

**VISIT
PHILADELPHIA®**

ANNUAL REPORT 2020:

**The Year That COVID-19
Changed Our World**



Yun Fuentes, executive chef, The Wayward

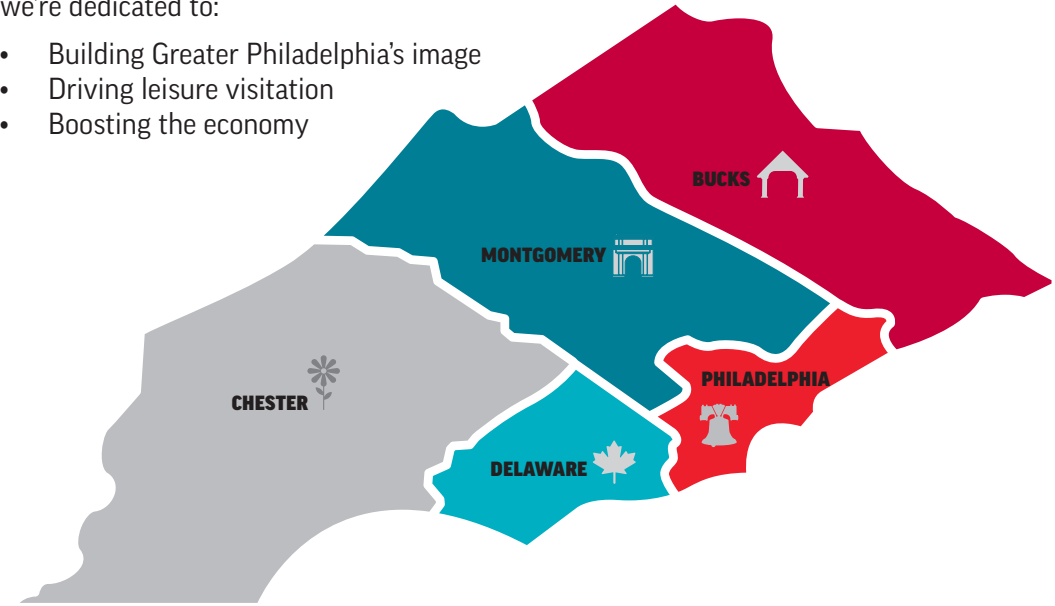
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OUR MARKET & OUR MISSION

We market Greater Philadelphia – that’s Bucks, Chester, Delaware, Montgomery and Philadelphia counties – to leisure visitors, those traveling for fun. Every single day, we’re dedicated to:

- Building Greater Philadelphia’s image
- Driving leisure visitation
- Boosting the economy

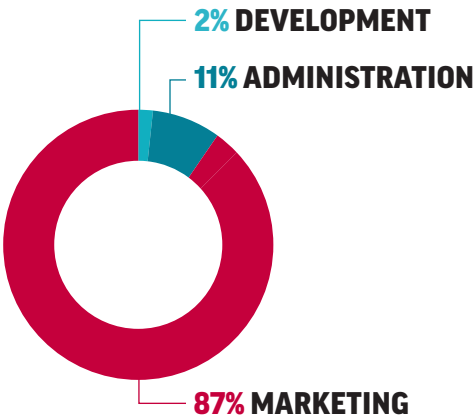


HOW WE FULFILL OUR MISSION

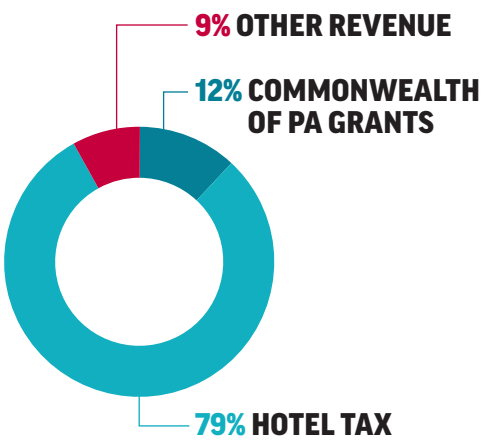
We take an integrated marketing approach to everything we do. And it all begins with research, which helps to ensure we deliver the right message to the right audience at the right time through a combination of these tested and trusted tactics:

- Advertising
- Websites
- Social Media
- Public Relations
- Diversity Marketing
- Hotel Packages
- Tourism Development
- Partnerships
- Sponsorships
- Email Marketing

ALLOCATIONS FISCAL YEAR 2019



FUNDING SOURCES FISCAL YEAR 2019



EXECUTIVE MESSAGE

COVID-19 and social injustice made 2020 a game-changing year for all of us, both personally and professionally.

These monumental occurrences came after a blockbuster 2019 for Greater Philadelphia’s tourism industry. Our five-county region welcomed a record 46 million visitors that year, marking the 10th consecutive year of growth, while also securing records in visitor spending (\$7.64 billion) and visitor-supported jobs (105,460).

At VISIT PHILADELPHIA, we spent 2019 and the early part of 2020 launching campaigns for diverse markets, introducing a lifestyle show with NBC10, creating our very own podcast and partnering with the James Beard Foundation, all while touting our region’s awesomeness on the web, on social, in advertising and through media relations.

But then came COVID-19, bringing the worldwide travel industry to an abrupt and devastating halt. Our region lost jobs. Our region lost hotel room nights. Our region lost leisure and business visitors and domestic and international visitors. And, of course, our region lost the economic impact that comes with hosting 46 million visitors in a year.

But what we never lost – not even in the darkest days of a global pandemic – was our hope and our optimism. They – along with our grit – have carried us through the early days of COVID-19 and lifted us as we’ve strategized and restructured for the future.

In this annual report, we will:

- Summarize our latest published industry marketing results, released in coordination with the City of Philadelphia, the Philadelphia Convention & Visitors Bureau and Philadelphia International Airport, along with 2020 projections
- Provide a high-level view of marketing programs planned pre-COVID-19 to grow leisure visitation
- Detail our marketing shifts to aid in our region’s recovery due to the impact of COVID-19

Thank you for your support throughout this trying year. In 2021, we have the opportunity to rebuild together, and that’s exactly what we’ll do, prioritizing equity and job growth every step of the way.

Sincerely,
Jeff Guaracino
President & CEO
VISIT PHILADELPHIA

Manny Stamatakis
Chair
VISIT PHILADELPHIA

AN INDUSTRY UNITED

It takes many people and organizations to do the work that we do, especially during a global pandemic. In Greater Philadelphia, our village is made up of many local governments, five convention and visitors bureaus, one tourism marketing organization, an international airport, a major convention center, a hotel association, multiple visitor centers, dozens of community development corporations and hundreds of museums, attractions, restaurants and shops – all doing their part to ensure that Philadelphia provides a memorable experience for those who visit and delivers jobs and economic impact for the people who live here.



Cover Photo: courtesy of The Wayward



Independence Hall

2019 INDUSTRY RESULTS & 2020 PROJECTIONS

2019 was a record year for the Greater Philadelphia tourism industry by many measures: visitation, spending, hotel room revenue and more. Here's a look at our 2019 industry results and the impact COVID-19 is expected to have on these metrics in 2020.

🏆 Indicates a record performance

OVERALL REGIONAL PERFORMANCE

VISITATION

- **2019:** 46 million trips 🏆 from the U.S. and international markets – over 39 million of which were for leisure purposes
- **2020 Projection:** 27-32 million trips, down 30-40% from 2019

VISITOR SPENDING

- **2019:** \$7.64 billion 🏆
- **2020 Projection:** \$3.1-\$4.2 billion, down 45-60% from 2019

TAX REVENUE

- **2019:** \$1.01 billion in state and local tax revenue
- **2020 Projection:** \$500-\$600 million, down 40-50% from 2019

JOB

- **2019:** Directly supported 105,460 jobs

Source: Econsult Solutions, Inc.

Note: Preliminary estimates for 2020 are provided by Econsult Solutions, Inc. and based on a range of national and regional indicators of the impact of the pandemic on industry performance. These estimates will continue to be revised as further information becomes available.

CENTER CITY HOTEL PERFORMANCE

OCCUPANCY

- **2019:** 76.3%
 - Saturday night remained the busiest night of the week, with average occupancy at 88.1%.
- **2020:** 30.9%, down 59.5% from 2019

AVERAGE DAILY RATE

- **2019:** \$202.14 🏆
- **2020:** \$156.27, down 22.7% from 2019

REVENUE PER AVAILABLE ROOM (RevPAR)

- **2019:** \$154.30 🏆
- **2020:** \$48.27, down 68.7% from 2019

ROOM SUPPLY & DEMAND

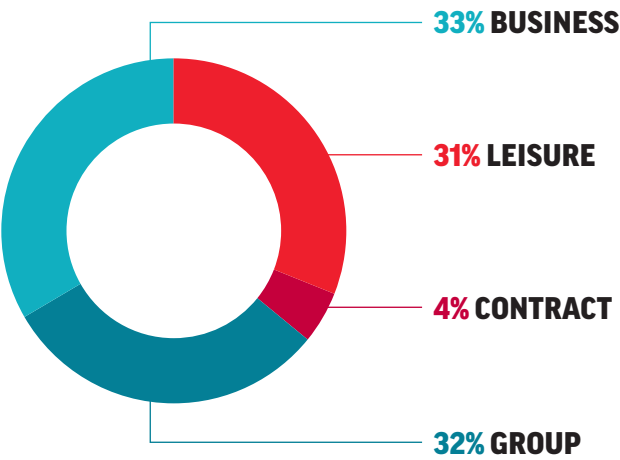
- **2019:** 4.6 million room nights in supply; 3.5 million room nights sold
- **2020:** 3.7 million room nights in supply, down 19.7% from 2019; 1.1 million room nights sold, down 67.5% from 2019

ROOM REVENUE

- **2019:** \$704.3 million
- **2020:** \$176.9 million, down 74.9% from 2019

MARKET MIX

- **2019:** One-third for each segment

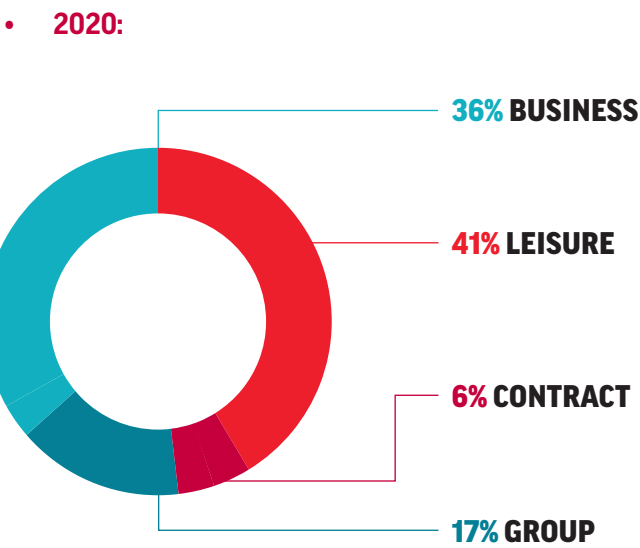


Source: Tourism Economics

COVID-19 IMPACT

Tourism Economics predicts it will take until 2023-2024 to fully recover from COVID-19. Here's a look at the impact:

- **Lost Travel & Tourism Jobs (Region):** 52,000 jobs, 27% decline year over year (projected January-December 2020)
- **Lost Leisure Hotel Room Nights (Center City):** 696,000 nights, a 74% decline year over year (projected March-December 2020)
- **Lost Group Room Nights (Center City):** 950,000 nights, an 93% decline year over year (projected March-December 2020)
- **Lost Travel From Canada & Mexico (Region):** 424,000 visits, a 73% decline year over year (projected January-December 2020)
- **Lost Overseas Travel (Region):** 562,000 visits, an 80% decline year over year (projected January-December 2020)
- **Lost Economic Impact (Region):** \$5.8 billion (projected March-December 2020)

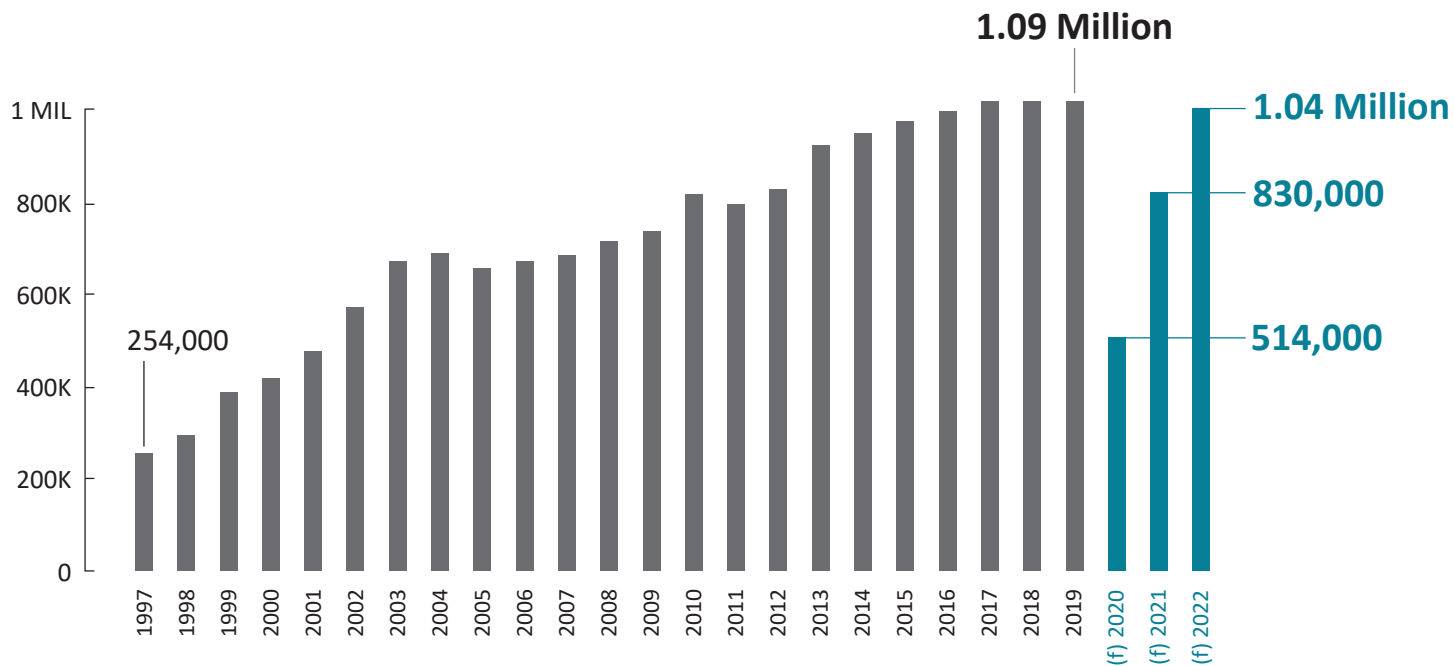


A LOOK AT THE LEISURE MARKET

THE RISE & RESILIENCE OF LEISURE TRAVEL

From 1997 to 2019, Center City leisure hotel demand grew 331% to 1.1 million room nights. After growing consistently for more than a decade, Tourism Economics projects a 53% decline of leisure demand in 2020 to just over 500,000 room nights. However, the leisure market has proven its resilience after both 9/11 and the 2008 recession, and it's once again projected to recover faster than business and group travel. In 2021, leisure demand is projected to recover to 76% of 2019 levels and further recover in 2022 to 96% of 2019 levels.

CENTER CITY LEISURE HOTEL ROOM NIGHTS



Source: STR/Tourism Economics



Canopy by Hilton Philadelphia Center City



The Logan, Philadelphia's Hotel



Museum of the American Revolution

LEISURE DEMAND FORECAST 2020-2022

- **2020 Forecast:** 514,000 leisure room nights, a 53% decrease from 2019
- **2021 Forecast:** 830,000 leisure room nights, a 24% decrease from 2019
- **2022 Forecast:** 1,038,000 leisure room nights, a 4% decrease from 2019

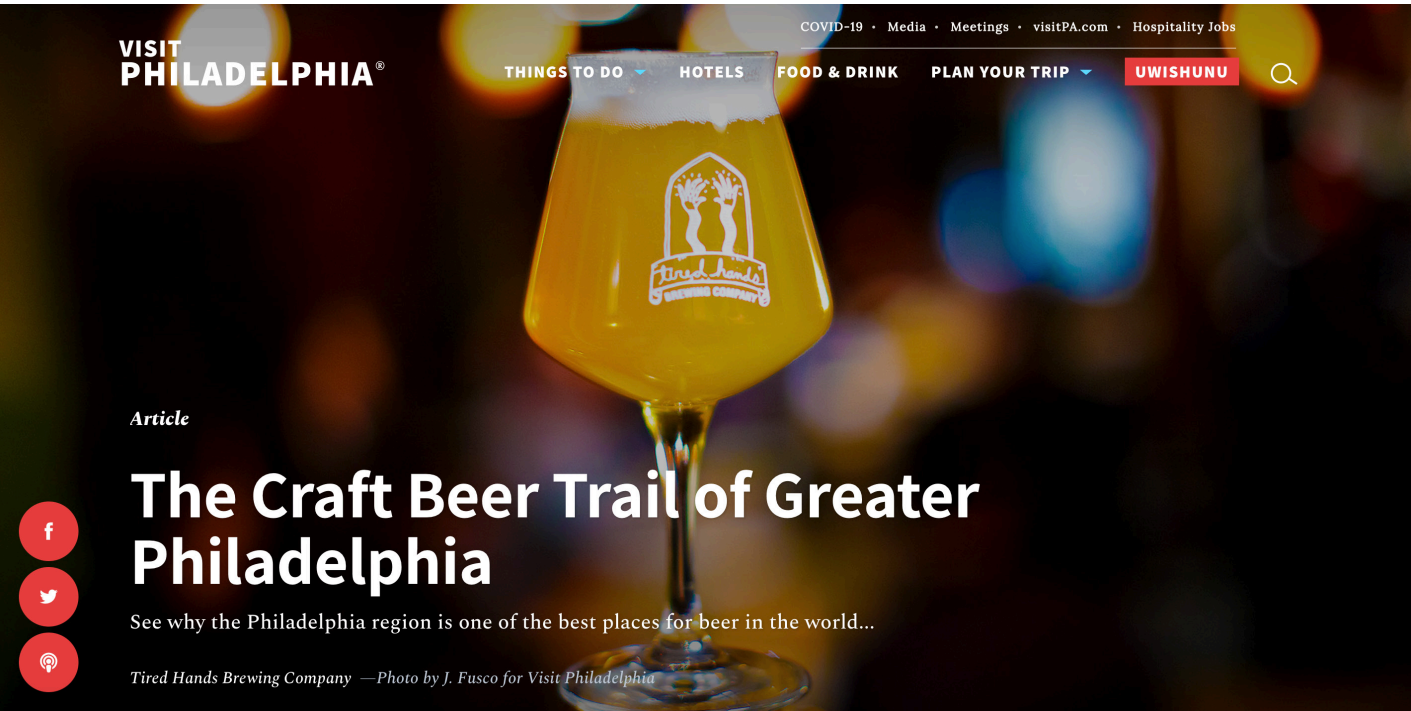
Source: Tourism Economics

OUR MARKETING PROGRAMS PRE- & POST-COVID

Early on in fiscal year 2020, we announced ambitious plans for the year to help keep our region's tourism momentum going strong. But then came COVID-19, and with it, a change in strategy. In fact, throughout 2020, we monitored the situation, surveyed travelers and adjusted our plans every step of the way to ensure that our messaging was sound and our spending as impactful as possible. Here's a look at what we planned pre-COVID-19 and what we actually did to build Philadelphia's image, support local businesses, drive visitation and boost civic pride throughout the pandemic:

MARKETING PROGRAMS PRE-COVID

- 1. **Marketing Shift:**
Expanded reach to include four generations of travelers and the use of technology for more efficient, agile marketing
- 2. **City of Sisterly Love:**
A campaign, tied into the centennial of women's right to vote, that would invite all women to choose Philadelphia as their getaway destination and help the region compete as a top national leisure destination for women
- 3. **Love + Grit:**
A travel podcast that started off by offering listeners insider perspectives on Greater Philadelphia and putting the region's culture and diversity on full display
- 4. **Philly Live:**
The continuation of our partnership with NBC10 to produce a daily 15-minute lifestyle feature distributed across the station's digital platform



Craft Beer Trail Page on visitphilly.com

- 5. **Pennsylvania Craft Beer Promotion:**
Launched the enhanced *Craft Beer Trail of Greater Philadelphia* to drive visitation to 90+ breweries in the five-county region through advertising, content creation, paid-content distribution and regional and paid partnerships
- 6. **James Beard Foundation Partnership:**
A partnership to bring the culinary and tourism industries together to make it easy for travelers to support delicious, diverse and sustainable food, with James Beard House Chef Takeovers, pop-up dinners, a new James Beard Restaurant Collective and more
- 7. **Live Nation/CID Entertainment Partnership:**
A package that would position Philadelphia as the live entertainment destination of the summer, drive more hotel stays and measure the impact of live music on leisure tourism
- 8. **Expanded Tourism Marketing in Canada:**
A collaborative initiative with industry stakeholders to better capture Philadelphia's share of Canadian visitors against direct competitors such as New York, Chicago, Boston, Florida, Houston and the Caribbean
- 9. **REAL ID:**
An awareness initiative with the Philadelphia International Airport to make sure people know that all Americans will require a REAL ID-compliant form of identification to fly domestically beginning in October 2020, a deadline that was postponed



Love + Grit Ad on Spotify



James Beard Foundation Nomination Announcement

MARKETING PROGRAMS POST-COVID

1. #OurTurnToTourist:

A consumer marketing initiative aimed at restarting the economy in the wake of COVID-19 by encouraging locals, regional residents and visitors to enjoy day and overnight visits to Greater Philadelphia and support attractions, restaurants, shops and hotels; campaign itineraries have generated 1.5 million+ impressions on our social media channels to date.

2. Love + Grit:

Temporarily shifted focus to emphasize the people of Greater Philadelphia and their stories of positivity, ingenuity and compassion during the pandemic (when the podcast earned a fan base of 10,000 listeners)

3. Philly Live Weekends:

Moved to a Facebook livestream series featuring chefs, performers, artists and more Philadelphians working and playing from home; it's generated more than 2 million views on social and promoted more than 100 organizations and businesses.

4. Regional Brewery Support:

Marketing that pivoted to promote direct sales and deliveries of Pennsylvania craft beer, generating 26,000+ direct referrals to regional brewery websites

5. James Beard Foundation (JBF) Partnership:

Virtual JBF Nominee Announcement co-hosted by us, garnering 53,000 media impressions and attracting 32,000 viewers



Billboard on I-676



#OurTurnToTourist Influencer Video Series

6. Public Service Announcements (PSAs):

PSAs created with the City of Philadelphia to promote safety and thank you messages; received more than \$1.4 million in free advertising to run ads

7. Herr's Partnership:

A year-long partnership with Herr's, the Delaware County-based snack food company, that includes TV and outdoor advertising, digital content development and distribution, social media and PR

8. Netflix's *Queer Eye* Season 5:

Thematic content around *Queer Eye*'s fifth season in Philadelphia; generating 610,000 views on our social accounts, 10,800 visits to our website and 2,900 referrals to the local businesses featured in the series

9. Black- & Brown-owned Businesses Initiative:

Integrated marketing effort to support the economic recovery and growth of Black- and Brown-owned businesses

10. Visitphilly.com Technical Enhancements:

New restaurant-reservation capabilities, an updated hotel search engine, customized homepage content and a hospitality job openings page, which itself has received more than 4,000 views and sent 3,500+ referrals to partner sites' job pages

11. Visual Assets Library:

Rebuilt photo and video library showing off the Philadelphia experience in a COVID-19 world through nearly 250 photos, 50 short-form videos and three television spots



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