that makes it a "must see" destination for travelers. Visual icons help create a distinct image of a place and the lack thereof means San Diego can get overlooked in the consideration process — particularly in more distant markets where there is less familiarity.

As San Diego's tourism industry partners at the state and national level continue to strategically focus on icons in their global marketing programs, San Diego must develop ways to fit into their storytelling. San Diego must consistently communicate what makes it unique — essentially making our icons through cohesive storytelling as a community.

After eight years of focus on making key icon-worthy product, San Diego is now known for the Embracing Peace "Kissing" Statue, Torrey Pines State Natural Reserve, the Gaslamp Quarter and Balboa Park.



SAN DIEGO ICONS



WITHOUT A STRONG VISUAL ICON, VISITORS FROM MORE DISTANT MARKETS ARE LESS MOTIVATED TO CHOOSE SAN DIEGO OVER OTHER CALIFORNIA OPTIONS.



THE SAN DIEGO BRAND

COHESIVE STORYTELLING

San Diego Tourism Authority developed assets to help internal teams and external partners properly position the product and experiences that are unique to San Diego.

PRODUCT ELEVATOR SPEECHES



CALI-BAJA is San Diego's unique culture. The destination's location along the thriving US-Mexico border creates a collaborative, bi-national spirit and cross-cultural vibrancy that percolates throughout San Diego and can be experienced in everything from food and craft beer to art and architecture.



San Diego is the **CRAFT BEER CAPITAL OF AMERICA**. It's the nation's leading craft beer destination with more than 150 breweries, and has defined the popular West Coast-style IPA.



San Diego is the **SWEET SPOT FOR GOLF**, with more than 80 courses, including the internationally-renowned Torrey Pines Golf Course, and more playable days than anywhere else in the United States.



Downtown **SAN DIEGO'S GASLAMP QUARTER** is one of the hottest nightlife destinations on the West Coast. This historic district, featuring both Victorian-era buildings and modern high-rises, includes 16-walkable city blocks with 180 restaurants, 50 bars and 10 nightclubs.



SAN DIEGO IS THE BIRTHPLACE OF CALIFORNIA.

It's home to Cabrillo National Monument, a national park which commemorates the historic 1542 landing of Juan Rodriguez Cabrillo, who was the first European explorer to set foot on the U.S. West Coast.



TORREY PINES STATE NATURAL RESERVE, set atop dramatic ocean cliffs above the Pacific, is a coastal wilderness of natural vegetation and sandstone canyons full of walking trails and breathtaking views. It's one of only two locations in the world that grows the Torrey pine tree.



BALBOA PARK is the largest urban cultural park in the United States, a 1,200-acre oasis that hosts 17 museums, beautiful gardens, theaters and the world-famous San Diego Zoo. Its iconic California Tower exemplifies the park's Spanish Colonial Revival architecture and is one of the most recognizable structures in San Diego.



MISSION BAY AQUATIC PARK is the largest man-made aquatic park of its kind in the world. The 4,600-acre outdoor playground features recreation on and off the water, from sailing and jet skiing to bike riding and triathlons.



San Diego's **CULINARY SCENE** is inspired by good vibes and a culturally diverse collection of chefs and purveyors. San Diego is dishing up creative, elevated yet approachable multicultural flavors in a welcoming culinary scene that is truly without borders.



San Diego's **COASTAL LIFESTYLE** drives elevated and sustained happiness. Travelers value spending time in the outdoors and disconnecting in nature. What's more, being at or near the water enhances the experience-driving elevated joy and sense of well-being.



THE SAN DIEGO BRAND

SAN DIEGO FACTS AND FEATURES

- **8th largest city in the U.S. and 2nd largest in California**
- **70 miles of coastline**
- **33 beaches**
- **267 mostly sunny days per year**
- **More than 100 diverse neighborhoods**
- **80 public + private golf courses**
- **More than 150 craft breweries**
- **San Diego County has more biodiversity than any other county in North America**
- **San Diego County has more small farms than any other county nationally**
- **18 state parks and 1 federal park**
 - Anza-Borrego Desert State Park is California's largest state park and the largest desert park in the U.S.
 - Old Town San Diego State Park is the landmark of the first Spanish settlement on the U.S. West Coast
 - Cabrillo National Monument, a National Park which commemorates the historic 1542 landing of Juan Rodriguez Cabrillo, the first European explorer to set foot on the U.S. West Coast
- **Mission Basilica San Diego de Alcalá was the first mission built in California**
- **Birthplace of the triathlon**
- **Home to the largest sport fishing fleet in America**
- **Home to the USS Midway; the longest-serving U.S. Navy aircraft carrier of the 20th century, now a floating museum**
- **With Tony Award®-winning theatres, La Jolla Playhouse and The Old Globe, San Diego is a leading theater producing town with numerous San Diego productions making their way to Broadway**
- **Chicano Park, a National Historic Landmark, is home the largest collection of outdoor murals in the U.S. and the largest collection of Chicano murals in the world**
- **Home to three of California's 14 cultural districts: Balboa Park, Barrio Logan and Oceanside**
- **Home to the busiest international border crossing in the Western Hemisphere**

PROFILE OF SAN DIEGO

San Diego is the 8th largest city and 17th largest metropolitan area in the U.S. San Diego's population skews young, with a median age of 35.8 years and the largest 18-34 population among major metropolitan areas nationwide. With the sixth highest foreign-born population, San Diego is one of the most ethnically and culturally diverse places in the nation along with Miami, Los Angeles, San Francisco, New York, and Houston.

RANKING OF SAN DIEGO AMONG MAJOR METRO AREAS: DEMOGRAPHIC + QUALITY OF LIFE

SAN DIEGO RANK	CATEGORY	RATE
17	Population Metro Area (2017)	3,317,749 People
5	Median Age (2017)	35.3 Years Old
1	Residents 18-34 Years Old (2017)	27.1%
6	Foreign-Born Population (2017)	24.1%
8	Median Household Income (2017)	\$70,824
13	Per Capita Income (2017)	\$57,485
2	Median Home Price (2017)	\$565,000
3	Mean Travel Time to Work (2017)	26 Minutes

Source: San Diego Regional Economic Development Corporation





THE SAN DIEGO BRAND

BUSINESS IDENTITY

In order to compete globally, San Diego's destination identity must successfully engage the leisure and business sectors. When selecting a destination, meeting planners look at the potential for local business alignment with the meeting that could help provide expert speakers, company educational tours for attendees, and financial support for the conference. Thus, the industry connections that can be made in the region are an important part of the SDTA's selling process. The more the San Diego region becomes known for its business identity and advancements, the more likely meeting planners will want to hold their related meeting in San Diego.

SAN DIEGO. LIFE CHANGING.

With a mission to maximize the region's economic prosperity and global competitiveness, San Diego Regional EDC is charged with positioning San Diego effectively for business investment and talent attraction.

In 2017, they launched the "San Diego. Life Changing" business identity campaign.

We are a region of passionate innovators and forward-thinking companies, who are driven to make the world a better place. We work on things that matter here. From sequencing the human genome, curing diseases, developing 5G technology, and increasing mobility across the globe, San Diegans are determined to change the world.

San Diego's innovation economy — anchored by life sciences, communications, cleantech and software industries — was responsible for nine percent of the region's jobs in 2016. San Diego County higher education institutions graduate the highest number of women with STEM degrees in the country — more than MIT and Harvard combined. With global tech giants headquartered here (Qualcomm, Illumina, Cubic, Viasat and Sony Electronics to name a few), San Diego is recognized globally as a center of scientific breakthroughs and discoveries and as one of the nation's leading high-tech and life sciences hubs.

RANKING OF SAN DIEGO AMONG MAJOR METRO AREAS: TALENT & ECONOMIC FACTORS

SAN DIEGO RANK	CATEGORY	RATE
10	Population with Bachelor's or Higher (2017)	38.8%
10	Population with Advanced Degree or Higher (2017)	15.0%
5	Population with Ph.D or Higher (2017)	2.2%
4	College Grads with Science or Engineering Majors (2017)	42.0%
11	Unemployment Rate (2017)	4.0%
15	Gross Domestic Product (2017)	\$231.8 billion
15	Total Export Value (2017)	\$18.6 billion
13	Total Annual VC Dollars Received (2017)	\$1.1 billion

Source: San Diego Regional Economic Development Corporation

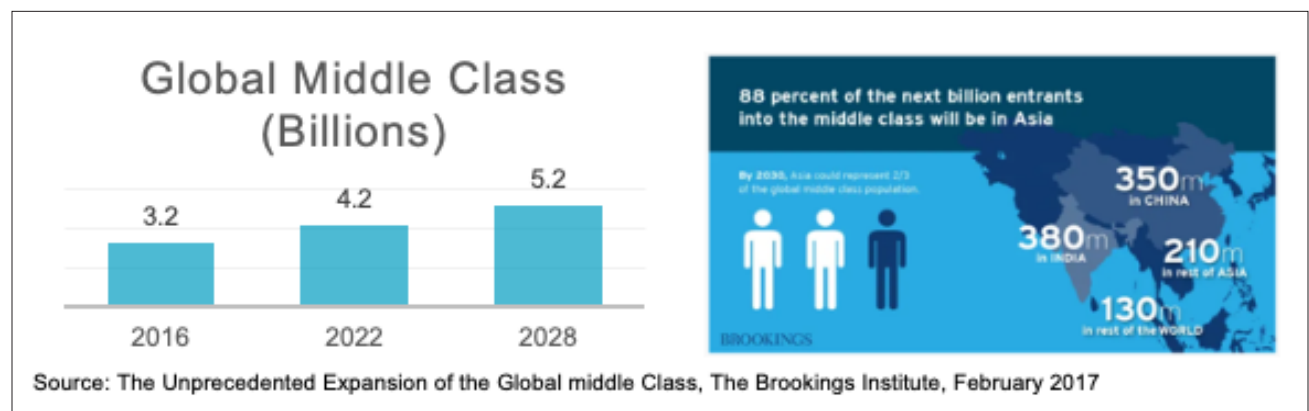
For an up-to-date snapshot of the key industries contributing to San Diego's regional economy, visit the San Diego Regional Economic Development website at sandiegobusiness.org.

SAN DIEGO TOURISM SITUATION ANALYSIS

THE GLOBAL TRAVEL MARKET

According to the World Travel and Tourism Council, global travel grew 3.9 percent, contributing \$8.8 trillion and 319 million jobs to the world economy in 2018. It is the second fastest growing sector and has grown at faster rates than the global economy for eight consecutive years. Leisure travel continues to grow share of travel overall and comprised 78.5 percent in 2018 compared to 21.5 percent for business travel.

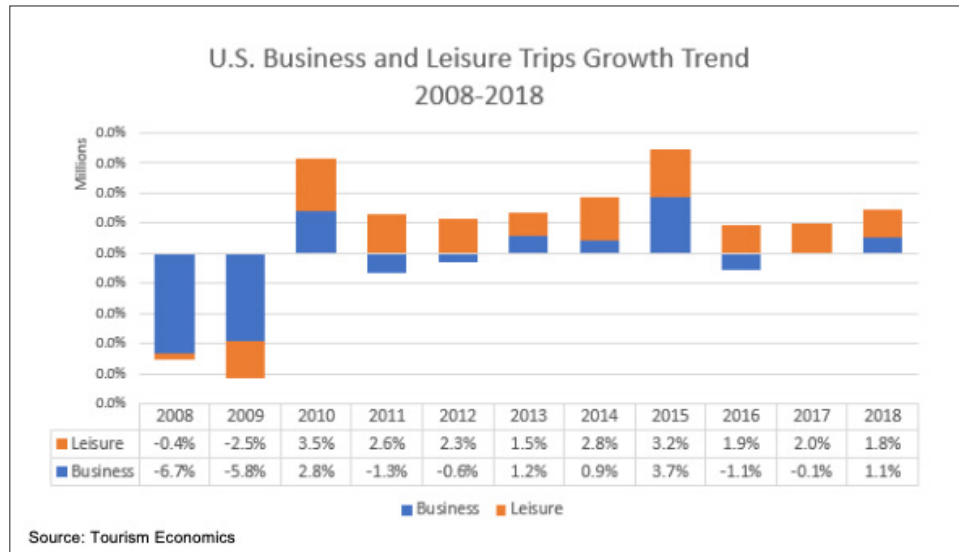
Outside the U.S., economic globalism and the growing middle class in developing nations has been the impetus for growth in the travel sector. Developing countries including China and India are moving millions of people into the middle class who are eager to travel. The Brookings Institute predicts that the middle class will become the majority of the world in 2020 for the first time ever, and almost nine in 10 of the next billion people in the middle class will be Asian. These new entrants will seek to purchase durables, health, education, transport and tourism.



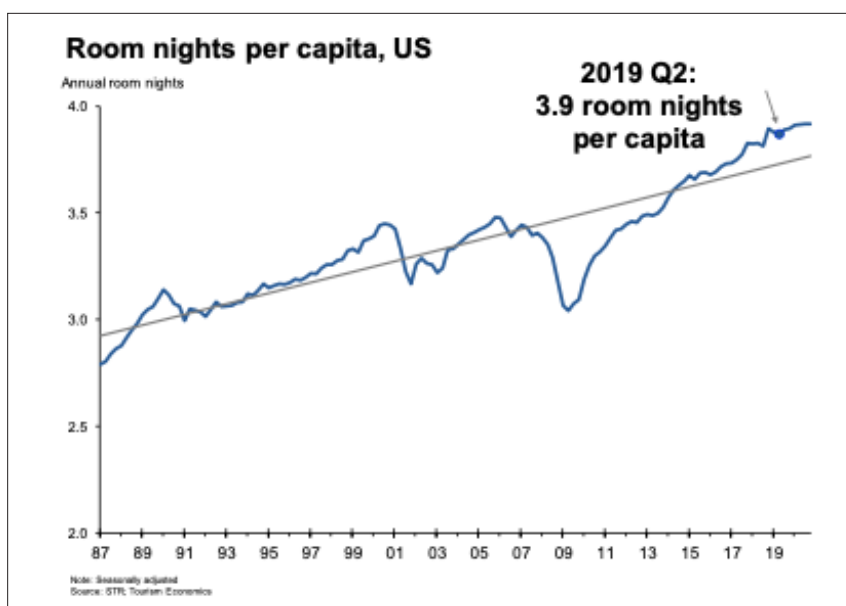


SAN DIEGO TOURISM SITUATION ANALYSIS

In the U.S. the travel sector has also seen unprecedented growth over the last 10 years, generated mostly from leisure travel. Domestic leisure person-trips totaled 2.3 billion 2018, of which 1.8 billion were leisure and 459 million were business. Annual growth rates for leisure travel have averaged between 1.5 percent and 3.2 percent since 2012.



The U.S. economic expansion since the great recession stimulated both business and leisure travel. In addition to the economy, generational shifts also supported growth as Boomers moved into retirement years, Gen X reached peak earning years, and the Millennials, who prioritize travel over material things, came into adulthood. Americans' spend on lodging increased at three times the rate of GDP since 1980 and hotel room nights per capita in the U.S. reached an all-time high of 3.9, ahead of its long-term peak and indicative of the increased appetite for travel.



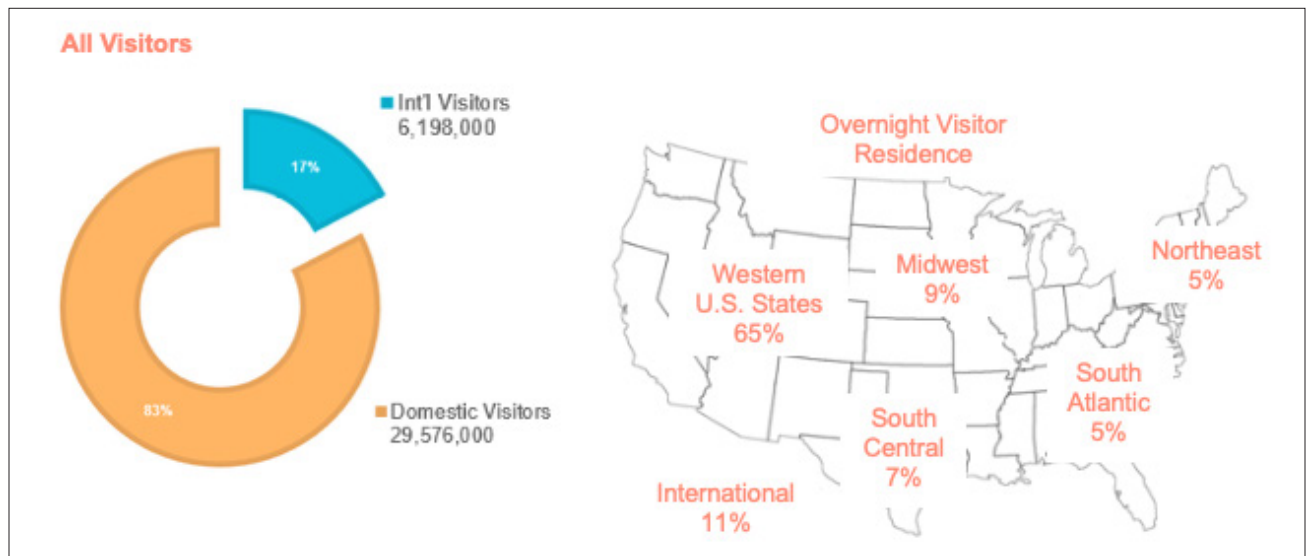
INCREASE
SINCE 1980
IN REAL DOLLARS

271%
LODGING SPEND

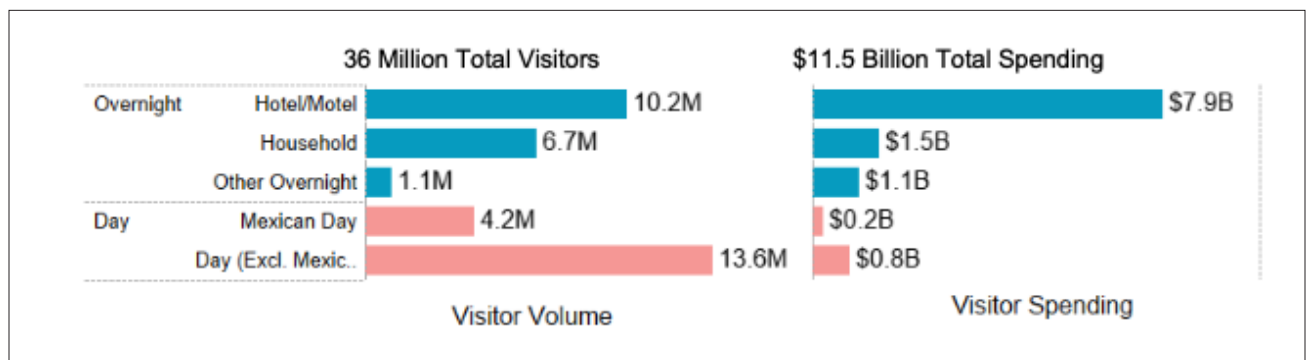
91%
U.S. GDP

THE SAN DIEGO TRAVEL MARKET

San Diego hosted 36 million visitors in 2018. About eight in 10 are U.S. residents, and just two in 10 are international residents. Half of all visitors stay overnight and the other half visit for the day. The 18 million day visitors are mainly from Los Angeles and Orange Counties, and the rest cross the border from Mexico mainly to visit the attractions and shop. The overnight visitors arrive mostly from Western States.



Visitor volume and spending impact tells a different story. The hotel visitor represents 29 percent of the visitors but 68 percent of the spending making the hotel visitors the most valuable group to attract in order to positively impact jobs, taxes and local businesses. While Southern California day visitors are the largest group at 38 percent of the volume, their spending accounts for just 7 percent of the total and reaches fewer businesses.





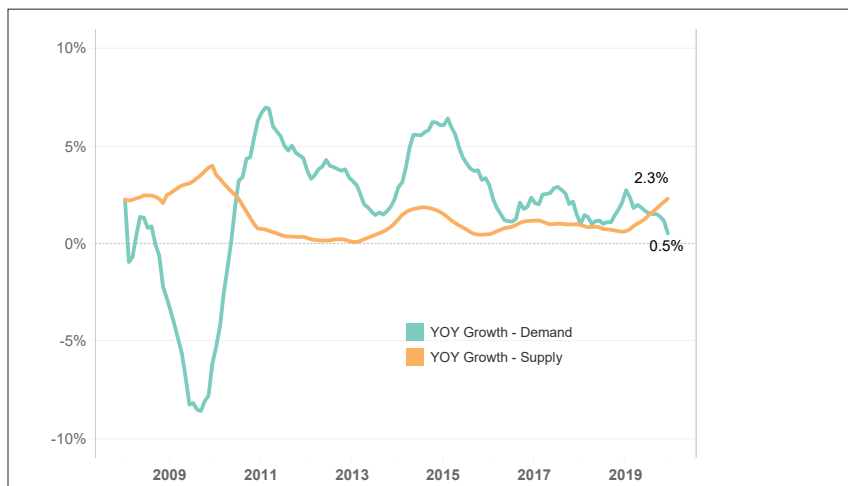
SAN DIEGO TOURISM SITUATION ANALYSIS

THE HOTEL MARKET

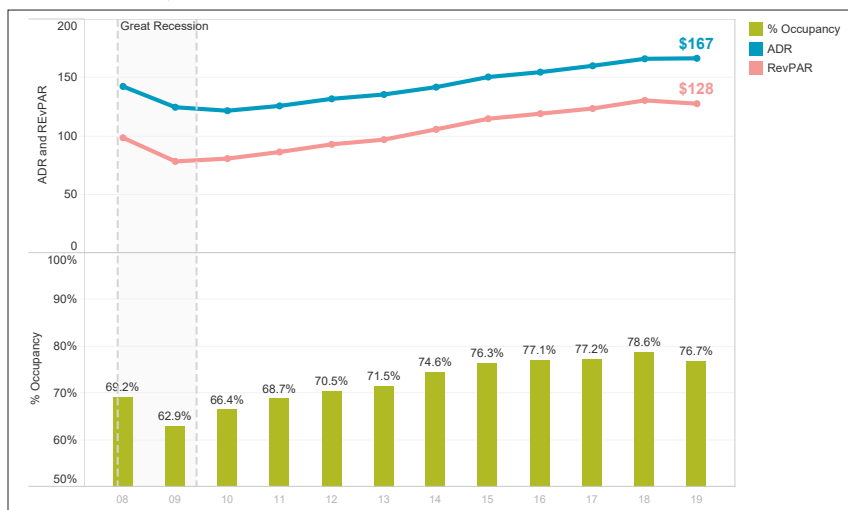
The hotel visitor generated 17.7 million hotel room nights sold in 2019. The availability of hotel room nights to sell in the market totaled 23.1 million equating to 76.7 percent occupancy. San Diego's hotel room night market is comprised of mainly transient leisure travel (70 percent) and convention and conference meetings travel (30 percent). The demand from these markets for the region has outpaced the supply growth over the last ten years allowing occupancy to increase 12 points since 2009. However, for the first time since the great recession, supply growth is now outpacing demand growth in the County, which will pressure occupancy rates.

Many other competitive markets have large corporations in their cities that drive a significant amount of independent business travel. San Diego is home to six Fortune 1000 companies, compared to Los Angeles County with 29, Seattle Area with 15, the Bay Area (including San Jose) with 66.

HOTEL ROOM SUPPLY AND DEMAND GROWTH TREND- 12 MMA



OCCUPANCY, ADR AND REVPAR TREND

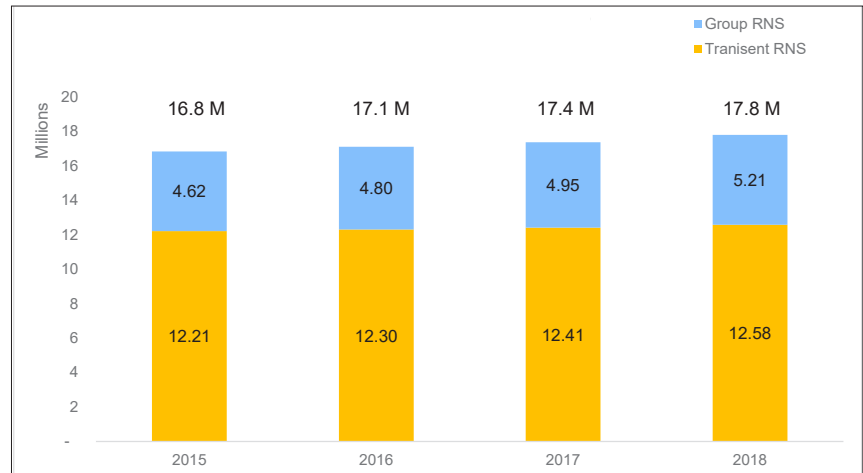


The group meetings segment of travel is extremely important to the success of the San Diego tourism economy as the group traveler spends more per trip and has a greater multiplier effect on the economy and jobs compared to a leisure traveler. San Diego is the fifth largest group market in the U.S. due to the desirable weather, amenities, convention center, and the hotel and venue products and service.

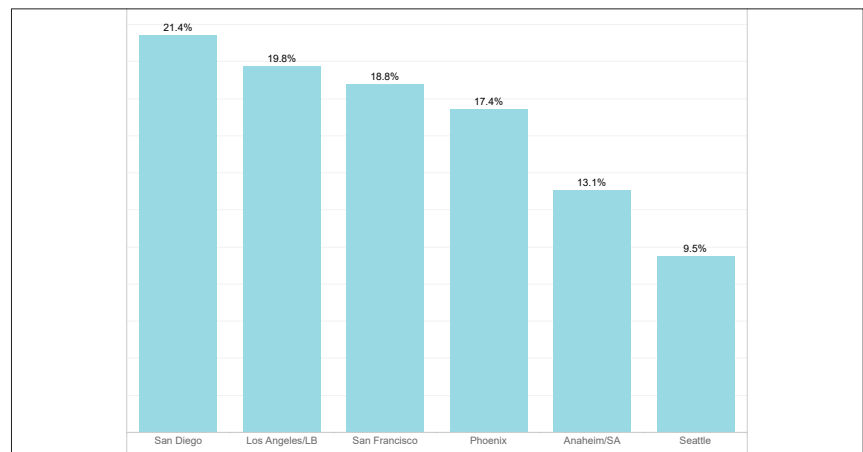
In 2019, San Diego sold an estimated 5.1 million hotel room nights to groups, including an estimated 25 percent around the block room nights. These groups include everything from the largest conventions at the San Diego Convention Center, to conferences at a single hotel, to youth sports tournament groups. These groups provide an important foundation to hotels as they book at a group rate into the future allowing the hotels to yield higher rates to transient travelers with shorter booking windows.

In the western U.S., San Diego is the largest group market taking 22 percent of all group room nights sold in the western region competitive set. While group room nights sold has been mostly flat in the U.S. over the last 10 years, San Diego continues to grow this segment of business adding about 600,000 group room nights over the last three years.

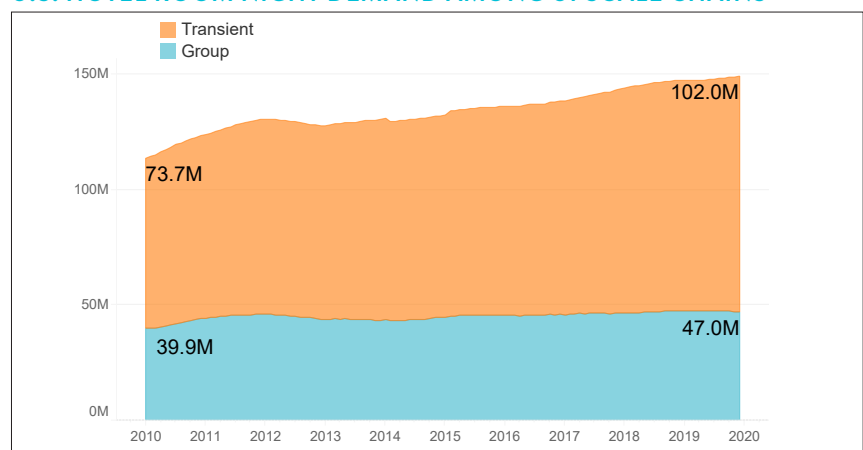
SAN DIEGO COUNTY TRANSIENT/GROUP HOTEL ROOM NIGHTS SOLD MIX



MARKET SHARE OF GROUP ROOM NIGHTS SOLD AMONG WESTERN REGIONAL COMPETITIVE SET



U.S. HOTEL ROOM NIGHT DEMAND AMONG UPSCALE CHAINS





SAN DIEGO TOURISM SITUATION ANALYSIS

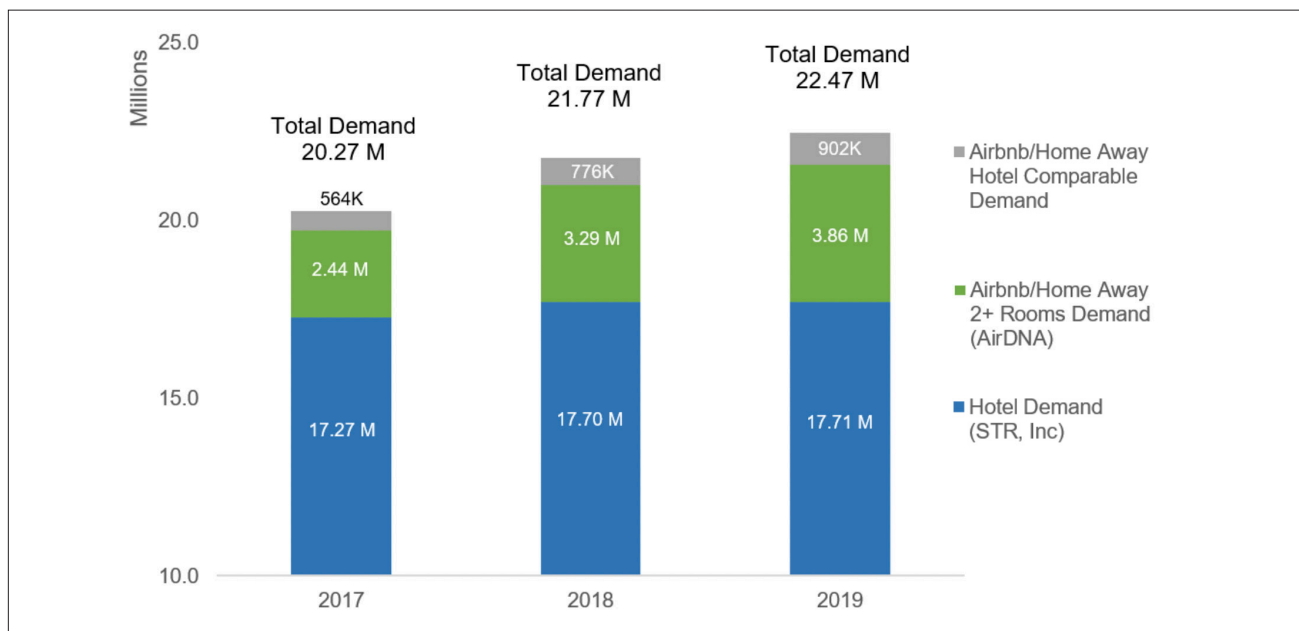
NON-TRADITIONAL HOTEL MARKET

In addition to the traditional hotel market, the launch of home sharing apps into the market has allowed the vacation rental market to grow exponentially. An estimated 1.1 million visitors stayed in non-hotel paid lodging in 2019, purchasing an estimated 4.8 million room nights on these various platforms.

San Diego County has 15,000 homes for rent on any given night in the year, of which nearly 6,000 are hotel-comparable units (studio and one bedroom). The available units surge when hotel demand is strong over major events and holidays and provides large groups with children a different lodging experience not widely found in hotels. This growth has also attracted professional asset managers who have created new business models in the lodging market such as pop-up hotels and branded vacation residences. These evolving operational models will continue to blur traditional supply measures and definitions.

Data from AirDNA estimates that 902,000 hotel-comparable room nights were sold in 2019 through Airbnb and HomeAway platforms, which is 125,000 more than the previous year. This non-traditional market is currently 27 percent of the hotel market in size.

ROOM NIGHT DEMAND



2019 PERFORMANCE

The U.S. travel economy enjoyed a ten-year growth cycle in occupancies reaching its peak in 2018. In 2019, the market declined for the first time mainly driven by added hotel supply, weather, and a slowdown in business and international travel. San Diego peaked at 78.6 percent occupancy in 2018 but ended 2019 at 76.7 percent, which is still a high record high occupancy and sixth highest occupancy among the top 25 markets according to STR, Inc. With just 0.2 percent growth in the average daily rate (ADR) in 2019, RevPAR ended the year 2.1 percent behind 2018, the first decline in ten years.

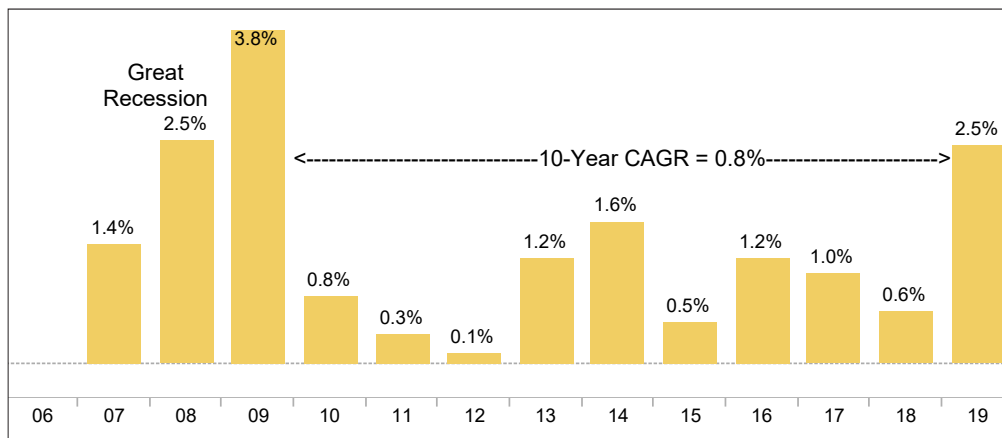
	10-YEAR CAGR (2008-2018)	2019 ACTUAL YE
OCCUPANCY	2.2%	-2.3%
ADR	3.1%	0.2%
REVPAR	5.4%	-2.1%

Several demand factors mainly contributed to the softening of San Diego hotel performance in 2019.

1. **WEATHER** – January and February had an unusual amount of rain, especially over weekends, which is a deterrent for drive market weekend getaways. 2019 was the rainiest on record since 2005.
2. **GROUP** – Apart from January and September, group room demand declined in every month of in 2019.
3. **BUSINESS TRAVEL** – Belt-tightening by companies was apparent in 2019 as corporate and contract / crew room nights fell. Government room nights are flat compared to 2018.
4. **INTERNATIONAL** – A third factor is a decline in consortia and FIT wholesale room nights, which are mainly sourced from international markets.

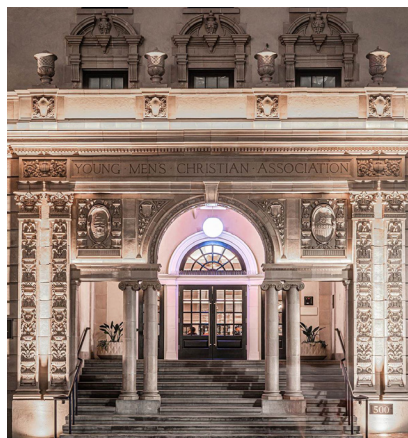
New hotel supply around the County also contributed to losses in occupancy. While the 10-year CAGR for supply growth is 0.8 percent, 2019 saw 2.4 percent growth in hotel room supply.

HOTEL ROOM NIGHT SUPPLY GROWTH





SAN DIEGO TOURISM SITUATION ANALYSIS



L-R: Carte Hotel & Suites Downtown San Diego, The Guild Hotel, Hampton Inn and Suites by Hilton (Liberty Station)

NEW HOTELS OPENED IN SAN DIEGO COUNTY IN 2019 INCLUDED THE FOLLOWING HOTELS:

HOTEL NAME	OPENING DATE	CITY	ZIP	ROOMS
TOWNEPLACE SUITES SAN DIEGO CENTRAL	2/15/2019	San Diego	92113	107
HAMPTON INN AND SUITES BY HILTON (LIBERTY STATION)	3/14/2019	San Diego	92101	181
SYCUAN CASINO RESORT HOTEL	3/27/2019	El Cajon	92019	302
MARRIOTT SPRINGHILL SUITES	5/3/2019	Escondido	92029	105
THE GUILD HOTEL	6/7/2019	San Diego	92101	162
AYRES HOTEL - MILLENIA CHULA VISTA	7/1/2019	Chula Vista	91915	135
TOWNEPLACE SUITES BY MARRIOTT - LIBERTY STATION	8/29/2019	San Diego	92101	222
CARTE HOTEL & SUITES DOWNTOWN SAN DIEGO	9/10/2019	San Diego	92101	246
HAMPTON INN CHULA VISTA EASTLAKE	11/8/2019	Chula Vista	91914	104
HOMWOOD SUITES CHULA VISTA EASTLAKE	11/8/2019	Chula Vista	91914	91
			TOTAL	1,655

The weakness in 2019 is shared across regions and segments. Every day of the week underperformed last year with Thursday-Saturday nights seeing the greatest occupancy declines at 3–4 percent. In terms of STR hotel scales, the luxury segment, which includes only a handful of hotels, is the only scale to keep occupancy flat, while all other scales experienced declines in occupancy. All regions in the County lost occupancy except for North Coastal (UTC, I-5 Corridor), which is flat.

FORECAST

Tourism Economics updates the San Diego County Travel Forecast twice per year with global, national and local perspectives. The December 2019 update positions 2019 as a course correction for the market but forecasts a rebound into 2020 with modest growth rates through 2024. While many fear a recession is ahead, Tourism Economics puts the chance at 35–40% in 2020. In addition, data on past recessions suggest that advanced economies may escape a technical recession even if global weakness exists and developing economies contract.

As this plan is for FY 2021, below is the forecast on a fiscal year. The current weakness in the market is spread over FY 2019 and FY 2020, but most measures rebound in FY 2021. Hotel supply growth takes a break adding 0.9 percent, allowing demand growth at 1.9 percent to boost occupancy rates to 77 percent once again in FY 2021 with an ADR of \$172.51. Visitors to the market will expand a healthy 2.1 percent with overnight visitors back to 1.8 percent growth. The forecast for spending growth is also positive at 4.3 percent, and well above inflation.

Thus, the outlook is optimistic heading into FY 2021. Looking past FY 2021, supply growth is expected to pick up again pressuring occupancy rates to remain between 76 and 77 percent. Currently, a convention center expansion is not factored into the forecast.

Caveat: As the Coronavirus continues to spread, future impacts on travel are not totally known. Currently, Tourism Economics forecasts a 28 percent decline in China arrival to the U.S. in 2020. As other countries in Asia, and now Europe, report additional outbreaks, there will be continued impact on international travel. International travelers to the San Diego market represent about 10 percent of all overnight visitors.

San Diego Tourism Summary Outlook (annual % growth, unless stated)							
	2018	2019	2020	2021	2022	2023	2024
Visits	2.5%	-1.5%	2.2%	2.0%	2.0%	1.9%	1.9%
Day	3.0%	-2.8%	2.6%	2.1%	2.1%	2.2%	2.0%
Overnight	2.0%	-0.1%	1.9%	2.0%	1.8%	1.7%	1.9%
Expenditure	6.1%	2.3%	4.6%	4.0%	4.2%	4.3%	4.1%
Day	5.8%	-0.7%	3.5%	3.3%	3.3%	3.3%	3.2%
Overnight	6.1%	2.6%	4.7%	4.0%	4.3%	4.4%	4.2%
Hotel Sector							
Room supply	0.6%	2.4%	1.9%	1.6%	2.1%	2.2%	2.0%
Room Demand	2.6%	0.3%	1.9%	1.8%	1.7%	2.2%	2.0%
Occupancy (%)	78.6	77.0	76.9	77.1	76.7	76.7	76.8
ADR (\$)	\$166.36	\$167.11	\$170.18	\$173.82	\$177.13	\$181.26	\$185.09

Source: Tourism Economics

See Appendix for full December 2019 Travel Forecast.



SAN DIEGO TOURISM SITUATION ANALYSIS

MARKET ISSUES

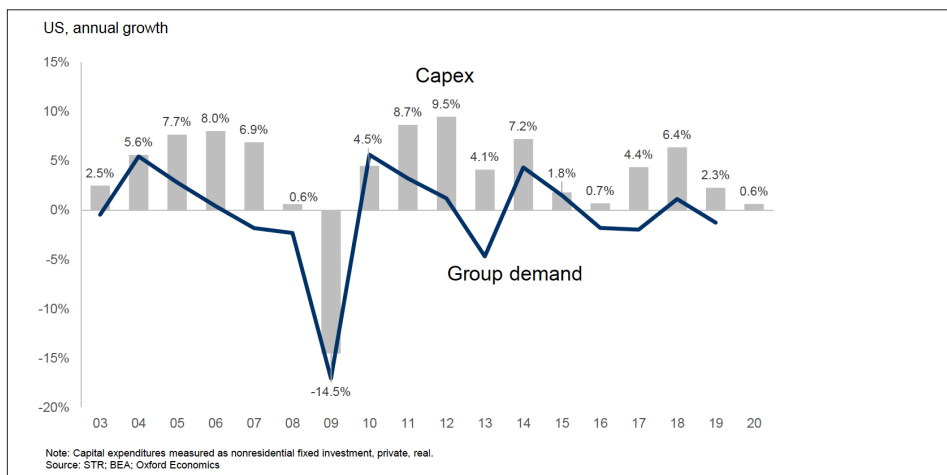
In 2020, San Diego will face challenges that are expected to weigh on tourism industry performance, visitor spending and revenue growth.

- 1. GROWING AND EVOLVING SUPPLY TO OUTPACE FORECASTED DEMAND** – San Diego’s annual hotel supply growth has averaged zero to one percent over the last ten years. However, beginning in 2019 supply growth bumped to two percent, and that level of growth is expected annually for the next five years. The additional hotel rooms create more competition for the demand and pressures rate growth and revenues. In addition to hotel growth, the vacation rental market has become added competition for hotels, as it flexes supply over peak periods at lower average rates. Thus, lodging supply definition is blurring as the marketplace becomes fragmented with new operating models and expected traveler experiences.
- 2. POLITICAL AND ECONOMIC UNCERTAINTY IMPACTING GROUP MEETINGS AND INTERNATIONAL TRAVEL** – The political and economic uncertainty, whether it be BREXIT, NAFTA, Tariff war with China, or the slowdown in developing economies, tempered CEO confidence and business investment in 2019. Although American corporations are profitable, changes in these areas could impact their bottom line, thus tempering investment and spending of profits for the time-being. Closely correlated to business investment is spending on group meetings and business travel, both of which saw retraction in 2019.

A) SLOWDOWN IN COMPETITIVE GROUP MEETINGS MARKET

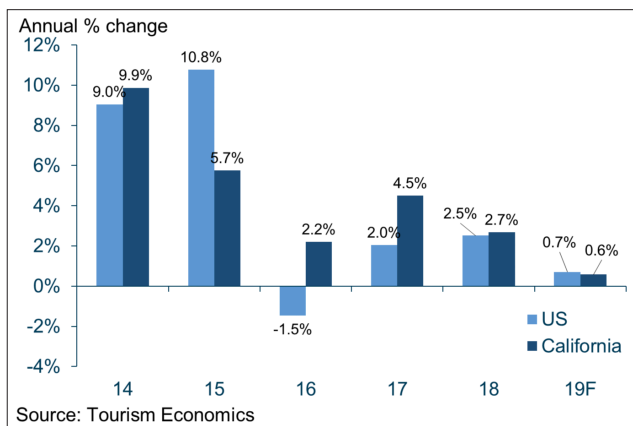
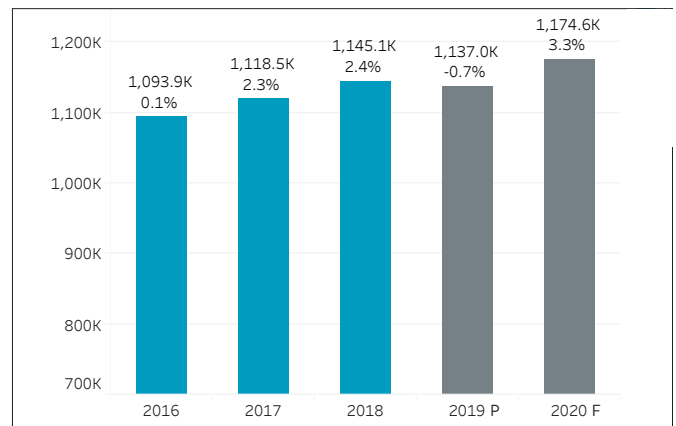
Hotel room nights sold in the group meetings market has been somewhat flat over the last ten years making it a fight for share of the market. San Diego, being one of the most desirable places to hold a meeting, has been able to grow share over the last ten years. However, 2019 ended the travel growth trend, producing a loss in group room nights and independent corporate business travel in the U.S. and in San Diego. Driving these losses was the geo political and economic uncertainty that created a conservative wait and see environment when it came to business investment and spending. While the convention calendar across the U.S. is stronger in 2020, and there is more optimism that the group market dip was a one-off in 2019, group room night growth is expected to be moderate. San Diego’s convention calendar for the year has more contracted room nights overall but there are swings depending on the month and what took place in 2019. August through November have fewer contracted rooms, while December explodes with ASH in town again in 2020. As other markets open expanded convention centers, the fight for share will intensify.

GROUP LODGING DEMAND AND CAPEX SPENDING



B) INTERNATIONAL ARRIVALS GROWTH SLUGGISH

In 2019, the U.S. and California are expected to see growth under one percent in international arrivals. This is following two years of two to four percent growth annually. California is expected to underperform the U.S. as its share of Chinese arrivals is the highest in the U.S. Overseas visitors to San Diego is projected to decline 0.7 percent in 2019. The 2020 forecast calls for a rebound of 3 percent growth, but the political and economic uncertainty, and health crisis brings risk.

U.S. AND CALIFORNIA INBOUND ARRIVALS**SAN DIEGO OVERSEAS VISITOR TREND AND FORECAST**

3. **HEALTH CRISIS** – At the time of this publication, the Coronavirus has become a potential threat to the global travel industry. Although quickly addressed in China, the spread of the virus throughout the world is being monitored and countries are taking measures to quarantine travelers to control further outbreaks. While currently small in numbers, the news instills fear in people, who will change or cancel travel plans to avoid potential contact. Currently, China is ten percent of all overseas visitors to San Diego County. Thus, the impact is not large on the San Diego travel industry. However, non-Chinese travelers may perceive travel too risky, and postpone or cancel trips until the crisis is completely mitigated, which can bleed into losses from more than just the Chinese market. Tourism Economics released a report outlining the potential loss to the U.S., and discussed states and cities with the most risk exposure. California and New York have the most to lose, and specifically, Los Angeles and Riverside due to the Chinese being a greater proportion of visitors to their region. At this point, Tourism Economics estimates a loss of 4 million U.S. hotel room nights from the China market alone over the next few years. See Appendix for the full report.
4. **LEISURE TRAVEL SENSITIVE TO TIME AND MONEY** – The tourism market is a highly competitive and fragmented marketplace. The variables in destination selection are numerous from affordability, time away from work, travel distance, the people in the travel group, activities, lodging options, and a place brand that appeals to the traveler. Currently, the resilient consumer is counterbalancing the weakening business travel. Consumer confidence, unemployment, wage growth, and Americans' intent to travel all remain strong. However, there is only so much time and money, which are critical barriers to winning share of every traveler's trips. As the economy slows compared to the previous ten years, time and money will become scarcer, and destinations will need to compete harder to win the trip.



SAN DIEGO TOURISM SITUATION ANALYSIS

5. SOUTHERN CALIFORNIA COMPETITION ADDING TOURISM PRODUCT INFRASTRUCTURE –

The Los Angeles and Orange County regions are developing infrastructure and tourism product to continue to attract visitors to their region for the next decade and beyond.

Transporting people efficiently is critical to sustainably expanding the tourism economy and jobs. Orange County added a train station connecting Amtrak to buses and other public transportation that is located minutes from Disneyland and the Honda Center Arena. Los Angeles, in further preparation for the 2028 Summer Olympics has been expanding LAX to add more gates and improve flow of traffic in and out of the airport, along with extending subway lines to allow visitors to use more mass transit.

In terms of attractions, StarWars was launched in 2019 at Disneyland, the Great Park Sports Complex was built in 2017, and the coastal area has added 329 hotel rooms to provide more beach resort experiences in Orange County. In addition, Anaheim finished expanding its convention center and is now benefitting from larger groups in the additional space.

Los Angeles has added more cultural institutions such as The Academy Museum, and the George Lucas Museum of Narrative Art in Exposition Park has broken ground. In addition, the new Banc of California Stadium for LA Galaxy opened in 2018, while the new NFL stadium will open in 2020 and bring a Super Bowl in 2022.

Promoting all the new attractions are the other Destination Marketing Organizations with large budgets and of course the Disney and Universal attractions who far outspend San Diego attractions. San Diego will need to compete for travelers against this new Southern California competition.



GEORGE LUCAS MUSEUM OF NARRATIVE ART

6. **INCREASED DESTINATION MARKETING BUDGETS** – New product combined with robust consumer marketing budgets are a threat to San Diego’s Tourism community. Destination Marketing Organization budgets are critical to attract travelers and need to grow to offset media inflation and compete in the marketplace. Key competitor FY 2019 budgets include Los Angeles CTB at \$54 million, Hawaii Tourism Authority at \$109 million, and Las Vegas at over \$365 million.

7. **SLOWING TRAVEL IMPACTS SALES AND MARKETING FUNDING** – The TMD is funded as a percent of room revenue and is thus susceptible to market conditions as well. The majority of the collections is allocated to the SDTA to drive group and leisure travel to San Diego. As the growth rates fall to a new normal for travel, the SDTA budget will need to adjust as well to ensure the most effective use of dollars to win travelers.

MARKET OPPORTUNITIES

San Diego is a premier destination with a variety of visitor amenities and strong destination marketing budget. This has provided a foundation for success and will continue to be imperative in the short-term as any major new product offerings will take many years to complete.

1. **CITY OF SAN DIEGO TOURISM MARKETING DISTRICT FUNDING** Founded in 2008 as one of the nation's first Tourism Marketing Districts (TMD), the City of San Diego and hotel industry have been working together to grow the region's tourism export. Businesses, jobs, and taxes cannot grow without non-San Diegans deciding to spend their travel money in San Diego as opposed to other places. In FY 2020, the TMD provided \$46.2 million to SDTA for the sales and marketing of San Diego. Paid marketing programs are focused on the key markets with the greatest potential for hotel stay generation of the United States, Canada, United Kingdom and China.

2. **SAN DIEGO CONVENTION CENTER EXPANSION**

A major opportunity for San Diego is the proposed expansion of the San Diego Convention Center. On March 3, 2020, City of San Diego residents will vote on an increase in the transient occupancy tax to fund not only the convention center expansion, but also programs for homelessness and road repairs.

The convention center attendee is the most valued traveler as their impact on the economy, jobs and taxes is greater than other travelers because they stay in hotels and spend more on entertainment, meals, and transportation. In addition to attendee spending, meeting planners purchase AV production, food, lighting, transportation, venue space, entertainment, etc. from San Diego businesses and exhibiting companies typically spend to entertain clients and promote their business.



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According to HVS Convention, Sports & Entertainment Facilities Consulting, the expansion is expected to generate an additional 383,000 hotel room nights annually providing a stronger base of business for the destination. This larger contiguous space will allow San Diego to keep the largest conventions such as ComicCon and allow for stacking two or three smaller conventions. The larger space will also create greater compression on peak nights for the hotel market so that travelers not in town for the convention stay outside downtown and generate business for other areas of San Diego.



SAN DIEGO TOURISM SITUATION ANALYSIS

3. **IN ALIGNMENT WITH THE “EXPERIENCE SAN DIEGO: DESTINATION 2040” TOURISM MASTER PLAN, SDTA HAS DEVELOPED A THREE-YEAR INVESTMENT PLAN** to combat the challenges to tourism industry growth and revenues. Based on the potential for increased funding, the three-year investment plan includes:

A) GREATER INVESTMENT IN DOMESTIC MARKETING.

The U.S. market represents 80 percent of travel to San Diego. With increased funding in FY 2020, SDTA moved to a National Advertising Strategy, including National Cable Television, increasing U.S. households reached by 95 million (+395% over the prior year).

While National Advertising builds new audiences and significantly increases overall

reach, San Diego must also protect its close-in volume markets, including Los Angeles and Phoenix, which together historically account for about 20 percent of San Diego overnight visitors annually.



The Los Angeles-Long Beach MSA has traditionally been San Diego's single largest source market for visitors. After the Great Recession in 2008, San Diego began to see an erosion in the number of Southern California visitors. From an uneven economic recovery to increased competition to challenging traffic conditions between LA and San Diego, the reasons for the decline were many. Following market research conducted in 2017, SDTA shifted its approach to the market to layer in an “Always-on” content strategy that provided LA residents with rational proof points as to why San Diego is worth the trip by promoting what is new, Instagramable and beyond kid-focused experiences. The shift in strategy proved successful with San Diego growing its share of overnight leisure outbound from Los Angeles in 2018 and the first half of 2019.

Despite high awareness and consistent intent to visit, San Diego has experienced more significant loss in hotel visitor volume out of Phoenix in recent years, with a net loss of 500,000 hotel guests, since the market's peak in 2009. While Phoenix has received similar advertising strategies as Los Angeles, the economic profile of the market is not as strong, including lower than national average wages and higher than average unemployment. SDTA will be conducting market research in Phoenix to uncover new demand driver opportunities.

All-in-all, San Diego cannot overly rely on close-in markets to carry the market. Building new audiences through expanded reach domestically, is a critical demand growth strategy to help meet San Diego's hotel supply growth.

B) CONTINUED EMPHASIS ON MAJOR EVENTS AS A TOURISM

DRAW. It takes many years to build new product and infrastructure. Major events are another tourism draw for San Diego. Festivals such as KAABOO draw an average daily attendance of at least 35,000 with about 50 percent of tickets sold from outside San Diego County. Events use existing facilities and are spread throughout the year. Through TMD funding and SDTA marketing support, San Diego has become a more exciting destination with a wide variety of events held throughout the year.



C) PROMOTIONS TO ENCOURAGE TRAVEL DURING SHOULDER SEASONS.

Special promotions are another way to spread business from the peak season to the shoulder season. Kids Free San Diego is now in its 8th year and has proven to be a draw for incremental hotel and attraction visitation during October. San Diego for the Holidays is a newer program that capitalizes on San Diego's year-round appeal and promotes value-oriented hotel offers to help drive a historical need period.



D) INTERNATIONAL MARKET DEVELOPMENT. From new air service development to consumer direct advertising campaigns, investment in developing new international markets is critical to growing visitors and spending. Canada and the United Kingdom continue to provide large economic impact to the region, and China has grown to become San Diego's second largest overseas market. Mexico, Germany, Australia and Japan continue to be large source markets for travelers to Southern California. France, Korea, India and Brazil are on the rise.



CHINA With over 1.4 billion people living in China, Chinese outbound travelers to the U.S. grew steadily through 2017 to a peak of 3.2 million Chinese visitors. While visitation fell 5.7% in 2018 to 2.9 million visitors, most industry-watchers agree that any downturn is temporary, since China's middle class will only continue to expand. The U.S. government forecasts Chinese tourism will grow 2% in 2019 to 3.3 million visitors and will reach 4.1 million visitors by 2023. Regardless of the declines at the national level, China held its position as California's top overseas market with 1.6 million in-person trips in 2018 and \$3.5 billion in visitor spending.

However, now described as a market issue as well, the sudden outbreak of the coronavirus will set the Chinese market back to 2014 volume levels in 2020, and will take about four years to regain the growth trend that the market was set to achieve. Over the long-term, China will continue to be a force in the travel industry and overtake all other overseas markets in terms of volume to the U.S. and California. For now, the opportunity is on pause until the outbreak becomes officially contained and peoples' fears about traveling are alleviated. See Tourism Economics' full report in the appendix on the expected impacts at this time. Based on continued strong traveler interest, China is considered long-term growth strategy with strong growth potential.

4. **SAN DIEGO AS A "COOL CITY"** – While San Diego's laid-back vibe and outdoor lifestyle are envy of people around the world, California's "beach-city" has come of age. In the January 2019 issue of *Travel & Leisure*, San Diego's cross-cultural vibrancy is featured. Media and customers are touting the area's diversity, urbanization and sophistication as much as the beautiful beaches, weather and friendly people. And San Diego's business identity is blossoming as innovators from global tech giants like Qualcomm, Illumina, Cubic and Viasat are changing the world. There is buzz and energy in San Diego begging to be discovered.

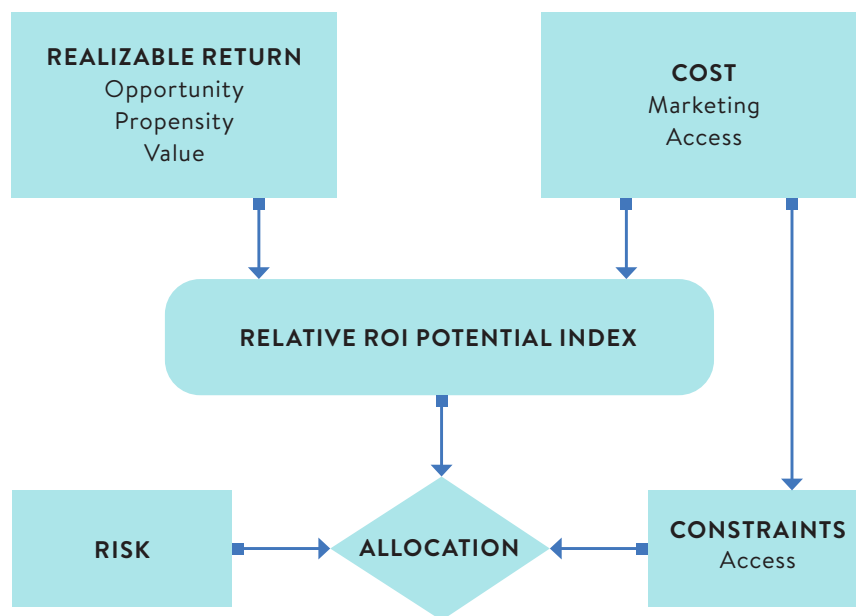
Exploration is a fundamental component of how we live and experience travel, and a destination's culture is now framed by the way a traveler experiences a destination and their desire to experience place like a local. San Diego is still accessible, not too big, not too small. Discovery is still possible here and it is within the neighborhoods that the most interesting products are being developed. Whether it's Raised by Wolves at Westfield UTC, recognized as 2019 Cocktail Bar of the Year by James Beard award-winning *Imbibe Magazine*, or First Fridays Arts District at Liberty Station, which after 10 years has grown into one of San Diego's most popular free arts events, there is a mix of flavors, people and experiences that are uniquely San Diego.



SAN DIEGO TOURISM SITUATION ANALYSIS

MARKET INVESTMENT TO DRIVE MAXIMUM HOTEL ROOM NIGHTS

Potential travelers to San Diego span the globe, but with a limited budget to reach them, we must prioritize markets and invest wisely to maximize hotel room nights. To that end, the SDTA partners with Tourism Economics, a global travel economics company with a return on investment framework to help prioritize the markets that have the potential to earn the greatest return. The model was updated in October 2019 to reflect updated market conditions.



At the highest level, the model provided an estimated domestic to international investment ratio which at a medium-term, balanced risk scenario recommends 80 percent domestic investment and 20 percent international investment. The safer risk profile based on greater political and economic risk, adjusts the ratio to 85 percent domestic and 15 percent international. The broader allocation guidelines now require review by domestic markets and international markets based on the available budget and countries with direct air service.

DOMESTIC

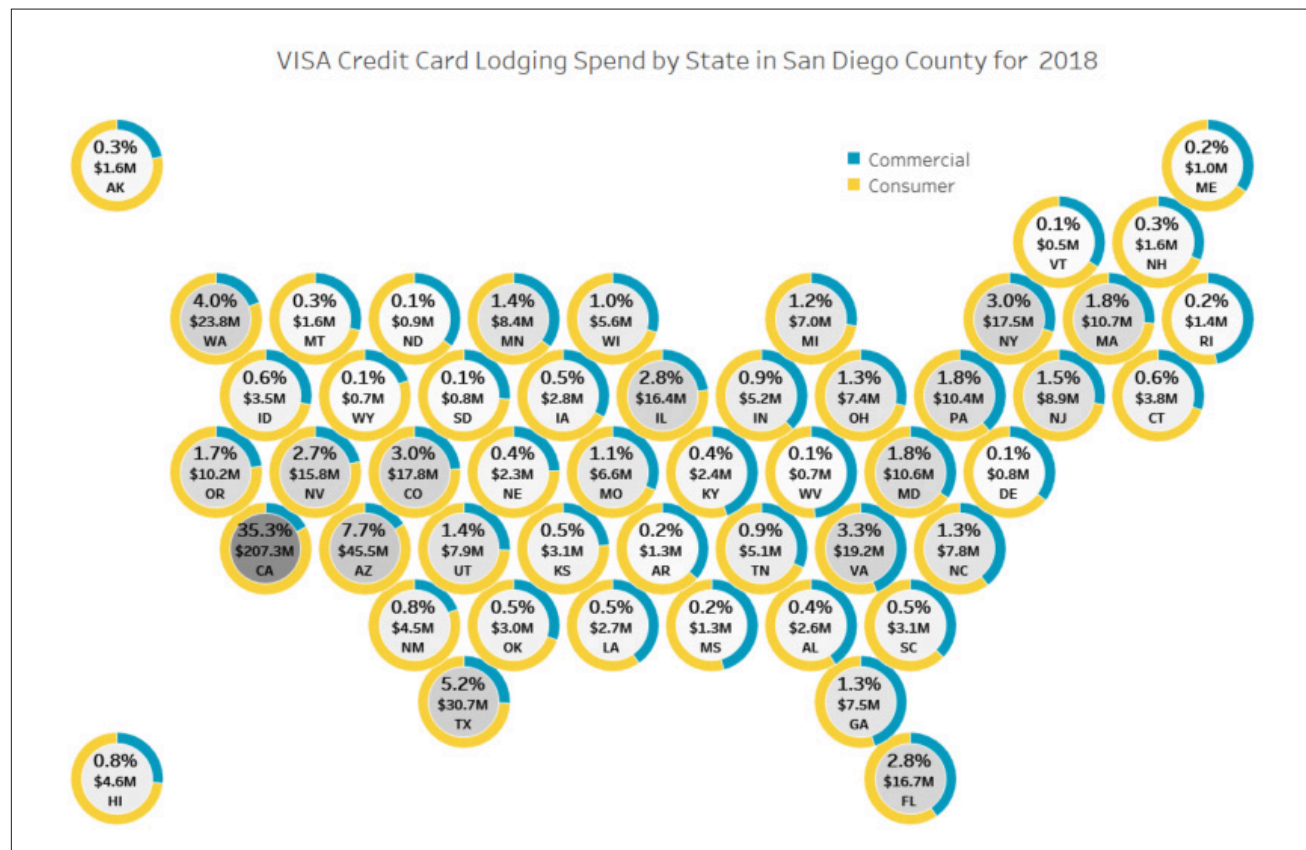
Prior to the formation of the TMD, the SDTA budget only allowed for direct advertising in nearby mature markets in California and Arizona. Since the TMD formation, the budget has grown significantly allowing for a gradual build in advertising markets outside the Western U.S. such as Dallas, Chicago, and New York. The market allocation model framework prioritized the domestic markets identifying the next market to add as the budget has allowed.

In a medium-term balanced risk scenario, reaching markets from California to New York would provide the greatest return on the spending.

In FY 2020, TMD funding grew to a level that created a tipping point for market investment. The funding level for the advertising budget now allowed for a move from individual market investment to a national cable strategy that would reach the target audience across the U.S., and not just the top 5 to 10 markets.

Data from VisaVue, Inc. shows that travelers across almost every state in the U.S. had spending at San Diego lodging properties in 2018. San Diego now has the opportunity to reach millions of more potential travelers.

DOMESTIC TOP 10 PRIORITY MARKETS OCTOBER 2019 UPDATE	
San Francisco	
Phoenix	
Los Angeles	
Seattle	
New York	
Dallas	
Denver	
Sacramento	
Salt Lake City	
Chicago	

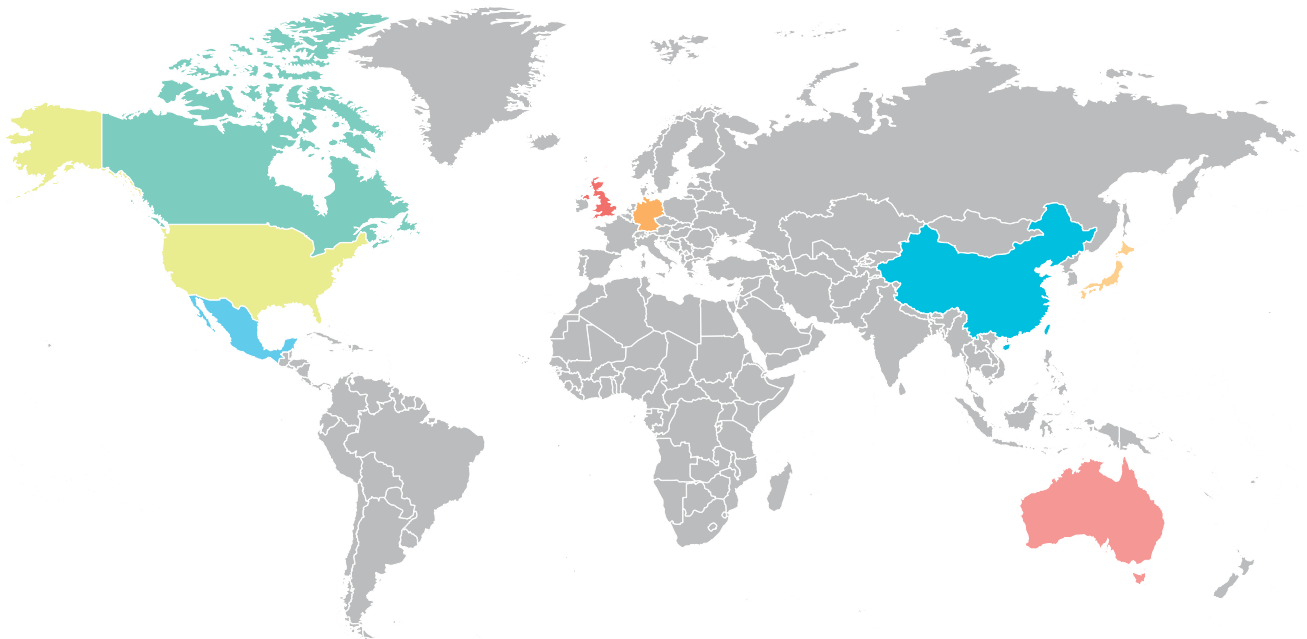




SAN DIEGO TOURISM SITUATION ANALYSIS

INTERNATIONAL

The majority of international visitors do not arrive on the direct flights but rather through connections via other U.S. cities. However, supporting direct air service countries is an important strategy to further grow San Diego's presence and brand globally. The combination of potential return and longer term air service market development drives the market prioritization.



INTERNATIONAL PRIORITY MARKETS

Canada
China
United Kingdom
Germany
Australia
Japan
Mexico

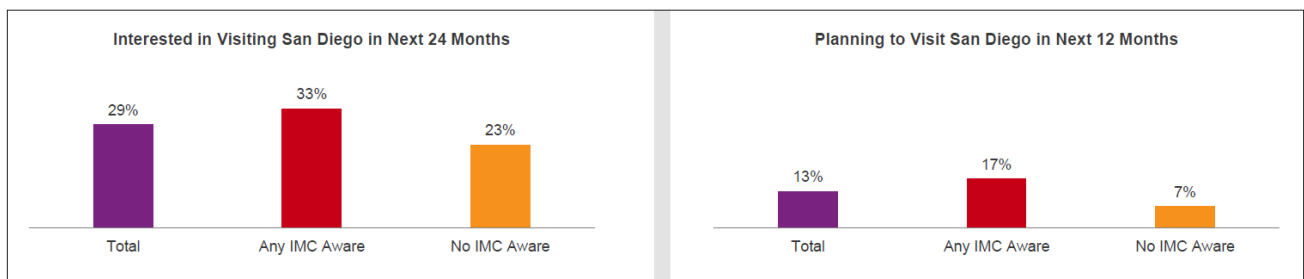
COMMUNICATIONS LANDSCAPE



Today, brands need to be in more places with their message, more often, to reach and connect with audiences in their preferred channels with a unified message and voice. It's critical to find your audience and then be there, where they're most interested and engaged. Marketing Return-on-Investment (ROI) studies show that leveraging campaigns across multiple channels significantly increases effectiveness. SDTA has a large communications program in place to reach, educate and engage customers. An Integrated Marketing Campaign (IMC) that combines Bought (paid advertising) with Earned (media relations) and Owned (SDTA digital channels) significantly increases San Diego's share of voice in the marketplace and travel intentions among the target audience.

Those exposed to SDTA's Integrated Marketing Campaign are much more interested in visiting the destination compared to those who are not aware of any marketing. In the most recent Marketing Return-on-Investment study, one-third (33%) of the target audience nationally who were aware of SDTA's marketing are interested in visiting in the next 24 months, compared to 23% of those who were not exposed to any marketing. The delta of +10 percentage points is the impact SDTA's Integrated Marketing Campaign had on driving desirability and intent to visit the destination.

OMNITRAK, SPRING/SUMMER 2019 INTEGRATED MARKETING CAMPAIGN





COMMUNICATIONS LANDSCAPE

TRENDS: BOUGHT MEDIA (PAID ADVERTISING)

• DIGITAL LEADS IN TIME SPENT WITH MEDIA

Time spent with digital media overtook traditional media consumption for the first time in 2018 and is expected to account for 55 percent of total U.S. adults' time spent with media by 2020.¹ Driving this growth is the popularity of digital video — particularly the adoption of Connected TVs (CTV) and long-form content available on Over-The-Top (OTT) platforms — which is expected to grow to one hour, 38 minutes per day by 2020. From cord-cutting to Connected TV to social, digital video content is omnipresent and providing audiences, and marketers, with a variety of choices. SDTA develops digital and mobile-first strategies to reach audiences where they are spending the most time with content.

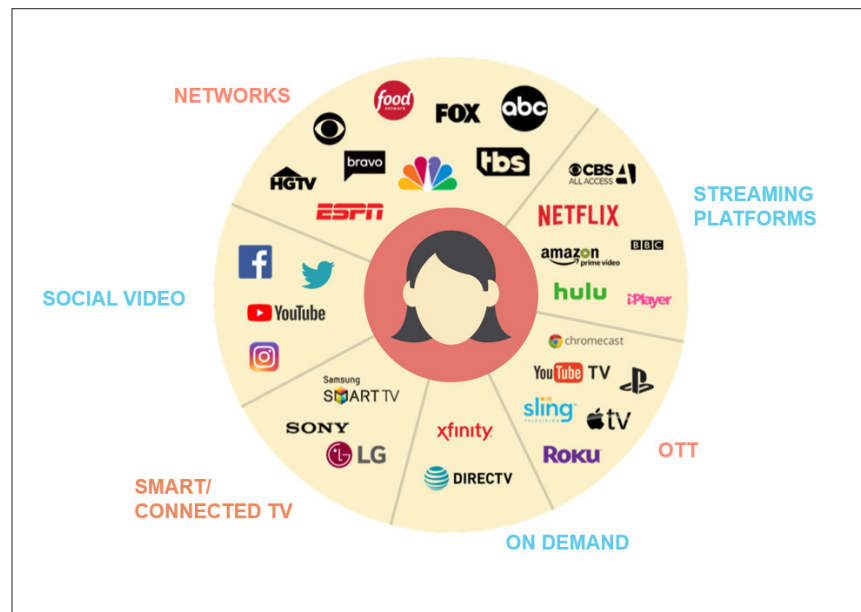
• TELEVISION STILL DOMINATES FOR VIDEO VIEWING

While digital media continues to grow, traditional linear television, including live and time-shifted/DVR, remains the option with the biggest reach at roughly 90 percent.² While television and video together account for more than five hours of time spent with media each day, it is projected that U.S. adults will spend twice as much time viewing television than viewing digital video through 2020.³ Holistic programs that include traditional media are still required to generate mass awareness based on the unmatched reach of television.

• MORE DIVERSE VIEWING EXPERIENCE & FRAGMENTATION

Today, the TV-Video viewing experience is much more diverse, happening across multiple screens and platforms. As of September 2018, 68 percent of U.S. households had internet-enabled TV-connected devices.⁴ While still less the one-sixth of households with cable and satellite television subscriptions, it is projected that 55 percent of the U.S. adults will be cord cutters by 2020.⁵

With cord cutting on the rise and increased audience usage of OTT and digital video options, new platforms like Amazon Video are entering the market. While this provides advertisers with increased opportunity to align with premium content, it also creates greater fragmentation and requires increased investment to reach users not reached through traditional media. SDTA advertises across multiple television and video platforms and plans these programs to complement and support one another, creating greater overall synergy.



¹ eMarketer, U.S. Time Spent with Media 2018, October 2018

² Nielsen, Tops of 2019: Television, December 2019

³ eMarketer, U.S. Time Spent with Media 2018, October 2018

⁴ Nielsen, The Nielsen Total Audience Report Q3 2018

⁵ Adweek, Jason Lynch, The Number of OTT-Only U.S. Homes Has Tripled Over the Last 5 Years, March 2018

- **PREMIUM DIGITAL ENVIRONMENTS LEAD IN BRAND SAFETY AND IMPACT ALBEIT AT A HIGHER COST**

While programmatic and social mass reach environments can deliver quality placement, defined audiences and efficiencies, premium, contextually relevant OTT environments often deliver greater control over programming and placement resulting in reduced risk when it comes to viewability and brand safety though they may yield lower reach based on higher costs.

- **DIGITAL AUDIO EXTENDS REACH**

Streaming music with Pandora and Spotify and on-demand storytelling such as podcasts are providing increased opportunity to engage with captive, affluent audiences who are typically light users of Traditional media. It is estimated that almost one-quarter of Americans (23.7%) will listen to a podcast at least once a month in 2020.⁶ With high engagement by users, up to 60 percent of podcast listeners say they have purchased a product after hearing it advertised on a podcast.⁷ Similarly, in a study for Spotify, Nielsen found audio ads drove 24 percent higher recall than display ads and were twice as likely to lift purchase intent.⁸

- **THE DUOPOLY: GOOGLE AND FACEBOOK REMAIN VITAL ELEMENTS OF A MEDIA MIX**

Digital media spend within Facebook and Google is estimated to make up more than 51 percent of total global ad spend 2019.⁹ Both platforms provide unmatched audience targeting capabilities and efficiencies for reaching audiences throughout the decision journey. Despite constant platform and targeting changes, less transparency and harsh scrutiny from public and government, most sources agree The Duopoly is here to stay and grow. SDTA continues to monitor brand safety and evolve buying strategies to ensure programs effectively deliver scale and desired engagement.

- **SOCIAL AD CAPABILITIES CONTINUE TO EVOLVE**

Users are as likely to turn to social media for content, entertainment or news as they are to stay in touch with family and friends resulting in the evolution of social as a media platform, providing unique reach and engagement. From Facebook to Instagram to Pinterest to Snapchat, consumers have distinct perceptions, sentiment and intentions about using different social platforms. Social strategies and creative should be built with a specific channel in mind, as consumers view each platform differently.

- **PEER-TO-PEER COMMUNICATION GAINS PROMINENCE**

One-to-one interaction continues to be an important — and growing — benefit of social platforms. Globally, WhatsApp, Facebook Messenger and WeChat have the most active users,¹⁰ whereas in the U.S., Facebook Messenger dominates followed by Snapchat and WhatsApp.¹¹ By 2022 more than half of U.S. residents will use a mobile messaging app with more than 40 percent using Facebook Messenger.¹² Sixty-eight percent of Snapchat users consider chat/photo messaging the most important feature,¹³ and Instagram Stories is leaning into private sharing with chat and “Close Friends” features.

⁶ eMarketer, Podcast Advertising 2018, August 2018

⁷ iab, 2019 Digital Audio Buyer's Guide – 2.0

⁸ Nielsen Media Lab study (2017)

⁹ eMarketer, Digital Ad Revenues Worldwide, Duopoly vs. Other, 2019

¹⁰ Statista, Most Popular Global Mobile Messaging Apps, October 2019

¹¹ Statista, Most Popular Mobile Messaging Apps in the United States, September 2019

¹² eMarketer, Messaging Apps and Marketing 2018, September 2018

¹³ Vox, Snapchat is still the network of choice for U.S. teens, December 2017



COMMUNICATIONS LANDSCAPE

TRENDS: EARNED MEDIA (MEDIA RELATIONS)

- DESPITE THE RISE OF “NEWER” INFLUENCERS, ENGAGEMENT WITH TRADITIONAL JOURNALISTS STILL CRITICAL TO EARNED MEDIA**

While the results vary by country, globally mainstream journalists (60%), everyday consumers (50%) bloggers (41%), celebrities (40%) and micro-influencers (39%) were selected most often as the types of influencers who impact how consumers think about products and services, and in turn, their purchasing activity.¹⁴

Country by country	U.S.	Canada	U.K.	France	Germany	Sweden	China
Mainstream journalists	69% (34%)	39% (15%)	48% (23%)	51% (23%)	67% (28%)	46% (11%)	54% (14%)
Everyday consumers (inc. family and friends)	49% (23%)	66% (24%)	55% (23%)	31% (11%)	56% (36%)	46% (20%)	54% (16%)
Bloggers	36% (4%)	59% (15%)	43% (15%)	63% (17%)	22% (6%)	31% (9%)	50% (8%)
Celebrities (actors, artists, athletes, social media stars)	37% (11%)	44% (17%)	32% (11%)	37% (26%)	39% (6%)	46% (20%)	68% (44%)
Micro-influencers	48% (11%)	37% (7%)	28% (3%)	46% (6%)	17% (3%)	37% (17%)	26% (4%)
Employees	34% (9%)	32% (10%)	52% (17%)	43% (11%)	47% (6%)	54% (14%)	16% (8%)
Corporate executives	28% (7%)	24% (12%)	42% (8%)	29% (6%)	53% (17%)	40% (9%)	32% (6%)

- DEMAND FOR EARNED MEDIA CONTINUES TO RISE WHILE OPPORTUNITIES CONTINUE TO SHRINK**

Readership of digital media outlets has leveled off after several years of growth, while U.S. newspaper circulations are at their lowest levels since the 1940s.¹⁵ News and earned media outlets will continue to try and make up for loss of advertising revenues by offering more paid content opportunities, taking resources away from opportunities for true “earned” placements. At the same time, clearly separation between “entertainment” and “true news” is expected to make a comeback.¹⁶

- ENGAGEMENT WITH EARNED MEDIA IS ON THE RISE**

Consumers are not only engaging with news coverage more, they are also amplifying it. According to Edelman, readers’ engagement with the news rose by 22 points from the previous year, with 40 percent of consumers not only consuming news at least once a week but also amplifying it via their personal networks.

- SUCCESS METRICS SHIFT FROM UNIVERSAL MEASUREMENTS TOWARDS MORE SPECIFIC KPIS**

As the PR industry continues to move away from vanity metrics such as advertising equivalency and impressions, communicators must focus PR strategies on clearly defined outcomes that connect back to organizational goals.¹⁷

¹⁴ Cision, 2019 Global Comms Report: The Path to Progress

¹⁵ Pew Research Center, 5 Key Takeaways about the State of the News Media in 2018, July 23, 2019

¹⁶ Agility PR Solutions, 2020 Vision – 6 PR trends and predictions for the New Year, Dec. 16, 2019

¹⁷ 2019 Edelman Trust Barometer, January 20, 2019

TRENDS: OWNED MEDIA (SDTA DIGITAL CHANNELS)

In FY 2020, SDTA's owned channels will deliver an estimated 24 million user engagements across its domestic and international websites, social media and email platforms.

As the main fulfillment hub for the paid and earned media programs, and its impact on SDTA's Integrated Marketing Campaign, SDTA's digital ecosystem plays an important role at each stage of the travel purchase journey – from inspiration and active evaluation, to travel planning, to post-stay advocacy.

A recent SanDiego.org website user and conversion study, conducted in March 2019 by Destination Analysts, determined that 36 percent of visitors to the website were subject to influence by the website in making their destination decision. Seventy-six percent of survey respondents visited San Diego post-use of the website and of those, 66 percent stayed overnight in a hotel, motel or bed & breakfast. Further, 67.5 percent said the website influenced their decision to visit San Diego and of those respondents, 61.8 percent reported that the website increased their length of stay.¹⁸

As we increasingly become an “Always-on” connected society, careful planning and investment in SDTA's digital landscape is imperative. Here are six trends that will shape our approach in the coming year.



- **MULTI-PLATFORM ENGAGEMENT**

Consumers are using their smartphones and tablets while watching other media. In fact, in a recent Nielsen Survey, 88 percent of respondents reported using a second digital device while watching television, 71 percent looked up content related to the content they were watching and 41 percent messaged friends and family about content they were watching.¹⁹ This multi-platform approach is becoming commonplace and creating opportunities for marketers.

- **GROWTH OF VISUAL AND STORYTELLING CONTENT**

Online platform time continues to rise with Facebook, YouTube and Instagram dominating social networks – the latter of which is growing rapidly and is estimated to have 112.5 million active U.S. users by 2021. In the social space, people are increasingly telling stories through edited images and videos along with an expanding sophistication in content creation.

¹⁸ Destination Analysts, SanDiego.org Website User & Conversion Study, March 2019

¹⁹ Nielsen, Q2: 2018 Total Audience Report, Dec. 2018



COMMUNICATIONS LANDSCAPE

- **VOICE SEARCH: ORGANIC, NOT PAID**

Voice is the future of web search. The adoption of smart speakers and voice assistant has been quick with Amazon, Google and Apple dominating the market. Seventy-two percent of people who own smart speakers say the devices are part of their daily routines and smart speaker users, who own two or more devices, moved from 38 percent to 52 percent in 2019. It is estimated that by 2020, 50 percent of all searches will be using voice search functions.²⁰ Voice Search results primarily deliver organic results, emphasizing the importance of SEO friendly websites.

- **MESSAGING AND CHATBOTS PROVIDE CONSUMER OPTIONS**

While messaging is massively popular in other countries, such as the messaging powerhouse WeChat in China, the United States has been slow to adopt. This is changing as platforms like WhatsApp and Facebook Messenger become more mainstream and consumers become more comfortable communicating with each other and brands through Short Message Service (SMS). The use of Chatbots is also on the rise. In a recent Salesforce survey, 77 percent of customers said that Chatbots will transform their expectations of companies in the next five years.²¹

- **DATA-DRIVEN PERSONALIZATION & PRIVACY**

It is increasingly important for marketers to collect, analyze and use data to improve customer experience and increase engagement. Today's consumers are both passively and actively sharing their data in exchange for personalized experiences and marketers are using that data, with the help of sophisticated artificial intelligence algorithms, to deliver highly relevant content. Running parallel to data mining is establishing policies and procedures to responsibly handle personal information. One in three Americans has taken steps to improve their digital "well-being" in the past year and in addition to the 2018 UK Data Protection Act, California's new privacy law (CCPA) came into effect on January 1, 2020.²² Adhering to data privacy regulations and establishing consumer trust is paramount in 2020.

- **ACCESSIBILITY AND INCLUSION**

Updated Web and Content Accessibility Guidelines (WCAG) are gaining momentum with web developers and UX designers moving away from a one-size-fits-all mindset to adopt WCAG standards and principles making it easier for people with disabilities, and older generations, to access websites, email communications and even social media platforms.²³

²⁰ Michael Georgiou (2016) updated by Jay Baer (2019), Convince & Convert, How to Optimize Content for Voice Search

²¹ Salesforce, State of the Connected Consumer 2019

²² Ascend2 Research-Based Marketing, Data-Driven Personalization: What It Is and Why You Need to Use It in Your 2020 Marketing, July 2019

²³ Megan Leap, Convince & Convert, 8 Digital Marketing Trends for 2020

SAN DIEGO TOURISM BOUGHT • EARNED • OWNED MARKETING PROGRAMS

SDTA	BOUGHT	EARNED	OWNED
PROGRAM	Spend over \$20 million per year on paid media	Generate an article quality score average of 70 per year for unpaid media coverage	Website, Blogs, Social Media Channels, Official Publications, E-Newsletters
AUDIENCE REACH	2.6 billion gross impressions	2.0 billion gross impressions	24 million engagements

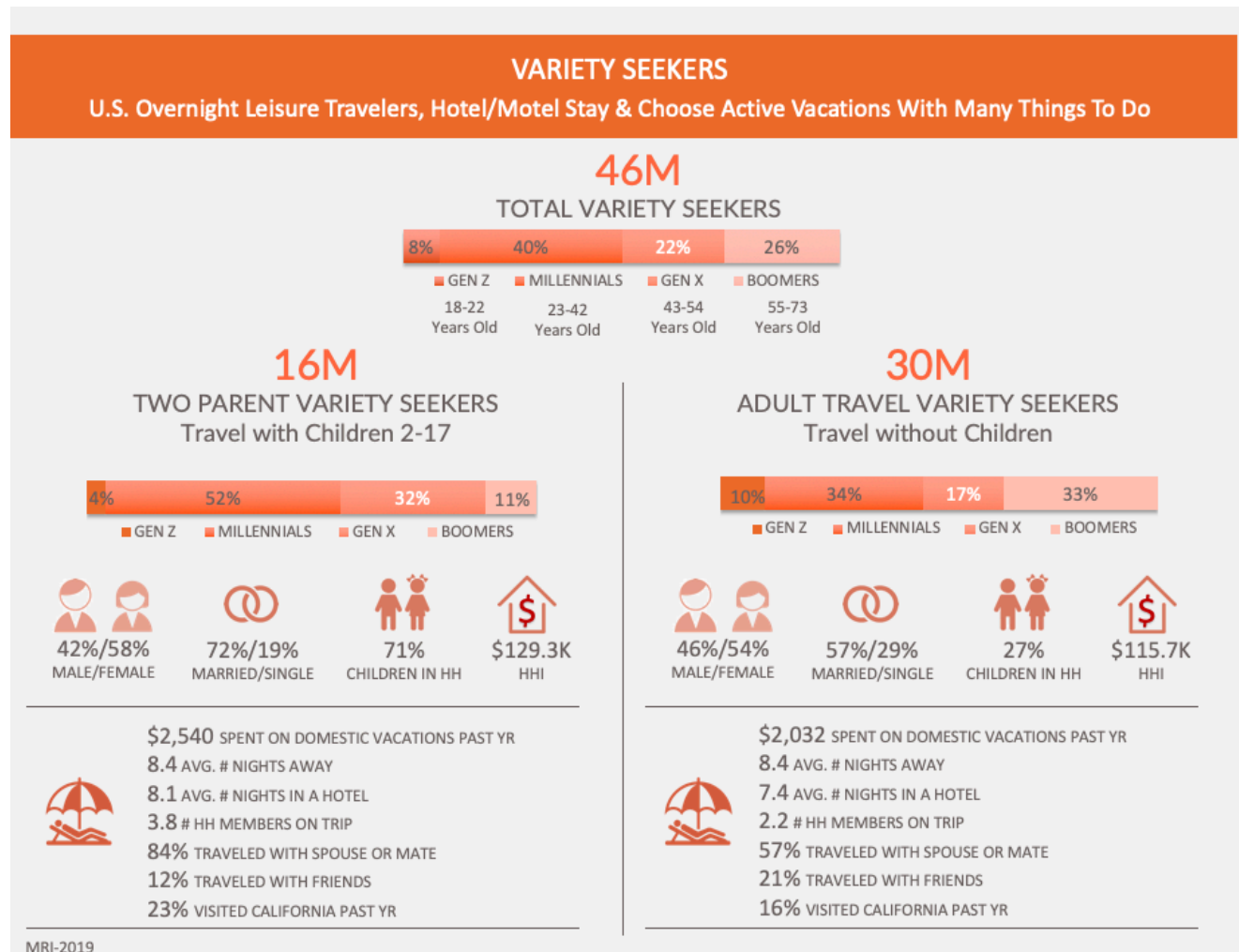
	B2C BUSINESS TO CONSUMER	B2B BUSINESS TO BUSINESS
FOUNDATION	SanDiego.org	
DOMESTIC SOCIAL MEDIA	Blog.sandiego.org Facebook.com/SanDiego Twitter.com/visitsandiego YouTube.com/visitsandiego Instagram.com/visitsandiego Pinterest.com/visitsandiego Snapchat.com/add/visitsandiego	Connect.sandiego.org Twitter.com/sdtacconnect LinkedIn.com/company/san-diego-tourism-authority
INTERNATIONAL SOCIAL MEDIA	Facebook.com/VisiteSanDiego (Mexico) Instagram.com/visitasandiego (Mexico) YouTube (Mexico) Weibo (China) WeChat (China) YouKu (China) Sandiego.org.cn (China) GoUSA.cn/SanDiego (China) Facebook.com/SanDiego.International.Japan (Japan)	
OFFICIAL PUBLICATIONS	San Diego Visitor Planning Guide	San Diego Meeting Planners Guide
E-NEWSLETTERS	E-News, Consumer	E-News, Group Meetings E-News, Travel Trade E-News, Corporate E-News, PR



LEISURE TRAVEL TARGET AUDIENCE

The U.S. Census estimates the United States population at over 328 million people and the number of households at over 128 million. In general, travelers profile as younger, more affluent, better educated and more likely to own a home than the average. At such a large audience size, it is imperative to narrow down San Diego's target audience so that the program of work can be more efficient. Through MRI database analysis and the CIC San Diego Visitor Profile, targets are selected by demographics and past hotel/motel visitation, then further refined through psychographic data.

San Diego's target audience is identified as a "Variety Seeker": travelers who stay in a hotel/motel and choose vacations with lots to do. The media buying target is across three generational groups (Millennials, Gen-X and Boomers) and with a focus on adults age 25-54.





THE LEISURE TRAVEL MARKET

LEISURE TRAVEL TARGET AUDIENCE

Variety Seekers Mindset: What matters and what motivates

Avid travelers who want to explore new places and have new experiences to learn about other cultures. Like to research, share, offer advice and recommend travel ideas with others.



Ambitious in work & leisure they often find themselves in leadership positions and consider their work a career, not just a job; think of themselves as sophisticated, and even find risk taking exciting.



Environmentally conscious and think about their own impact as well as a company's environmental record, both which impact their decisions.



TWO PARENT VARIETY SEEKERS Travel with Children 2-17



Spending time with family is their top priority even though they often feel strapped for time when juggling work and family life



Rely on recommendation from peers when researching or making travel decisions



Quality and brand loyalty are also more important

ADULT TRAVEL VARIETY SEEKERS Travel without Children



Seek new and novel experiences and want to visit places they have never been and enjoy life to the fullest



Friends and social life are very important, even traveling in a group and meeting new people is appealing



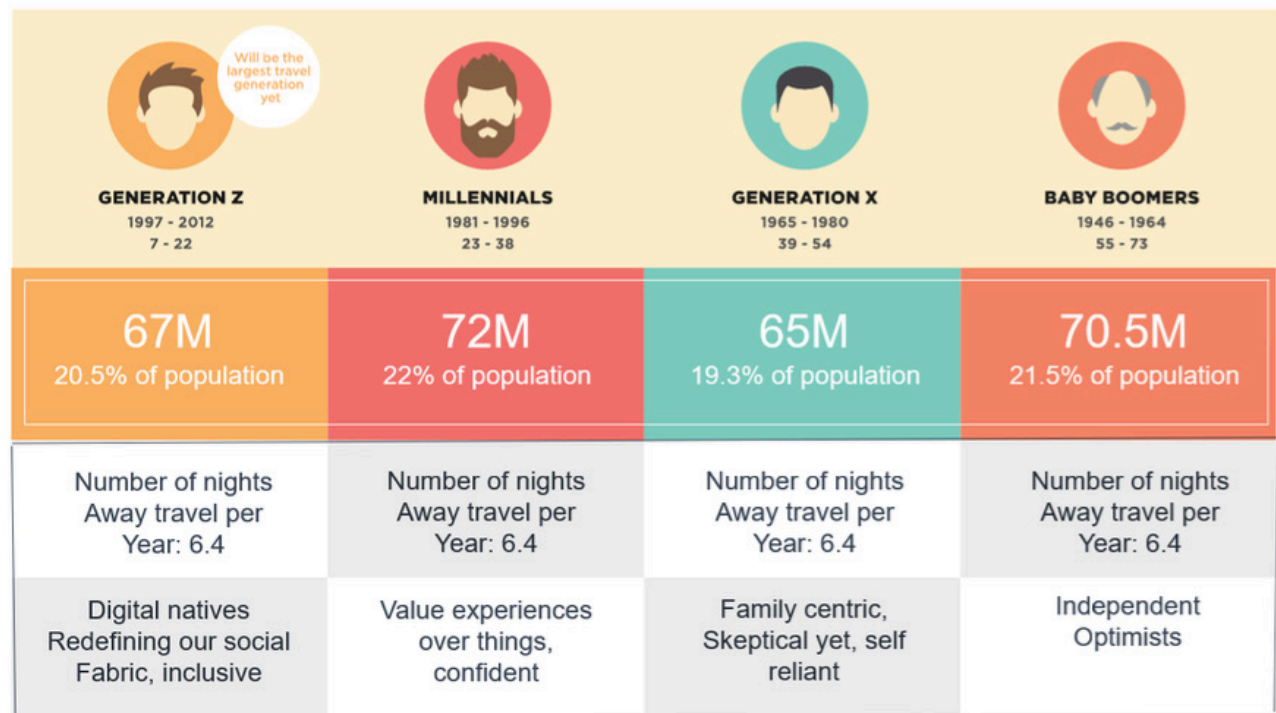
Want to take action on environmental issues and even consider themselves outspoken; expect the government and companies to do so too

MRI-2019

CONSUMER INSIGHTS AND OPPORTUNITIES

4 GENERATIONS OF TRAVELERS

Given travel decision makers now span four generations, marketing programs must go beyond traditional demographics (e.g., age, gender, geography, household income) to tap into audience commonalities, passions and interest segments.



MRI Doublebase 2017 GenZ defines as 18+, MRI Doublebase 2018 Pew Research & US Census 2019

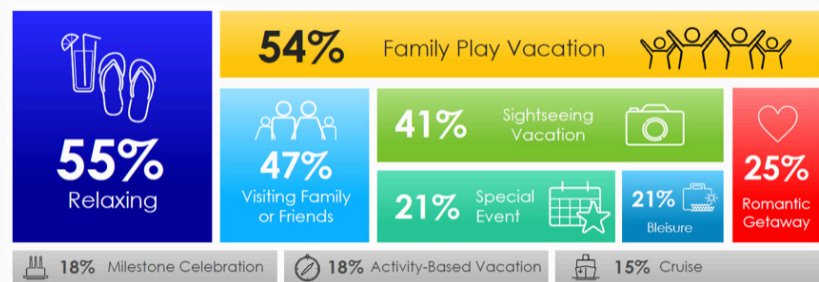


CONSUMER INSIGHTS AND OPPORTUNITIES

FUN FOR THE ENTIRE FAMILY

According to Visit California, Millennials represent the largest population segment of domestic and international travelers to California, and family travel is the most popular vacation type among U.S. Millennial travelers.¹ Generation Alpha, known as the children of Millennials, and are the first generation born entirely within the 21st century. For travelers with Generation Alpha children, keeping the family entertained and happy while on vacation is of utmost importance, followed by value and being active outdoors.² Fun for the entire family; kid-friendly entertainment, including theme parks, water activities, outdoor activities and historical landmarks; and safety drive family travel destination decisions more than expense. Relaxing and family play vacations are the most popular trip types among these family travelers.

TRAVELERS WITH GEN ALPHAS GO FOR RELAXING & FAMILY PLAY TRIPS



expedia group
media solutions

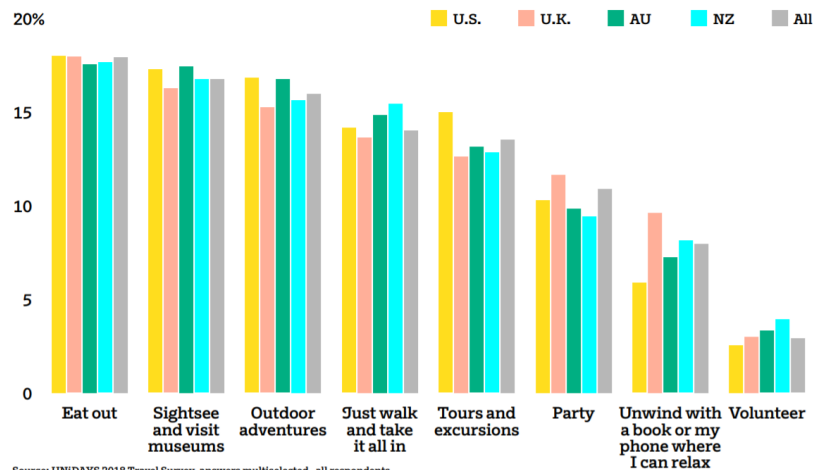
Q14: What types of trips have you taken in the past year?

GEN Z: THE TRAVELING GENERATION

While not yet in SDTA's target audience, Gen Z has already overtaken Baby Boomers in leisure travel volume (trips taken in the last 12 months),³ and while still young, older Gen Zers (now college age) are only slightly behind Millennials in the number of trips taken per year.⁴ The most diverse generation in history,⁵ they are highly accepting and champion a greater freedom of expression. While Gen Zers have only just come of age, they most certainly know what they want and already have ambitious travel plans: from adventure trips to international destinations.⁶ In fact, 34 percent want to travel solo within the next decade, and based on their desire for exploration, 65 percent rank seeing the world as most important way to spend their money. Gen Z travelers are very conscious of the impact their travels have on the environment and communities they visit. Connectivity while traveling is essential, whether to share pictures of their vacation on social media or to find inspiration and recommendations from peers and influencers.

What do you like to do when you travel?

The No. 1 activity Gen Zers said they want to do when traveling is eat out at local restaurants.



Source: UNIDAYS 2018 Travel Survey, answers multiselect, all respondents.

¹Resonance, Future of U.S. Millennial Travel, 2018.

²Expedia, Generation Alpha & Family Travel Trends, 2019

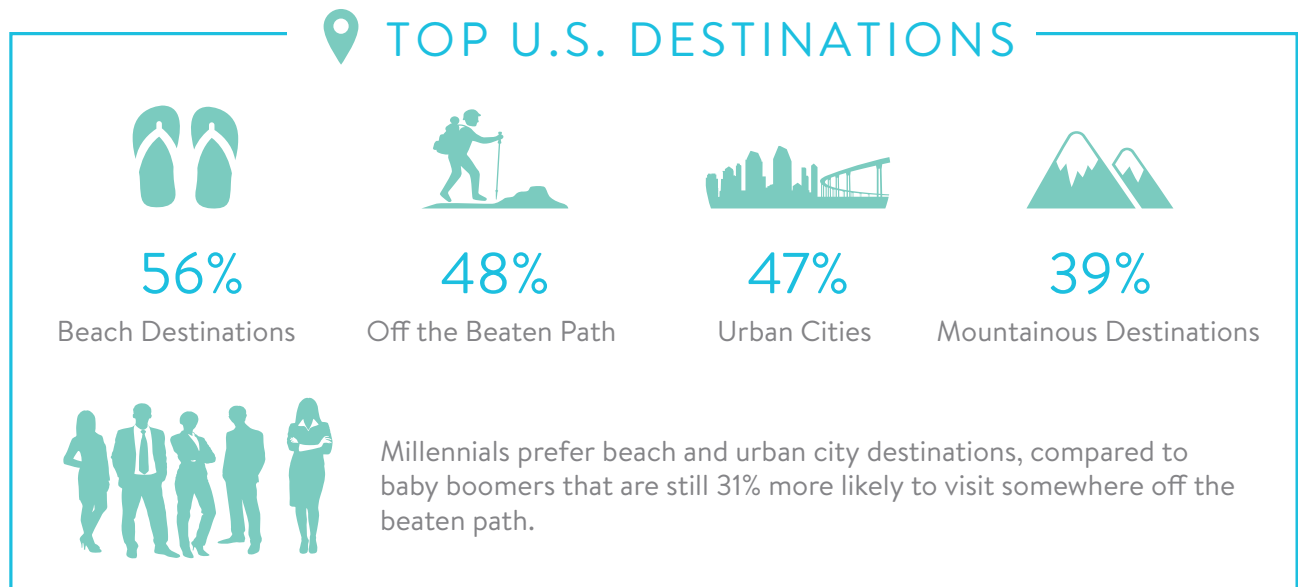
³The State of the American Traveler, Traveler Segments Edition, Destination Analysts, Inc. Summer 2019

⁴Expedia

⁵Pew Research, 2019

⁶Booking.com, Gen-Z Unpacked, 2019.

SAN DIEGO'S VARIETY AND BEACH-CITY APPEAL ALIGNS TO TRAVEL DESIRES



The most popular travel destinations for U.S. travelers are beaches, off the beaten path, urban cities and mountains. San Diego's combination of beach-city experience and variety of attributes appeal to the "vacationing variety junkie," which is perfectly aligned with Millennials who are widely noted for their desire for a variety of experiences.⁷ While more likely to choose beach and urban vacations, they don't show a strong preference for one type of vacation over another: they want it all. According to Booking.com, travelers are increasingly choosing destinations which offer "an array of enriching experiences and attractions" (coined the "all-amusive escape") over multi-destination trips that require adding travel time and effort. Fifty-four percent of global travelers surveyed said they prefer one long trip to a destination that has all their favorite activities and sights close together.



⁷ Expedia Group, American Baby Boomer Versus Millennial Travelers



CONSUMER INSIGHTS AND OPPORTUNITIES

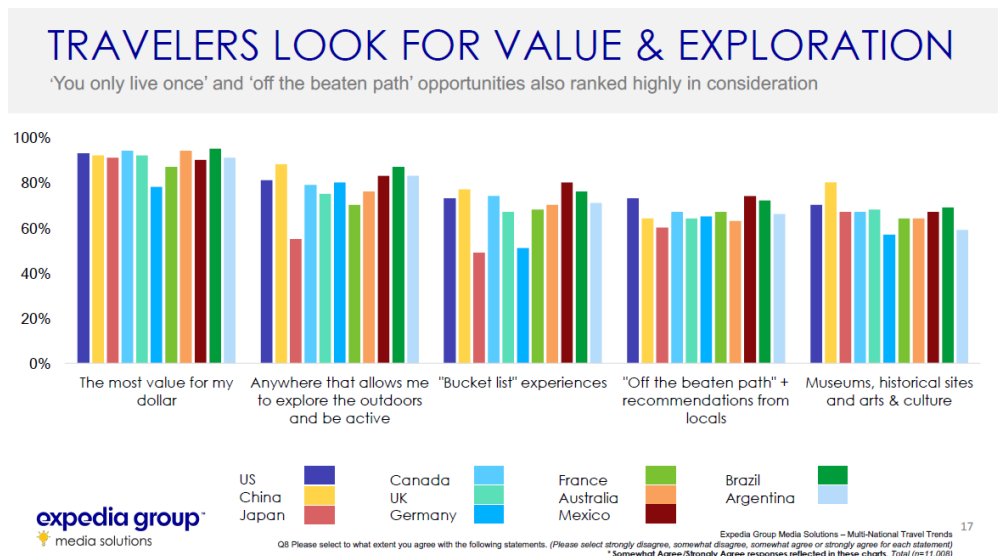
WELLNESS & THE OUTDOORS

As a nation Americans are sleep deprived, with 40 percent getting less than the recommended amount of nightly sleep, and use of vacation time has declined, with Americans taking only 16 days of vacation a year, a full week less than in 1980. Globally, the number of single-person households will outpace the growth of all other household sizes.⁸ With constant digital connectivity, people are replacing physical interactions with digital updates, and feelings of loneliness, social isolation and depression are becoming an epidemic⁹ – giving rise to the wellness movement – the active pursuit of activities, choices and lifestyles that lead to a state of holistic health.¹⁰

In this stressful, modern era disconnecting is becoming a sought-after travel benefit. A respite from constant connectivity and technology,¹¹ wellness travel is seen as a cure to the always-on lifestyle.¹² Wellness travel is no longer defined as participating in relaxation-themed activities like massages, hot springs and spa treatments. Consumers are seeking planned disconnection for mental wellbeing, disconnecting from technology and prioritizing what they truly want and enjoy, and the “Fear of Missing Out” (FOMO) is being replaced by the “Joy of Missing Out” (JOMO).

Time spent outdoors disconnecting in nature is on the rise. In “The State of the American Traveler,” two out of three travelers surveyed said experiencing nature (away from urban areas) is usually an important part of their leisure trip and 40 percent said the idea of taking leisure trips focused primarily on being outdoors and experiencing nature is appealing.

Research has shown that the outdoors enhances your mood, focus and creativity,¹³ and water offers heightened benefits. Spending time near the water is essential to achieving elevated and sustained happiness.¹⁴ Surf and water activities are expanding beyond being known as simply niche sports. Now, they are connected to well-being, spirituality and mental health.¹⁵



Over a hundred years ago, San Diego was attracting visitors and residents due to its natural benefits including climate, clean air and open spaces. San Diego’s access to the outdoors and water offers an embarrassment of riches and fuels our good vibes and Sunny Outlook positioning us well to capitalize on this growing trend.

⁸ Euromonitor

⁹ Mintel

¹⁰ Global Wellness Institute

¹¹ Edelman

¹² The State of the American Traveler, Traveler Segments Edition, Destination Analysts, Inc. Summer 2019

¹³ Business Insider, The Nature Fix: Why Nature Makes Us Happier, Healthier, and More Creative

¹⁴ USA Today

¹⁵ JWThompson

AUTHENTICITY OF CULTURE & LIVING LIKE A LOCAL

Culture has taken on a new meaning, evolving from functional product like art, music and theatre to an experiential frame of reference. Culture is now framed by the way a traveler experiences a destination and their desire to experience a place like a local. Exploration is a fundamental component of how we live and experience travel, and this is especially true when it comes to Millennial travelers, who crave new knowledge and experiences.¹⁶ Eighty-six percent of Millennials travel to experience a new culture, immersing themselves in a destination and steering clear of tourist traps,¹⁷ and 62 percent of U.S. Millennials rank experiencing the authentic culture of a place as essential to their trip.¹⁸ Today, art is not just a museum or gallery – it’s also street art and graffiti. Accommodations can be a hotel or a yurt under the stars. Food is enjoyed as much in a spice market as in an award-winning restaurant. Fifty-eight percent of American Millennials say they like to explore the cultural food scene of a destination.¹⁹ It is the combination of these types of experiences that make up the cultural essence of a place.

POP CULTURE TRAVEL

As consumers seek meaningful local experiences, a growing phenomenon is travel for popular culture including music festivals, film locations and sporting events. Based on existing product and travel history, the two stand-out opportunities for San Diego are in music festivals and sporting events.

- **MUSIC FESTIVALS** – Music was identified as a key factor in destination choice for one-third of U.S. Millennials, with one in four Americans prepared to travel to a different country to watch their favorite artist perform.²⁰ At the 2017 Expedia Travel Partner Conference, Hotels.com reported that 32 million people attend at least one U.S. music festival per year. Twenty-five percent of these event ticket buyers travel more than 100 miles with 46 percent willing to travel across the U.S. to attend the event. And 79 percent of attendees agree that music festivals are a way to maximize the value of a vacation. San Diego’s KAABOO, CRSSD and Wonderfront festivals are great opportunities to attract new travelers.
- **SPORTS TOURISM** – Twenty percent of U.S. adults are sports travelers. “The global sports tourism market is expected to post a CAGR of over 36 percent during the period 2019-2023,” according to the latest market research report by Technavio. The major factors driving the growth of this market is the increase in overall number of sporting events, and the commercialization of youth sports. As of September 2018, the youth sports market in the United States was valued at \$17 billion surpassing the total of the NFL (\$15 billion) and is expected to reach \$57.8 billion by 2024 (Winter Green Research).

BLEISURE TRAVEL

Increasingly time impoverished consumers are maximizing their time to combine a leisure trip with their business trips, also known as “bleisure” travel. In 2017, more than 60 percent of U.S. domestic business trips turned into bleisure, a 40 percent increase over the year prior.²¹ In the “State of the American Traveler” survey by Destination Analysts, when compared to other travelers, bleisure travelers were more likely to be younger, single, educated and ethnically diverse; more likely to prioritize leisure travel in their personal budget (66% vs 27.7%), and expected to take more trips in the next 12 months (56.7% vs. 29.7%) and spend more on travel (49.5% vs 29%).²² A desire to explore the destination visited, driven by culture and cuisine, were the main motivations behind bleisure travel followed by a chance to relax and unwind.

¹⁶ MillennialTraveller.com, Millennial Travellers Prefer Authentic Culture Experiences

¹⁷ Topdeck Travel, https://www.huffpost.com/entry/4-ways-millennials-are-ch_b_10503146

¹⁸ Expedia & Future Foundation, Millennials Traveller Report

¹⁹ NY Times Travel Show, <https://www.millennialtraveller.com/five-millennial-travel-trends-of-2019/>

²⁰ Skift, eDreams Survey, December 2019

²¹ Expedia Group, Unpacking Bleisure Traveler Trends, 2018

²² The State of the American Traveler, Traveler Segments Edition, Destination Analysts, Inc. Summer 2019



THE LEISURE TRAVEL MARKET

SWOT Analysis

STRENGTHS

1. The San Diego Brand — relevant, diverse, desirable
2. Ideal climate and abundance of natural outdoor amenities align with macro wellness travel trends
3. Named “A World’s Smart City” by National Geographic
4. Innovative Community known for start-ups in life sciences, wireless, cyber security, and clean and blue tech
5. Diverse tourism experiences, ultimate destination for variety seeking travelers of all ages
6. Family-friendly attractions, especially for younger children

WEAKNESSES

1. Limited top-of-mind awareness beyond close-in markets
2. San Diego is so diverse — message fragmentation
3. Media fragmentation makes it more expensive to reach travelers
4. While San Diego is highly preferred, it is not considered “best in class” for any one attribute
5. Limited tourism product development impacts ability to provide new reasons to visit
6. Aging infrastructure for events, sports, and entertainment (Stadium, Sports Arena)
7. Traffic into San Diego is a barrier to travel from Los Angeles

OPPORTUNITIES

1. SDTA media budget grown to a level to afford National Cable TV, significantly increasing U.S. households reached
2. Research shows interest and likelihood to visit strongly increase when exposed to multiple campaign layers
3. Emerging markets including international
4. Millennials and Gen-X audiences
5. Population growth in California and the West
6. Brand USA collaborations
7. Visit California’s Dream Big initiative and global marketing program
8. Health & Wellness, Pop Culture and “Bleisure” travel segments
9. Growth in long-haul travel volume to Los Angeles and Anaheim
10. San Diego “icons” becoming better known. I.e. Cabrillo National Monument, Midway, Zoo, Balboa Park, etc.

THREATS

1. Competition is greater than ever before with the rise and appeal of new global and second tier destinations
2. Geopolitical and economic uncertainty across globe
3. Disease outbreaks such as the Coronavirus in China
4. Proliferation of TMDs (over 80 in California) creates more destination marketing competition
5. San Diego’s homeless population and maintenance of city’s aging infrastructure (street repairs, cleanliness) are impacting image
6. Los Angeles and Phoenix markets “been there/ done that” sentiment about San Diego
7. Increased tourism product development in many competitive destinations

KEY STRATEGIES AND TACTICS

- 1. Align San Diego marketing programs with Visit California and Brand USA, capitalizing on each of their global marketing programs. Position San Diego as the best of everything California has to offer all in one place.**
- 2. Generate maximum hotel/motel visitor volume for the destination by growing reach to new audiences while protecting existing volume markets.**
- 3. Invest in research and data analysis to focus marketing programs, dollars and timing against the destination's best travel prospects.**
 - a. Use Phoenix and San Francisco qualitative research to align messaging to target audience.
 - b. Update the five-year San Diego Tourism forecasting model.
 - c. Continue to invest in core visitor industry performance intelligence such as the CIC Research San Diego County Visitor Profile, Smith Travel Research San Diego Hotel Market Analysis and OTTI Overseas Travel Arrivals.
 - d. Continue program measurement tracking, including OmniTrak Advertising Return on Investment Studies, and invest in geolocation data to understand impacts on long-haul markets.
 - e. Integrate digital data to drive insights for improved conversion across the OWNED and SHARED media channels (search, website, e-mail, social media).
- 4. Launch media strategies to reach the global variety seeker target audience and build on the impact of the 2019–2020 advertising campaign.**
 - a. Continue to develop and expand desire for San Diego, reinforcing the Sunny Outlook brand positioning.
 - i. Move passive audience consideration to active audience consideration through compelling positioning and storytelling that challenges perceptions of San Diego as an over-familiar, sometimes expensive kid-dominated recreation experience, and successfully differentiates San Diego from the type of experiences on offer in competing destinations.
 - b. Prioritize domestic advertising as the best ROI opportunity and concentrate international advertising in the established volume markets with the most potential to generate hotel stays: Canada, United Kingdom and China
 - i. Capitalize on both the Visit California and Brand USA global marketing programs.
 - ii. Capture San Diego's fair share of the Canadian outbound travel market.
 - iii. Continue to grow visitor volume from the United Kingdom; focusing on Millennials who desire San Diego's Beach City experience.
 - iv. Lift the visibility and desirability of San Diego in the China market and educate affluent FIT travelers about San Diego.



THE LEISURE TRAVEL MARKET

KEY STRATEGIES AND TACTICS (CONT.)

- c. Reach new audiences and build awareness/consideration for San Diego as a desirable vacation destination.
 - i. Implement a U.S. national advertising strategy including National Cable Television to maximize reach and efficiency.
 - ii. Prioritize television and digital media mix based on ability to deliver reach, recall and return on investment.
 - iii. Combine programmatic and social mass reach digital environments with premium, contextually relevant environments to balance scale, efficiency, viewability and brand safety.
 - d. Layer campaigns to reinforce and strengthen the breadth and depth of the San Diego experience.
 - i. Deploy an “Always-on” content initiative to drive inspiration and consideration of San Diego year-round – giving people more relevant tangible reasons to visit.
 - ii. Deliver media within environments/platforms that prompt meaningful engagement and interaction with the brand.
 - iii. Leverage media partnerships to establish third-party credibility and endorsement.
 - iv. Pull active travel planners through the journey towards booking.
 - e. Implement promotional strategies to help shore up need periods.
 - f. Raise over \$500,000 annually in cooperative funding.
 - g. Continue to use OmniTrak Advertising Effectiveness and Return-on-Investment research insights to guide program of work.
- 5. Increase San Diego’s share of voice and leverage the paid media budget through unpaid EARNED media programs.**
- a. Public Relations – Secure editorial coverage of travel to San Diego in tier 1 media outlets with high consumer influence within target markets. Expand paid advertising’s reach by targeting new markets and audiences. Continue to pitch the diversity of product as well as what’s new in the destination.
 - b. Unpaid Media Promotions – generate over \$1,000,000 annually in unpaid media promotions that extend the San Diego brand message in key geographic markets.
- 6. Connect with travelers and communicate the depth of San Diego travel experiences through OWNED and SOCIAL media channels.**
- a. Pay-off the paid media program of work by delivering on the brand promise in the owned digital channels.
 - b. Grow SanDiego.org audience base through paid and organic strategies.
 - c. Partner with outside publications to produce the San Diego Official Travel Guide (San Diego Magazine) and digital content.

KEY STRATEGIES AND TACTICS (CONT.)**7. Deepen alliances with community partners to promote the breadth of San Diego’s travel product:**

- a. Arts and Culture – City of San Diego Commission for Arts and Culture and Balboa Park organizations
- b. Craft Beer – San Diego Brewer’s Guild
- c. Food – California Restaurant Association, San Diego Chapter
- d. Attractions – Major attraction partners
- e. Major events – Community and event organizers
- f. Neighborhoods – Community groups and City Council offices

8. Partner with the major Online Travel Agencies to increase awareness of San Diego and grow sales of hotel room nights for the TMD.

- a. Through RFP, select key OTAs to run paid media and promotions both domestically and internationally. Effectively reach travel prospects through first-party data insights and by running high-profile placements.
- b. Facilitate bringing together OTA market managers and SDTA members to grow San Diego product inclusion in OTA channels, especially internationally.

9. Continue to market to the Travel Trade as a means of influencing transient travel to the destination.

- a. Major Travel Partners – continue to target the top-producing travel agencies through sales calls and direct marketing. Seek opportunities for partners to increase promotion of San Diego to their customers.
- b. Airline Vacation Offices – partner with key airlines to develop packages and promotions.
- c. Industry Support – continue to participate in major industry shows such as IPW to show San Diego tourism support and build new business.

10. Partner with the San Diego Regional Airport Authority to develop and support new air service, especially international routes.

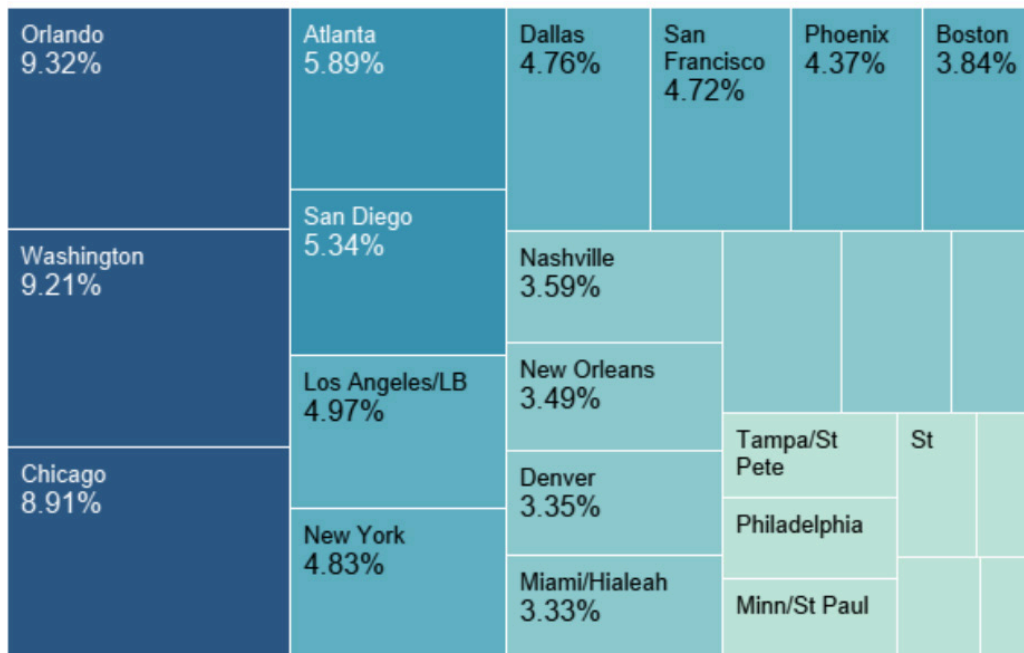


THE GROUP MEETINGS MARKET

According to STR, Inc. meeting planners contracted 47.4 million hotel room nights in the Upscale and Upper Upscale and Luxury Chain properties in the top 25 markets. This represents just 11 percent of all hotel room nights sold, but the broader impact of these meetings is the spending on food and beverage, entertainment and meeting services, along with meetings being foundational demand for the future that creates compression in the market.

The largest group markets in the U.S. (excluding Las Vegas) are the cities with the largest convention centers; Orlando, Washington D.C., and Chicago. These markets garner around nine percent of the group market each or almost 30 percent combined. San Diego and Atlanta follow with four to five percent share each. These five markets comprise half of the group demand in the top 25 markets. This demonstrates the strong preference San Diego has among meeting planners as the other top markets have advantages with the largest convention centers, the best air access, and corporate and association headquarters.

GROUP ROOM NIGHTS SOLD MARKET SHARE AMONG TOP 25 MARKETS - 2019



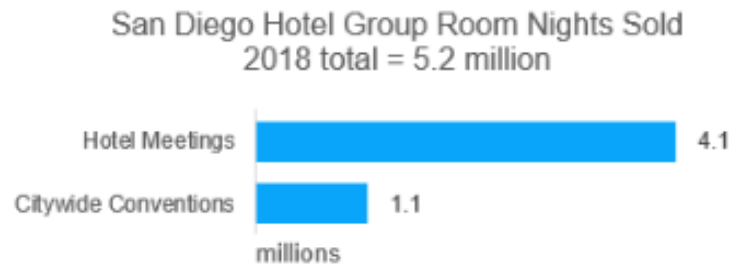
Source: STR, Inc. - does not include Las Vegas



THE GROUP MEETINGS MARKET

San Diego competes with cities across the U.S. for everything from large conventions at the convention center to meetings that can be held at a single property to youth sporting events. In San Diego, of the estimated 5.2 million group room nights sold in 2018, eight in ten are meetings that can be contained in a single hotel, and two and ten are sold to those visitors attending a convention at the San Diego Convention Center. Sports groups are included in hotel meetings estimate.

Planners for all these types of meeting are looking for the right venues, availability, accessibility, destination amenities, and of course affordable costs for their attendees. San Diego is a highly preferred location for meeting planners when the criteria are met for the specific group. However, San Diego has weaknesses as well, and must deal with outside threats.



SWOT Analysis

STRENGTHS

1. Strength of brand – year-round climate, beautiful place and friendly people promoted nationally to remind meeting planners of San Diego
2. A perceived WOW factor of holding a meeting in San Diego, often drawing record attendance
3. World class convention center destination package
4. Convenient location of airport allows attendees to arrive at most hotels within 15 minutes at a low cost
5. Affordable access from Central and South America via the Tijuana Rodriguez Airport and Cross Border Xpress bridge
6. Hotel owner investment in upgrading most hotels
7. Diverse offerings for all types of meetings – regions, venues, hotels, and price points
8. Walkability of downtown “wayfinding”
9. Strong innovation economy, and third largest hub in U.S. for life science technology attracting large share of medical and technology meetings
10. Destination-wide Meetings Certified training ensures planners high levels of consistent service and knowledge
11. Award winning sales team held to the industry’s highest standard of delivering meetings that are considered new business to San Diego
12. Wide ranging activities and attractions extend family stays for the youth sports market

WEAKNESSES

1. Lack of luxury brand hotels – Ritz Carlton, JW Marriott, St. Regis, Waldorf etc.
2. Lack of large corporations in San Diego County that can help drive attendance
3. Air service – fewer domestic and international flights for attendees
4. Perceived as expensive location to hold a meeting
5. Inadequate and aging sports facilities unable to compete with other destinations
6. Cost of doing business for sporting event owners as well as families is high

OPPORTUNITIES

1. West Coast corporations, associations, and government bodies
2. Continued growth in technology companies in Seattle area
3. Potential convention center expansion
4. Potential new air service from international markets
5. San Diego’s reputation for sustainable practices
6. Sports is growing market and is a recession proof industry as families and fans continue to spend during down times

THREATS

1. Flat group meeting hotel room nights sold in U.S. top 25 markets
2. Secondary and tertiary cities emerging as major meeting destinations
3. Politics being a factor in meeting location decisions
4. Homelessness negatively impacting meeting attendee experience
5. Convention center expansions in other cities threatening to take San Diego’s core customers
6. Competitive cities incentivizing planners with money and discounts to win business
7. More than 1,100 communities across the country are investing heavily in sports and recreation with over 100 facilities currently in development creating more options for event owners and thus spurring competition amongst destinations
8. The proliferation of event bid fees charged to destinations for event rights



THE GROUP MEETINGS MARKET

CITYWIDE



The Citywide Sales team has a specific target of meeting planners whose conventions fit in the convention center space. The sales team currently has definite meetings booked out until 2037 and is focused on specific holes in the calendar over the next five to ten years. Medical conventions, a highly prized segment due to its high-level of spending, remain the largest segment of business at the convention center.

CURRENT DEFINITE AND TENTATIVE CONTRACTED ROOM NIGHTS AS OF DECEMBER 31, 2019

ROOM NIGHT SUMMARY
Figures based on calendar year



CITYWIDE KEY STRATEGIES & TACTICS

1. **Focus on the open dates within the next ten years. The success of each year is largely dependent upon the groups that book between the large Citywide conventions.**
 - a. Use our database of accounts to find the accounts that book within the timeframe of the open holes.
 - b. Focus on the short-term open dates, evaluating the holds associated with definite business, including setup times in the halls and breakouts.
2. **Develop new accounts that will book into the San Diego Convention Center.**
 - a. Use the tradeshow and events to familiarize new clients about how much San Diego has to offer a Citywide convention and their attendees.
 - b. Utilize resources including the MINT database, Top Medical Meetings and Tradeshow Executive.
3. **Secure Medical Citywide Rotations. The SDCC is a leader in servicing the lucrative Medical Citywide group market. The Sales Team continues to have excellent relationships with these clients.**
 - a. Continue signature events in the Midwest and DC/VA/MD regions targeting the Medical Citywide clients.
 - b. Target premium large Medical Citywides for multi-year contracts.
4. **Leverage the combination of the Hotel Meetings and Citywide Sales Teams to generate more market intelligence and a stronger presence at tradeshow, sales trips, and industry and partner events, thus ensuring SDTA uncovers all the opportunities for San Diego.**
 - a. Utilize the Hotel Meetings Team (13 managers) to generate opportunities for the SDCC.
 - b. Collaborate with the Hotel Meetings team to increase coverage at the events and tradeshow.

Key Metric	FY 2019 Goal	FY 2019 Actual	FY 2020 Goal	FY2021 Goal
Contracted Room Nights	900,000	1,126,795	900,000	900,000



THE GROUP MEETINGS MARKET

HOTEL MEETINGS



The City of San Diego has 130 hotels with meeting space, which are the focus of the SDTA sales team. Single property meetings generate 7 in 10 group room nights in the San Diego market from large conferences to small board meetings. This segment has grown during the recent 10-year travel boom, and San Diego continues to take share among the top 25 markets with new hotel space being built and hotel owners reinvesting in current space and the meeting experience.

The San Diego Tourism Authority decided in FY 2016 that the sales team should focus on finding group meeting that have never been to San Diego, or not within the last five years. The SDTA is the only DMO in the U.S. to have this qualifier. The team will assist current customers who want to site other hotels or venues or assist hotels if needed to keep current business, but those bookings do not count toward the team's goals.

In 2019, the group market softened in the U.S. coming off the peak year of 2018 due to uncertainty geopolitical and economic uncertainty. STR, Inc. reported that group room nights sold in the top 25 markets was flat (-0.2 percent) in 2019, with half of the markets seeing growth and the other half seeing declines. San Diego declined 5.3%, in group demand compared to 2018. However, 2020 is looking good with a bit of a rebound expected. The sales team has already booked 15 percent more room nights than last year at this time through the first half of the year.

HOTEL MEETINGS KEY STRATEGIES & TACTICS

- 1. Continue our Customer Acquisition Program which focuses on finding a new meeting for San Diego or one that hasn't been here in 5 years.**
 - a. Determine additional trusted partners and vendors to vet potential customers for San Diego.
 - b. Schedule and execute 4 FAMs of 15-20 new customers each throughout the year with the assistance of CONNECT.
 - c. Host sourcing groups from key meetings and incentive companies ie: Maritz.
 - d. Continue outreach with Road Shows/customer events to specific feeder markets.
 - e. Schedule 4 - 6 focus groups in cities that have more potential to book San Diego.
- 2. Expand San Diego Meeting Certified.**
 - a. Schedule classes in 2021 and encourage senior leadership to attend, with focus on both DOSM's and general managers. Reduce time of the classes to the specific audiences ie: four-hour overview sessions for leadership and one full day for sales managers.
 - b. Create sessions focused on attractions/venues and other non-Hotel salespeople and continuing education classes for refreshers throughout the year for all previous attendees.
- 3. Continue to support and expand usage of our first ever Group Tool Kit based on our Smile Campaign for all hotels to use in soliciting group business – extending our brand with one voice and one message.**
 - a. Include tools for branded ads, welcome signage, thank you notes, sales collateral, presentations.
 - b. Provide “Smile you're in San Diego” promotional material for planners to use.
 - c. Include “Stay One More Night” messaging to entice meeting attendees to come in early or stay after their meeting to enjoy San Diego.
- 4. Finalize and activate mentorship program. Work with key sales leadership from our hotel community to develop a mentoring program that builds sales manager bench strength. Include Carl Winston from the SDSU School of Hospitality.**

Key Metric	FY 2019 Goal	FY 2019 Actual	FY 2020 Goal	FY2021 Goal
NEW Definite Room Nights	461,000	424,762	450,000	465,000



THE GROUP MEETINGS MARKET

SPORTS

“The global sports tourism market is expected to post a CAGR of over 36% during the period 2019–2023,” according to the latest market research report by Technavio. The major factors driving the growth of this market is the increase in overall number of sports events, and the commercialization of youth sports. As of September 2018, the youth sports market in the United States was valued at \$17 billion surpassing the total of the NFL (\$15 billion) and expected to reach \$57.8 billion by 2024 (Winter Green Research).

While the sports market continues to grow annually, the competition to book sports events has also grown exponentially which has inspired a “facility boom” and the proliferation of bid fees. According to Sports Facilities Advisory, more than 1,100 communities are investing in sports and recreation facilities in the United States with over 100 currently in development with project costs from \$35–85 million. In Irvine, the Orange County Great Park recently opened with more than 194 acres of space for sports facilities including 24 soccer fields (6 lighted, 1 championship venue with seating for 2,500 spectators), 25 tennis courts, 12 lighted baseball/softball fields, 5 sand volleyball courts, 4 basketball courts, and a 280,000 square foot ice arena.



Through a productive partnership with Surf Cup Sports, the SDTA Sports team has helped capture market share within youth sports through growing existing events and winning new business to San Diego. From 2012–2018, the Surf Cup has grown from 365 to 920 teams, and the College Cup has grown from 165 teams to 570 teams respectively. The partnership has been successful in attracting numerous U.S. Soccer and Elite Club National League events which collectively generate over 50,000 room nights in some years. Over the past 3-years, the SDTA Sports Team has also cultivated a positive relationship with Major League Soccer and their commercial arm Soccer United Marketing resulting in the awarding of the Mexican National Team friendly matches as well as high-level tournaments including the CONCACAF Gold Cup, and 4 Nations Cup.

The SDTA Sports team has aimed to diversify bookings into new niche and emerging sports markets including rugby, lacrosse, kickball, weightlifting, water polo, endurance racing, and skateboarding. As extreme action sports are added to the Olympic sports program (Skateboarding, surfing, climbing, freestyle BMX), San Diego remains well positioned for growth in these markets as many of these sports are synonymous with Southern California culture and lifestyle.

Heading into 2021, San Diego will be part of two of the largest events for their respective sports as Torrey Pines hosts the U.S. Open over June 17–21, and Del Mar Fairgrounds hosts the Breeders’ Cup over November 5–6. These events will generate a substantial media spotlight for San Diego, as well as produce significant hotel room night consumption outside the downtown urban core.

SPORTS KEY STRATEGIES & TACTICS

- 1. Work with the Tourism Marketing District to create a Sports Opportunity Fund to streamline funding for opportunities < 3,000 room nights.**
 - a. Develop collateral to advertise program at trade shows
 - b. Increase indoor sports bookings at partner venues
- 2. Continue to diversify trade show strategy and presence to engage new prospective clients.**
 - a. NCAA Bid Symposium
 - b. Regional SportAccord Pan America
 - c. US Sports Congress
- 3. Host up to 15 event owners annually during signature San Diego events.**
 - a. Bring services in-house to save on Connect Sports administrative fees
 - b. Farmers Insurance Open (Winter)
 - c. San Diego Padres Opening Day (Spring)
- 4. Collaborate on opportunities with new professional sports organizations in San Diego.**
 - a. San Diego Loyal
 - b. San Diego Seals
 - c. San Diego Legion
- 5. Serve on the local host committees for upcoming events.**
 - a. U.S. Open 2021
 - b. Breeders' Cup World Championships 2021
- 6. Work through the NCAA Bid Cycle for 2022/23-2025/26 championship events.**
 - a. 2026 Men's Basketball 1st & 2nd Rounds
 - b. Division II Men's & Women's Tennis
 - c. Division I, II, III Rowing

Key Metric	FY 2019 Goal	FY 2019 Actual	FY 2020 Goal	FY2021 Goal
Room Nights	100,000	108,450	90,000	95,000