

STRATEGIC RECOVERY

BUSINESS PLAN **2020–2021**

Executive Summary



A MESSAGE

FROM OUR LEADERSHIP

UNPRECEDENTED TIMES. Those words have become a drumbeat for the national tourism industry. And while the crisis we face can be described in no other way, our industry and our community's ability to overcome incredible challenges is not unprecedented.

We rallied together in the aftermath of 9/11, during the Great Recession, and throughout countless public health emergencies. Each time, our industry took our hits and emerged even stronger. That resiliency is why tourism has and always will be one of the Scottsdale market area's largest and most important industries. Though our industry has a long, tough road ahead, I have no doubt the same will be true this time.

Tourism is the lifeblood of our community and the foundation of our economy, and this shift has impacted us all. I know you've had to make hard choices during this uncertain time. Experience Scottsdale has had hard choices as well. But since the COVID-19 outbreak, we have worked diligently to shift dollars and ready strong programs that will be activated when the time is right.

With a tightened budget, we will turn to our tried and true strategies, letting extensive research and important relationships guide our outreach to the visitors who have a propensity to travel to Scottsdale and will be essential to our road to recovery.

Experience Scottsdale's destination promotion will be critical in maintaining a positive perception of the Scottsdale market area as a travel and meetings destination, and we are working in lock-step with the regional hospitality and business community, as well as our partners at the city of Scottsdale and town of Paradise Valley, to ensure we have a coordinated and united front to protect our economic future.

Now, more than ever, we must remember that travel is a truly resilient industry. For more than three decades, Experience Scottsdale has worked with partners like you to overcome previous hurdles. Thank you for putting your trust in Experience Scottsdale. Let us not forget our strength as a community, our passion as an industry, and our resilience as people – no matter how unprecedented these times may be.

Sincerely,



Rachel Sacco
President & CEO



INDUSTRY OUTLOOK

THE HEALTH OF OUR COMMUNITY'S TOURISM INDUSTRY IS LARGELY RELIANT ON THE STRENGTH OF THE NATIONAL AND GLOBAL TOURISM INDUSTRY. Experience Scottsdale monitors publications, research and news to stay apprised of trends and shifts in the industry-at-large.

FALLOUT FROM THE COVID-19 HEALTH CRISIS

At the outset of 2020, industry researchers anticipated annual growth in leisure, business and international travel, as well as meetings business. Once the COVID-19 public health emergency swept the U.S., those predications were no longer valid. As of April, according to Tourism Economics, the sudden impact of the coronavirus will result in:

- A **45%** decline in travel spending in 2020
- **\$519 billion** in lost revenue and a decline of **\$80 billion** in taxes
- The loss of **6.9 million** jobs in the travel and tourism sector

“Travel has come to a virtual standstill, but we expect the market to begin to regain its footing this summer. Once travel resumes, the combination of pent-up travel demand and federal aid will help fuel the recovery as we move into the latter part of this year and next year.”

– **Tourism Economics President Adam Sacks**

LODGING INDUSTRY FORECASTS		
	2020 STR Forecast	2021 STR Forecast
Occupancy	37.9% (-42.6%)	59.7% (+57.3%)
Average Daily Rate	\$112.91 (-13.9%)	\$117.05 (+3.7%)
Revenue Per Available Room	\$42.84 (-50.6%)	\$69.86 (+63.1%)

RECOVERY BUSINESS PLAN

EACH YEAR, EXPERIENCE SCOTTSDALE MAINTAINS EXISTING PROGRAMS THAT PROVIDE A CONSISTENT RETURN ON INVESTMENT WHILE IMPLEMENTING NEW PROGRAMS TO REMAIN COMPETITIVE. In fiscal year 2020-21, these enhanced strategies will support our destination's recovery:

MARKETING

Focus on increasing brand awareness in regional and drive markets: Arizona, California, Colorado, Nevada, New Mexico, Texas and Utah

Industry researchers believe that, following the coronavirus public health crisis, people will be more likely to travel by car than plane. Campaigns in these markets will rely upon flexible mediums: television, radio and digital. As cross-country travel becomes more accessible, we will consider additional campaigns in traditional top feeder markets.

Roll out a summer campaign to encourage travel from Memorial Day through Labor Day

One of our first campaigns to roll out will be a summer campaign promoted in Phoenix through radio, digital and billboard ads, as well as in Tucson and parts of southern California (as the state reopens) through radio and digital ads. Messaging will focus on sizzling rates, nearby staycations and activities the whole family can enjoy as consumers look to begin traveling again.

Lead with inspiring messages about the emotional ties travelers have to the destination and Sonoran Desert

Research shows that travelers will be seeking wide open spaces, experiences that allow them room to roam, ways to focus on their health and wellness, as well as creating connections with family and friends. Our messaging is primed for those reassurances. That story is incorporated into our new television commercial and destination video, which were in production at the beginning of the year and will roll out in the fall.

COMMUNICATIONS

Flip the media mission model to create opportunities for face-to-face pitch meetings with media

Each year, Experience Scottsdale conducts missions in top media markets with the hope these face-to-face pitch meetings will result in confirmed assignments for magazines, newspapers and online publications. Experience Scottsdale will flip the media mission model by inviting California travel and lifestyle writers to a two-day media showcase in the destination to offer exclusive, experiential pitches. Rather than hear about our destination from behind their desks, journalists will enjoy our hospitality firsthand and become acquainted with the depth and breadth of the area's offerings during a trade show, meeting with a variety of members and experiencing some of the destination's attractions and experiences.

Partner with content creators to produce destination travel features for their blogs, YouTube and social media channels

As consumers continue to turn to digital media on mobile devices, Experience Scottsdale will partner with these content creators to complement our seasonal marketing efforts and traditional earned media hits, as well as promote niche messaging. By partnering with vetted content creators, we will boost the destination's presence on YouTube and help gain visibility in Google searches. Blogs and videos created by these partners also will include backlinks to drive additional traffic to ExperienceScottsdale.com.

Collaborate with a travel expert to showcase the destination this summer on TV in 10 key markets

By partnering with a nationally recognized broadcast travel expert, Experience Scottsdale can guarantee destination coverage in key regional markets. While we can influence the messaging and video footage used in the markets we select, the final television segments

shown to viewers will resemble unbiased editorial coverage. Additional segments will be considered for later in the year as well.

TOURISM

Target luxury advisors close to home as affluent travelers rely more heavily on their expertise

The long-standing relationships the Experience Scottsdale team has built with travel professionals from around the world will help us continue to sell the destination to affluent travelers who are still looking to book vacations – but closer to home. Many travel advisors who traditionally sell cruises or international destinations are looking for new luxury experiences to sell to their clients in the more immediate future. We will ensure such luxury advisors are trained to sell the Scottsdale market area to help fill this need. While visitation from international segments will take longer to recover, we will employ our in-market representation along with receptive tour operators based in key U.S. gateway cities to maintain our presence in Canada, Mexico, the United Kingdom and Germany, allowing the destination to sustain valuable market share when pent-up international travel demand returns.

Help travel professionals connect to the destination virtually through new tools and trainings

In addition to traditional sales missions in regional markets, Experience Scottsdale will make it easier for travel professionals to connect with the destination virtually through new video content and itineraries on our website, and by leading virtual product trainings and participating in virtual trade shows. Through a layered approach, we will reach and educate top clients in the way that is most comfortable for them – in person or online. Customized virtual site inspections will provide travel advisors full access to the destination.

Develop immersive experiences to provide visitors with a deeper connection to the destination

Experience Scottsdale will partner with the city of Scottsdale to develop, enhance and promote immersive and engaging experiences for Scottsdale visitors. Through this program being funded by the city, we will collectively work with destination consultant Veneto Collaboratory to identify opportunities to innovate

Scottsdale's tourism landscape and promote local, authentic experiences.

CONVENTION SALES

Tap the association and local markets to spur new leads and bookings

Association bookings account for more than 20% of all Experience Scottsdale's group business, and these groups will likely be the first following the crisis to seek new opportunities to bring their members together as mandated by their bylaws. We will target the association market with the "Reward the Board" promotion. The new promotion will incentivize associations that book their annual programs in the destination to additionally book their board meetings here. By targeting board meetings, which are smaller in size, this promotion will have the potential to benefit resorts and hotels of all sizes and tiers. We also will expand our local meeting planner promotion to encourage local planners to book their future meetings and events closer to home, including focusing on industry segments within Arizona, such as associations, healthcare, and financial/insurance.

Host customer focus groups to gain valuable insight into the meetings industry

Experience Scottsdale has gained valuable insight into the meetings industry through our Customer Advisory Board. To keep our pulse on what's trending in three specific markets, we will work with Connect Meetings to host moderated focus groups in Salt Lake City, Utah; Washington, D.C.; and Jersey City, N.J. Connect will recruit, vet and confirm qualified meeting planners to participate in these events, which will not only build new connections but also provide market-specific feedback from an emerging market like Salt Lake City or a top room night generator like Washington, D.C.

Help meeting planners experience the destination virtually through new tools and resources

For meeting planners unable to visit the destination firsthand, Experience Scottsdale will ramp up the virtual experiences available to meeting planners on our website. Virtual tours and experiences will be featured along with additional destination videos and more online content to make planning a meeting in Scottsdale even easier.