

**Monona Terrace  
Community and  
Convention Center  
November 19, 2020**

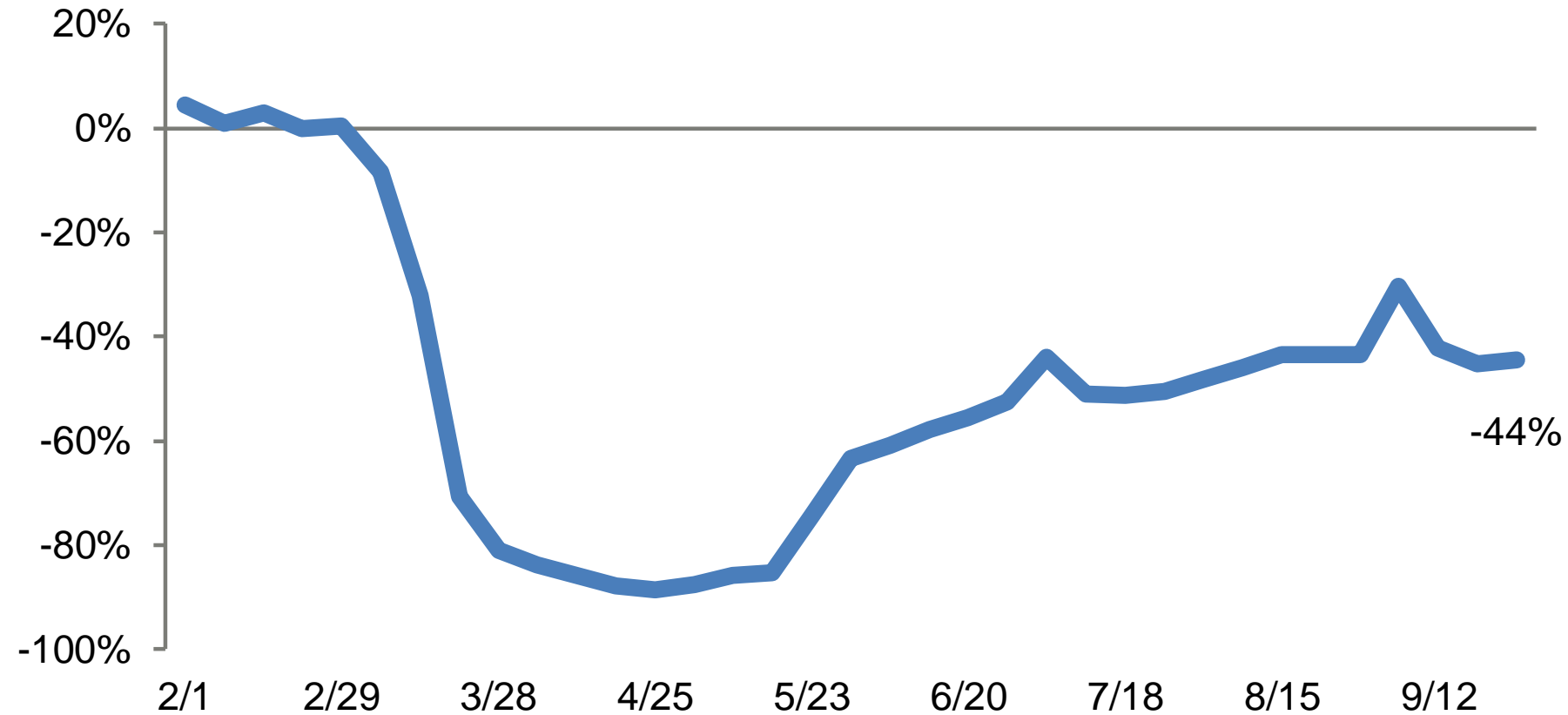
# Leadership Conversations

- Industry Recovery: Short term and long-term needs
- Industry Collaboration: Public Health Madison Dane County
- 2021 Budgets and Business Planning
  - December 10th Room Tax Commission Meeting
- Destination Reputation Management
- Marketing message: Support local businesses
- Advocacy: Federal Relief

# State of the Industry

# Traveler Spending

## National weekly travel spending year-over-year change

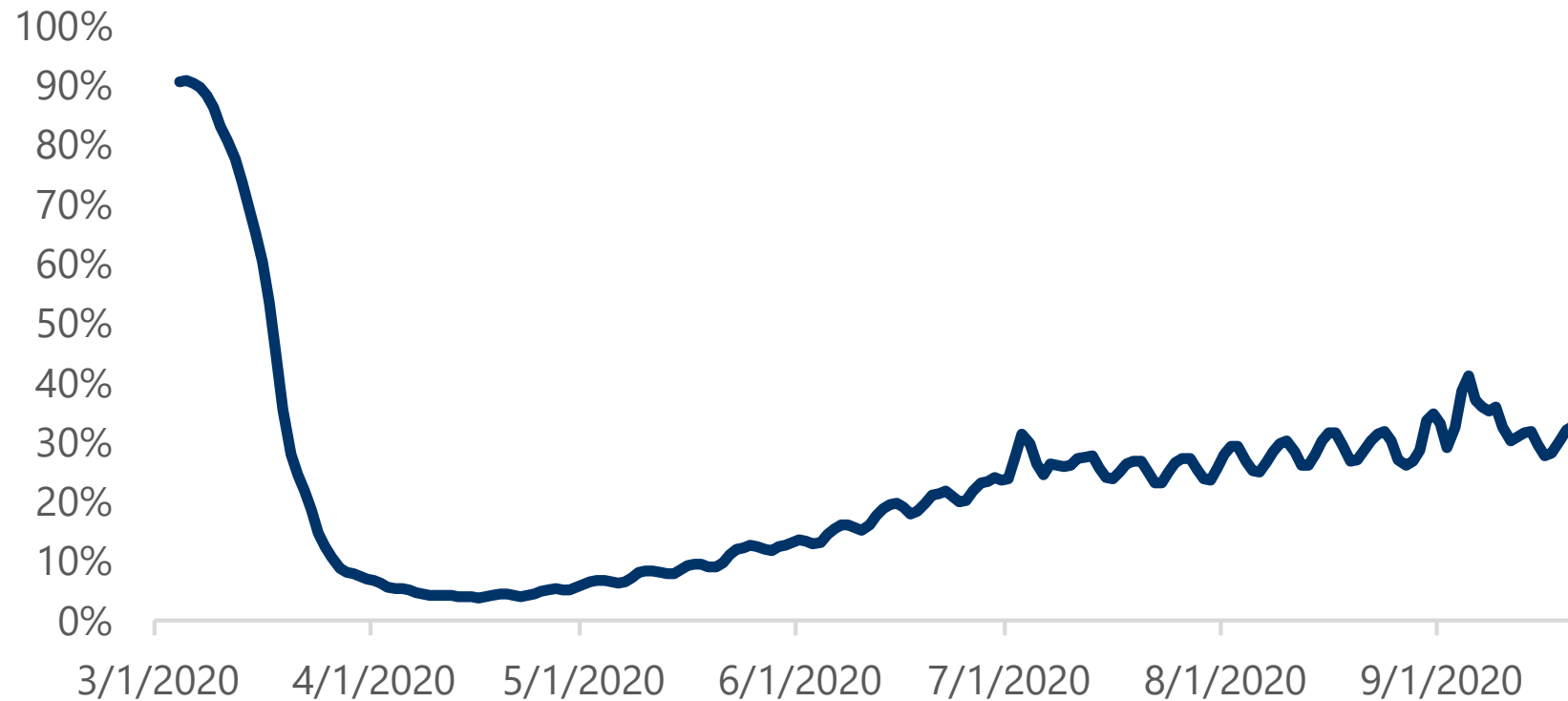


Source: Tourism Economics

# Air Travel

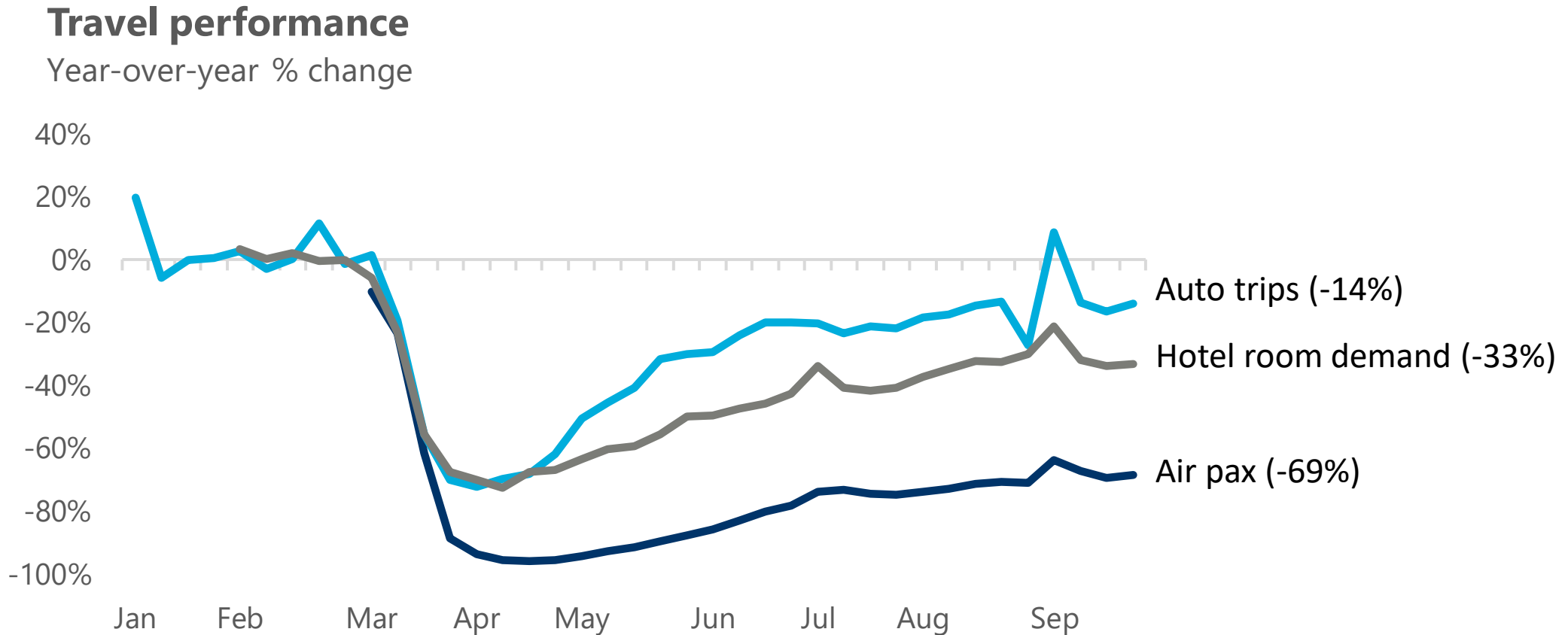
## TSA Throughput, % of last year

3-day moving average



Source: TSA

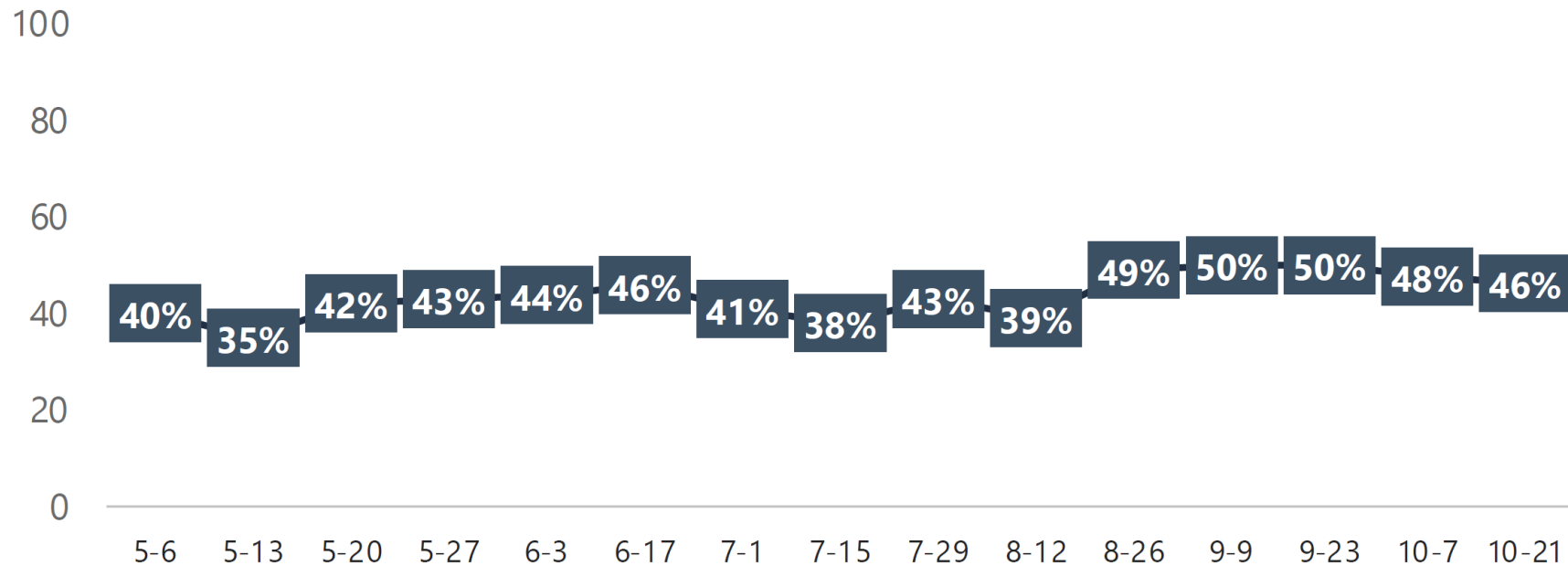
# Traveler Habits



Source: TSA, Arrivalist, STR

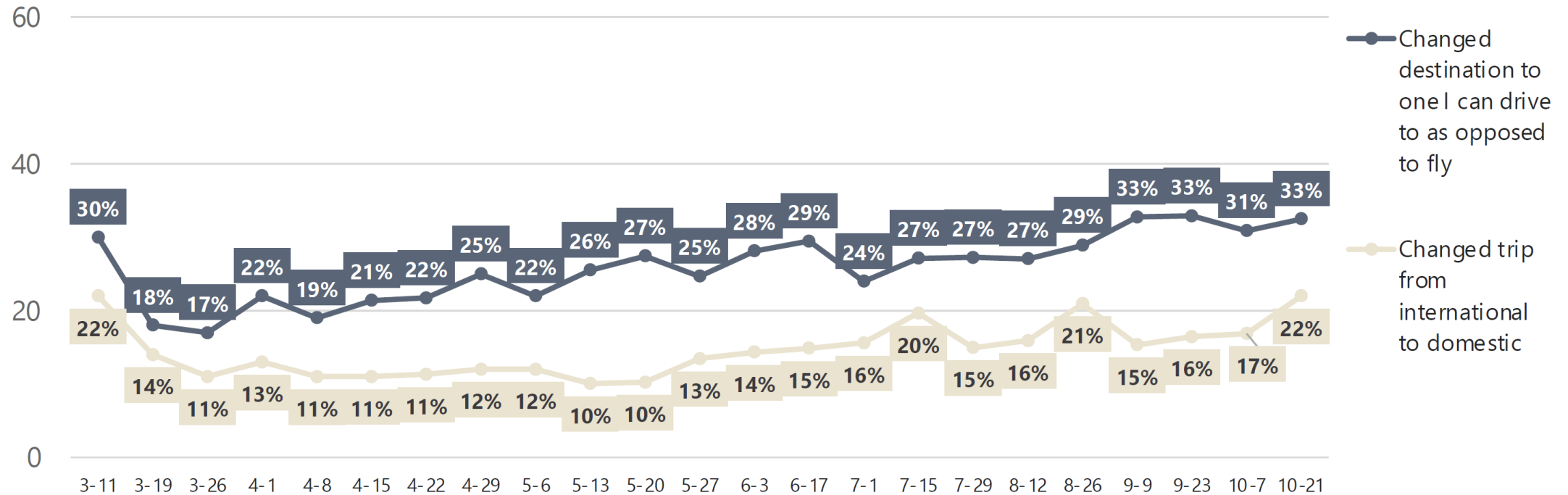
# Traveler Confidence

## I Feel Safe Traveling Outside My Community Comparison of Travelers Who Strongly Agree or Agree



# Upcoming Travel Plans

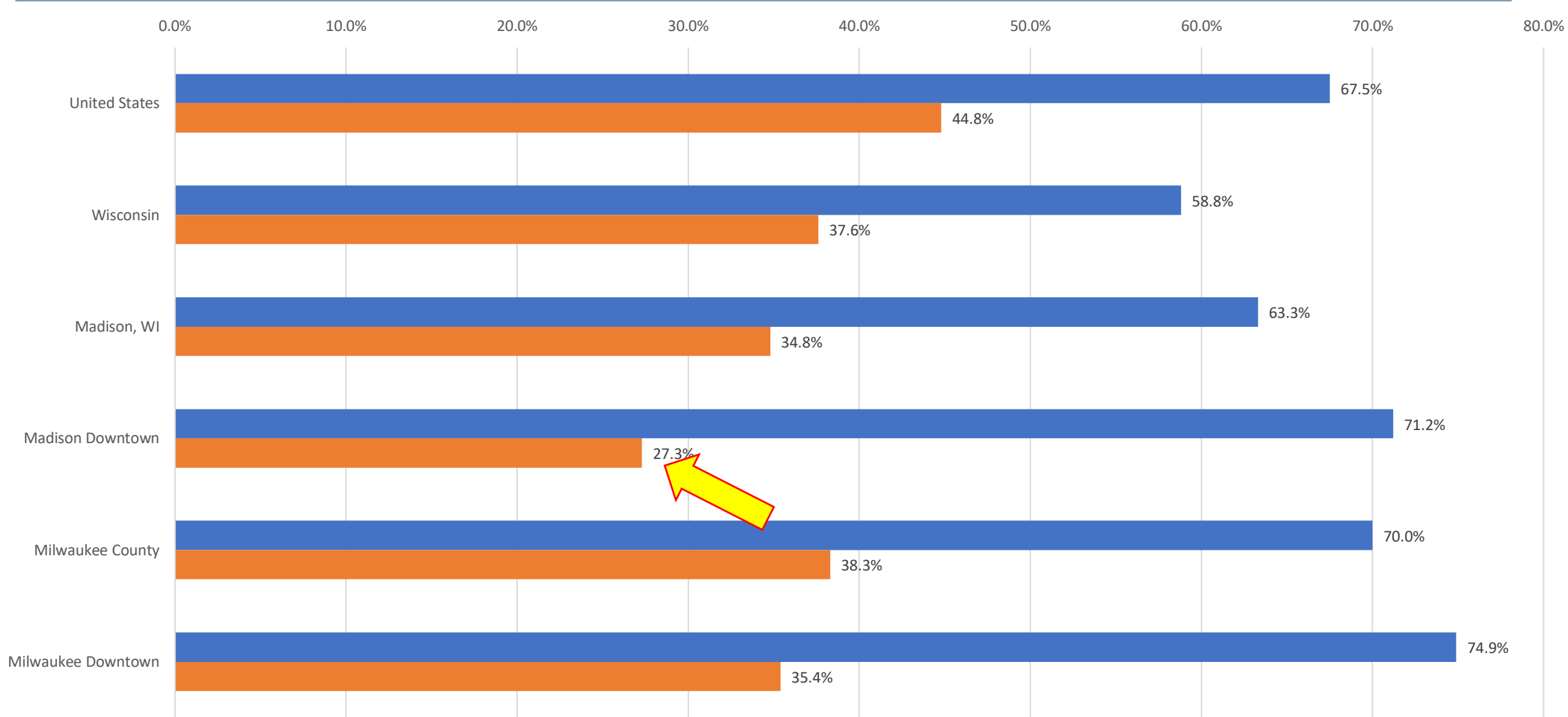
## Impact of COVID-19 on Upcoming Travel Plans Comparison



Base: Coronavirus Changed Travel Plans



# Hotel Occupancy: National, State, Local (2019/20 Thru Sept)

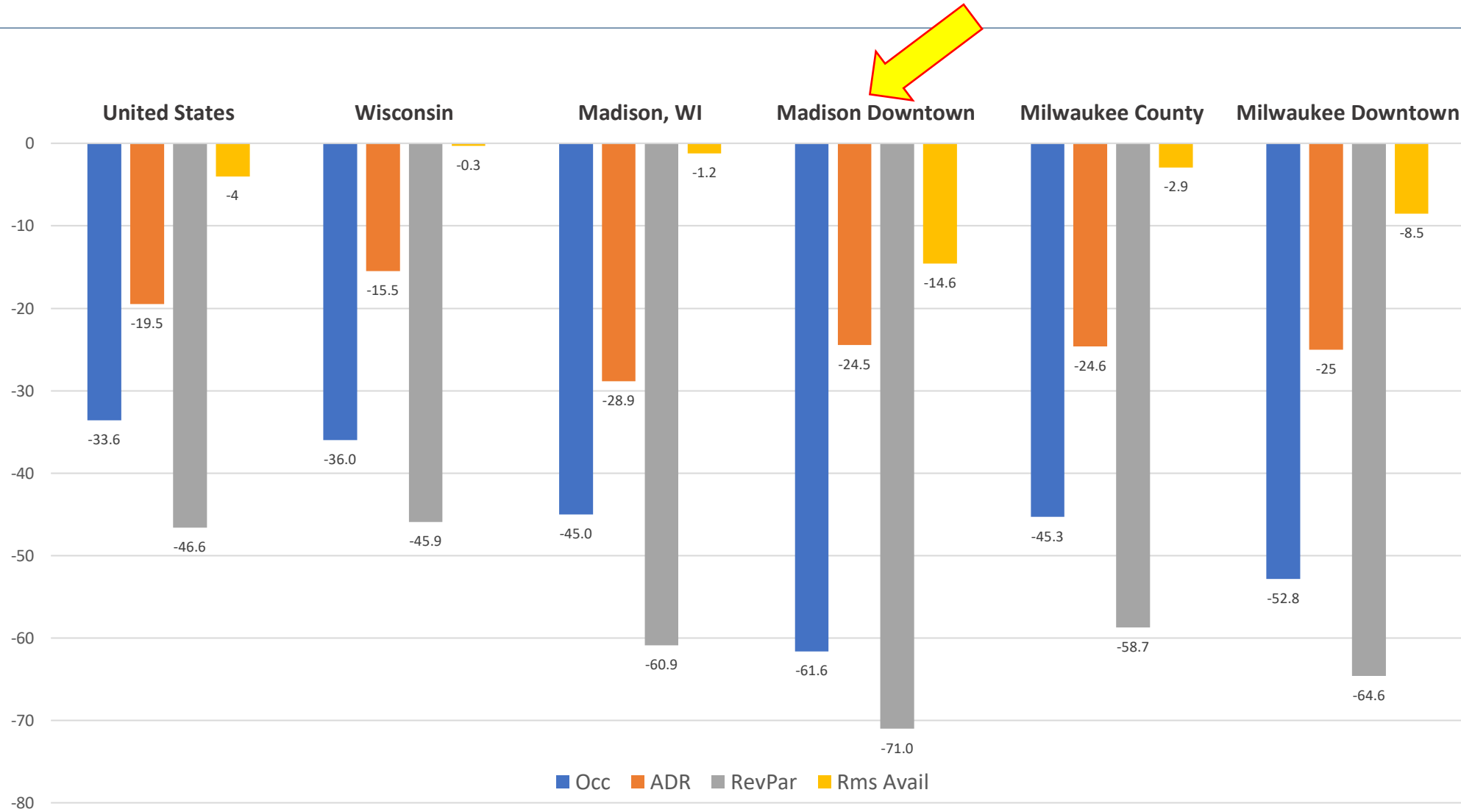


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■ 2019 ■ 2020



# Hotel Data: National, State, Local: % Change (2019/20 Thru Sept)



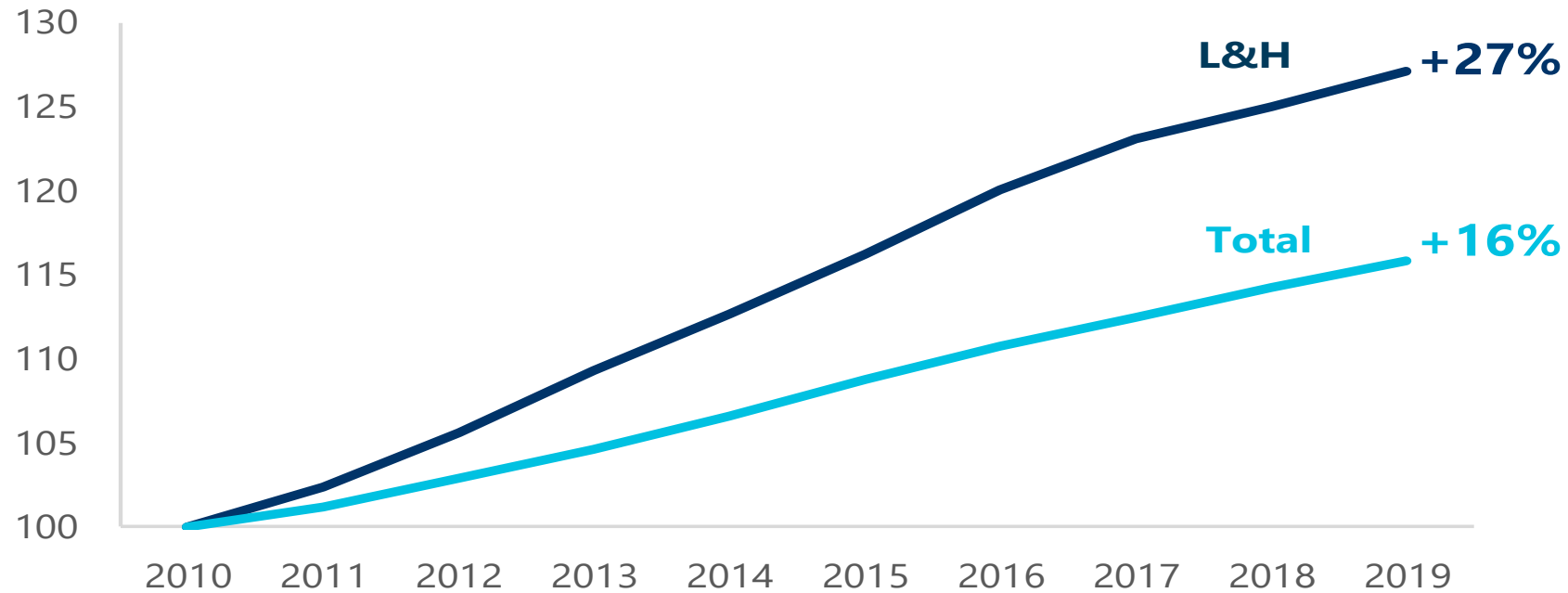
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# Leisure & hospitality sector has led job growth in the U.S.

## L&H employment

Index (2010=100)

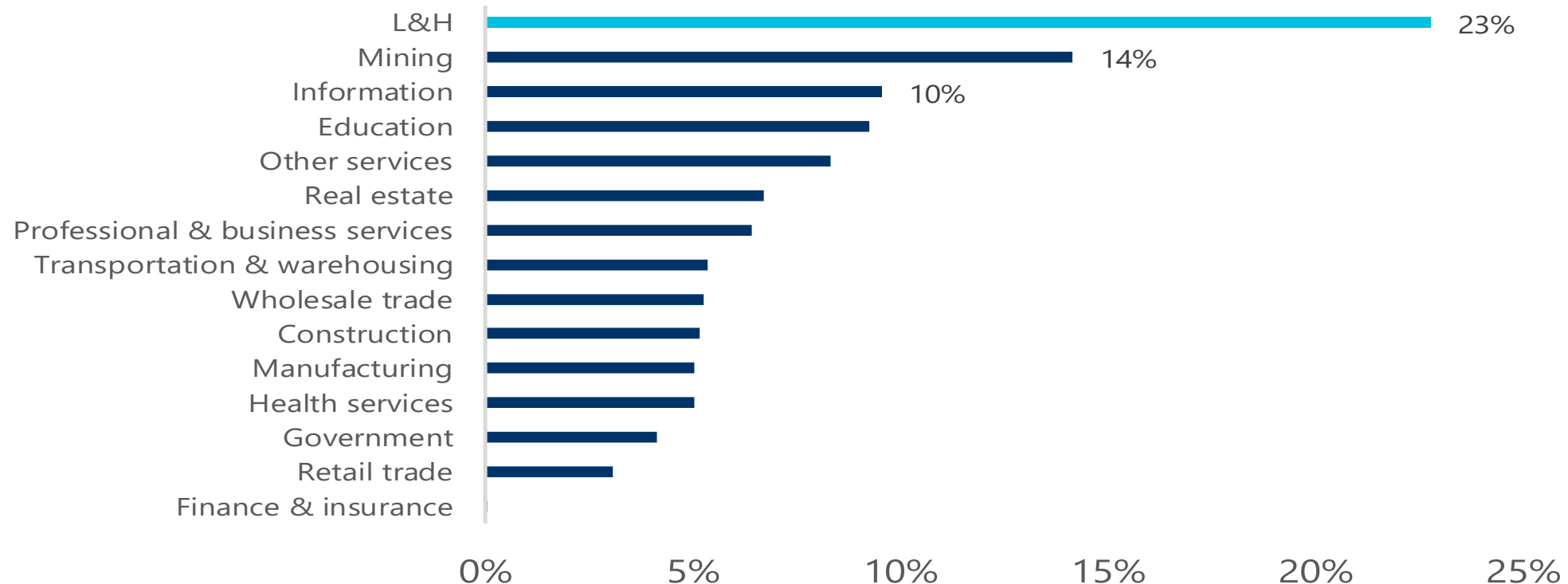


Source: BLS

# Hospitality: Sector hardest hit from pandemic

## Share of jobs lost in major industries

% of industry jobs lost from February-September 2020

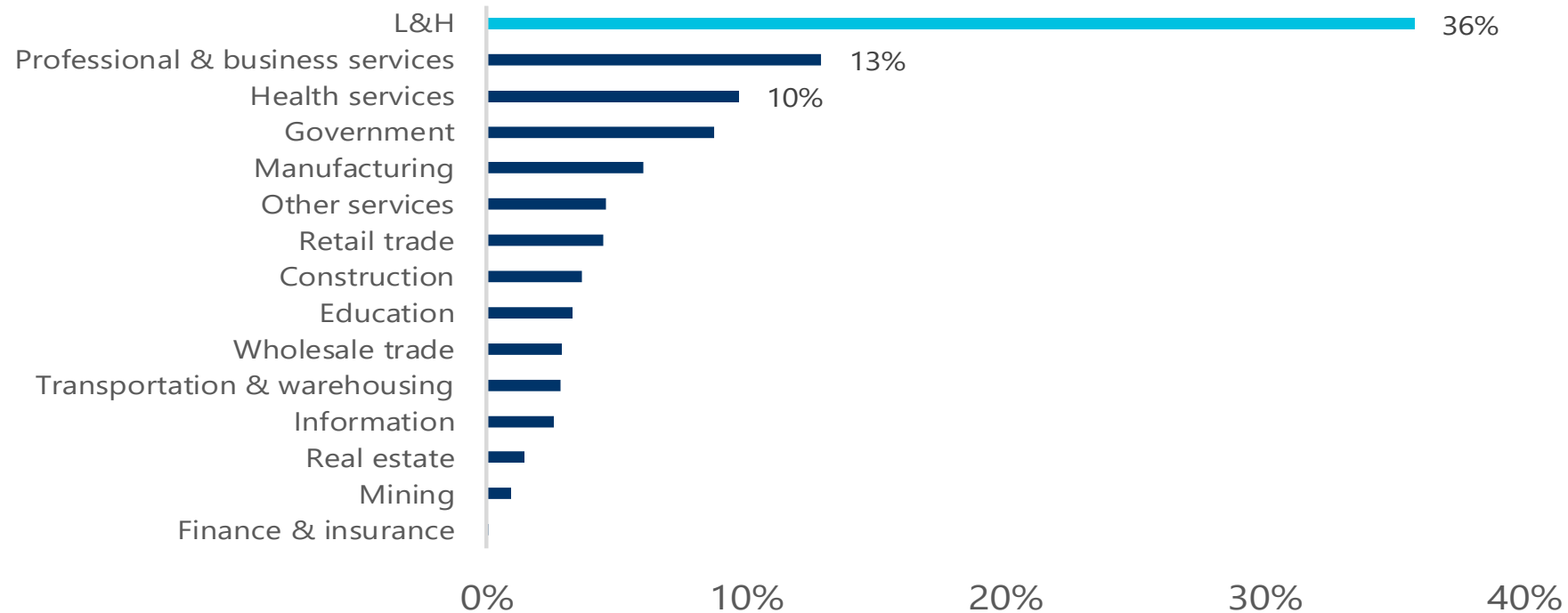


Source: BLS

# Hospitality: Represents more than 1/3 of all jobs lost

## Share of total US employment loss by industry

% of all US jobs lost from February-September 2020



Source: BLS

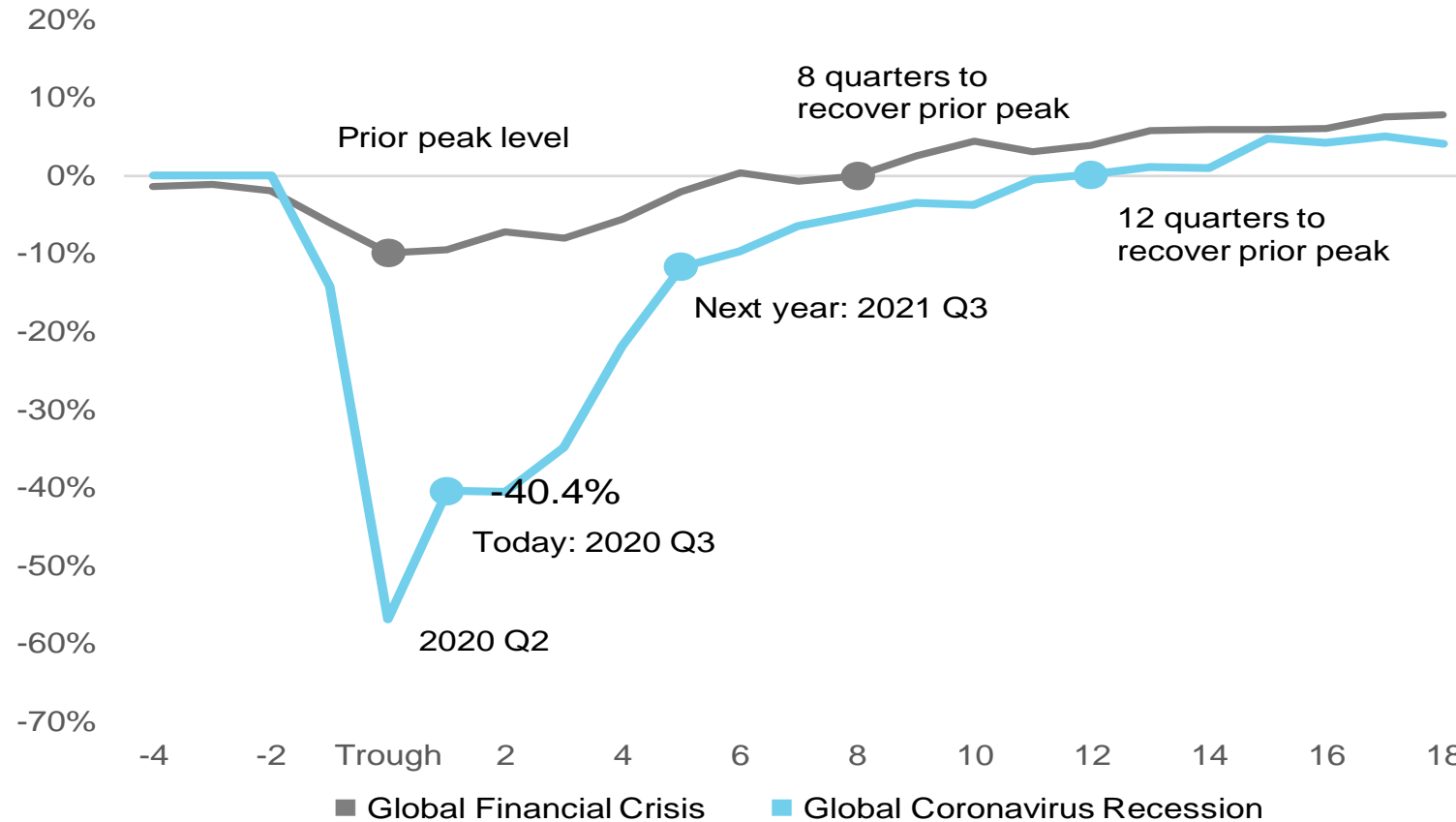
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When will travel recover?

# US hotel room demand: 3-year recovery period (2023Q3)

## Room demand: US

Quarters relative to trough, level relative to prior peak

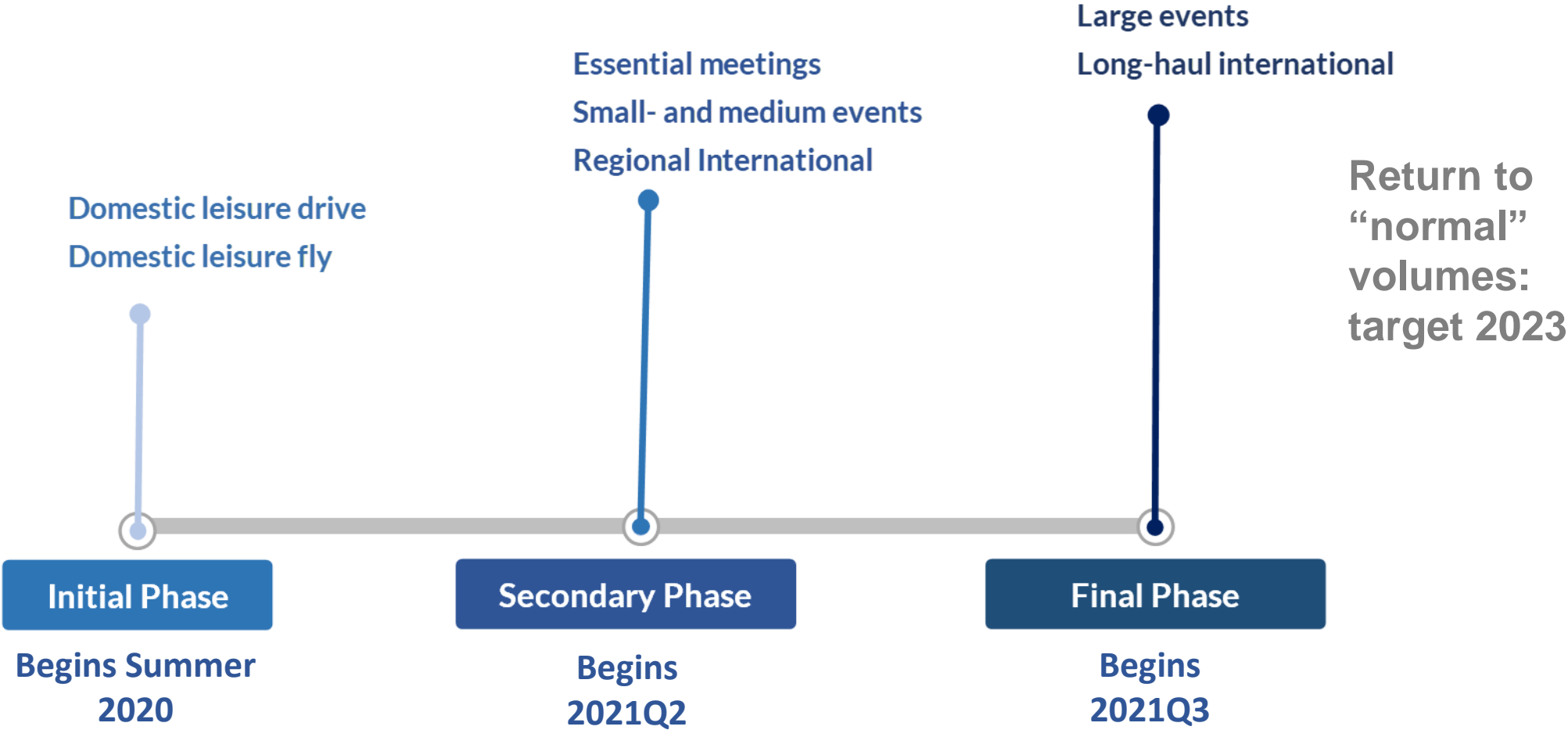


Compares to 2 years after GFC...

But we start the timer in 2021Q2 in a post-pandemic world

Source: STR; Tourism Economics

# Anatomy of a travel recovery





# Convention Sales and Services

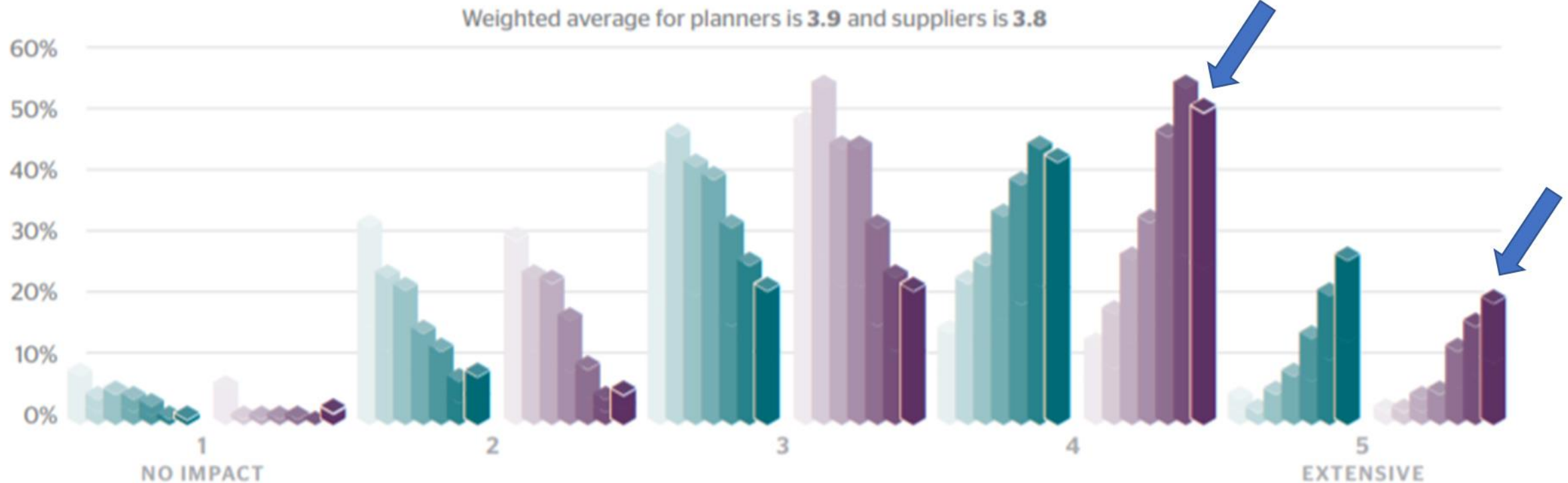


# Meeting & Event Industry Realities

- Other cities are opening up
- Offering incentives for booking business
- Leveraging safety messaging
- Virtual and Hybrid is the thing
- Risk mitigation is a major concern
- Meeting planners are delaying decisions
- Customers not ready to talk

70% of planners - virtual technology will significantly impact F2F attendance

To what extent do you believe the rise in the use of digital-event technology will impact face-to-face event attendance at events **in 2021** on a scale of 1 to 5.



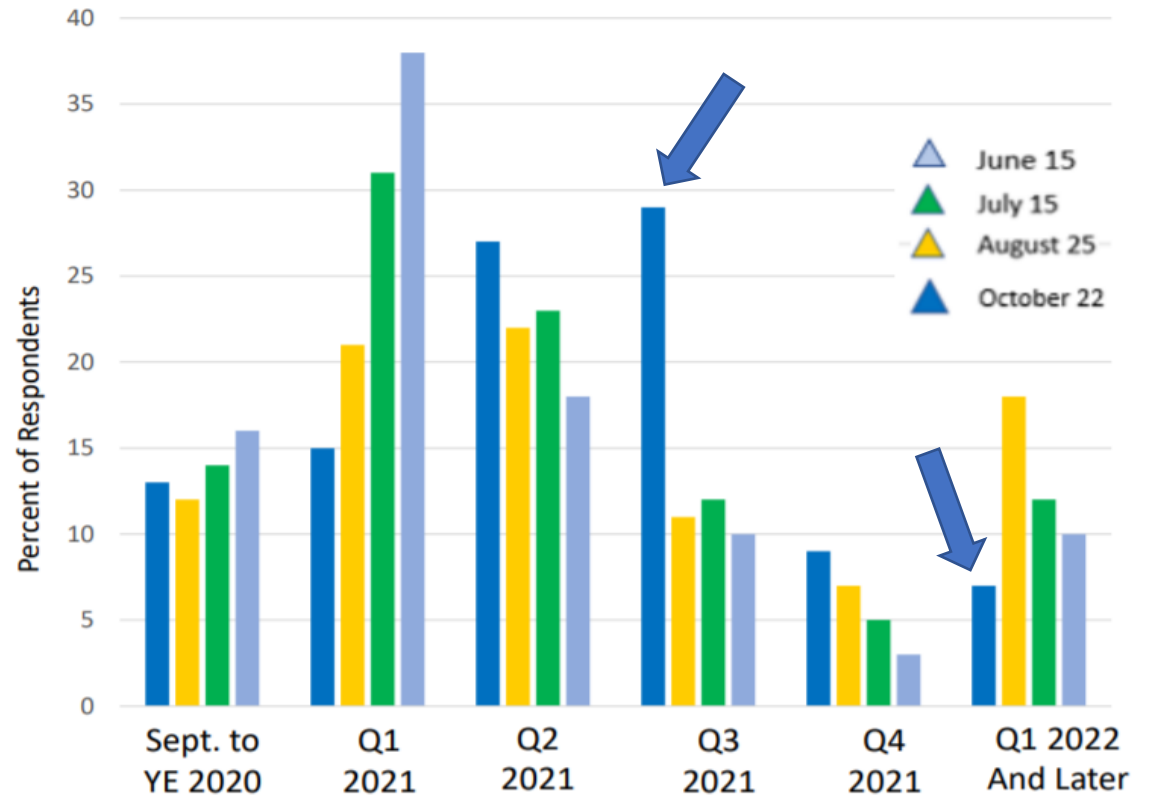
# When's Your Next Live Event?

## Q3 '21, Say Most Planners

**When at the earliest do you expect to hold your next in-person or hybrid meet or event?**

**ANSWER CHOICES**

Before year-end 2020	13.02%
Q1 2021	14.79%
Q2 2021	27.17%
Q3 2021	28.62%
Q4 2021	9.00%
2022 or later	7.40%



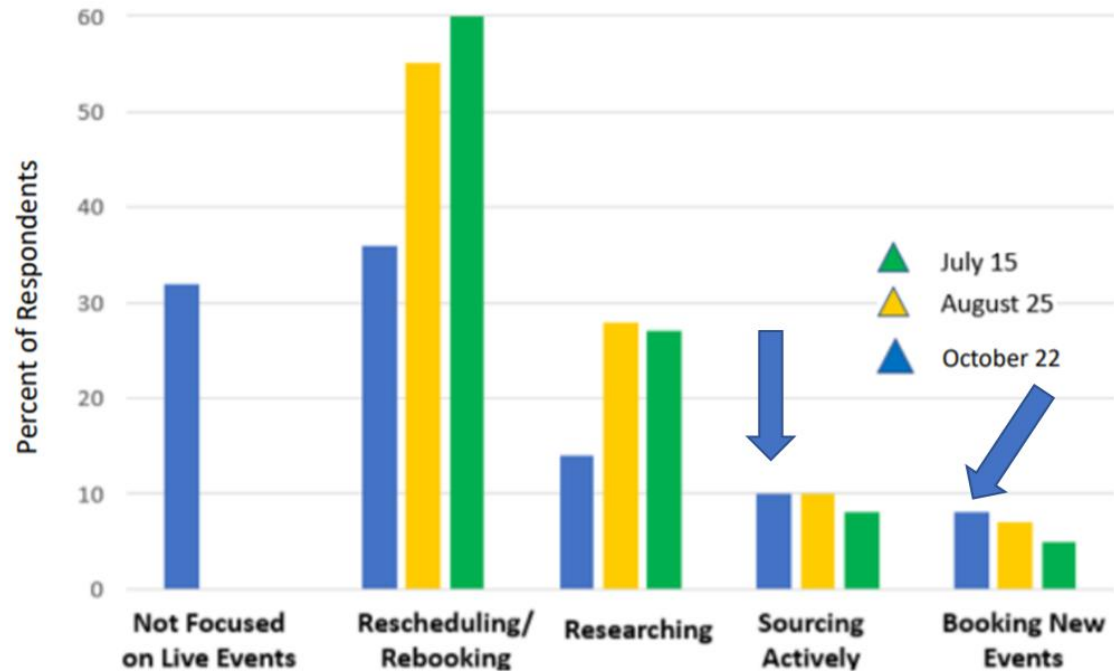
# PULSE SURVEY



## For Now, Many Planners Are Not Focused on Live Events Sourcing and booking remain steady, but for many, “live” is not an option

### ANSWER CHOICES

I am rescheduling or rebooking events.	36.25%
I am researching potential new events, but not ready to issue an RFP or lead.	13.83%
I am actively sourcing (issuing RFPs or leads) for new events.	10.33%
I am booking new events.	7.79%
I am not currently focused on live, in-person events.	31.80%

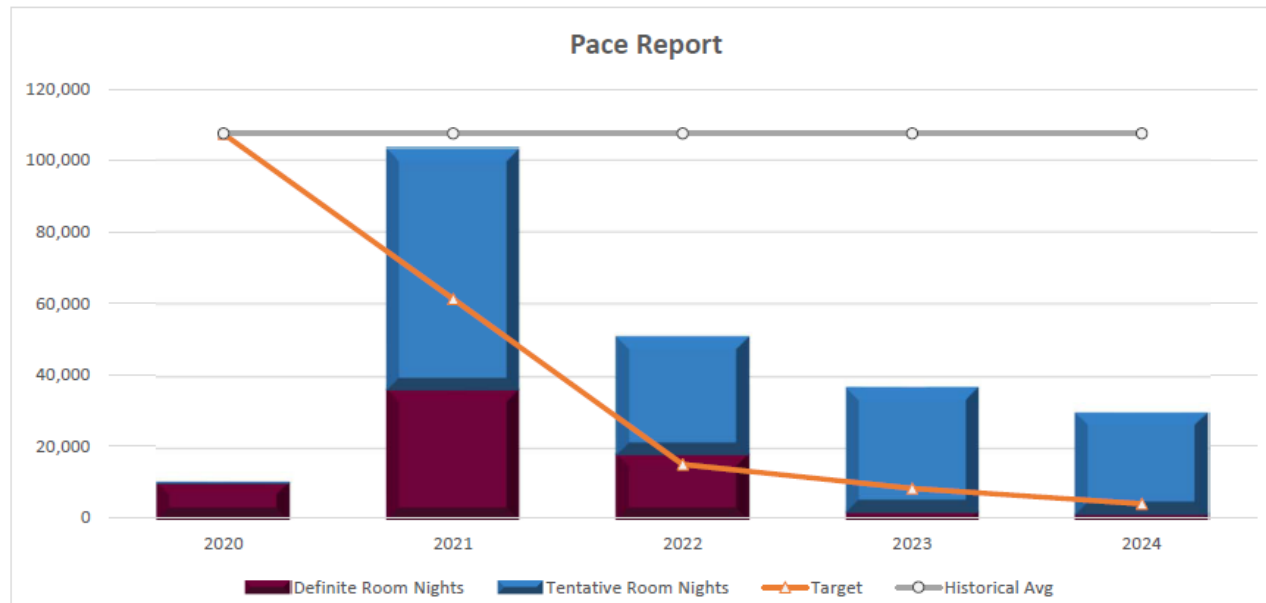


# Booking Pace

for Period ending October 31, 2020  
report date 11/5/20

## Report: Simple Pace

Annual Pace	2020	2021	2022	2023	2024	Total
<b>Consumption (Definite Room Nights)</b>						
Definite Room Nights	10,268	36,279	18,162	2,151	1,639	68,499
Target	107,426	61,247	14,942	8,217	3,937	195,769
Variance	-97,158	-24,968	3,220	-6,066	-2,298	-127,270
Historical Avg	107,519	107,519	107,519	107,519	107,519	537,595
Events	24	49	16	7	4	100
Pace Percentage	9.56%	59.23%	121.55%	26.18%	41.63%	35%
<b>Demand</b>						
Total RNs	181,476	156,412	85,101	63,917	49,829	536,735
Target	214,966	199,773	120,579	72,436	43,364	651,118
Variance	-33,490	-43,361	-35,478	-8,519	6,465	-114,383
Historical Avg	215,024	215,024	215,024	215,024	215,024	1,075,120
Conversion Percentage	5.66%	40.43%	34.46%	7.32%	7.53%	18.26%
Historical Avg	45	45	45	45	45	45
Tentative Room Nights	50	66,688	32,390	34,516	28,049	161,693



## Pace Concerns

- Pipeline potential shifting from 2023 and 2024 to later years to accommodate cancellations in '20 and '21
- Planner surveys suggest future attendance will be 20-40% less lowering existing contracted base and future room nights booked
- Booking window will be shorter
- How competitive will other cities be in '21 for business in '22 and later to make up lost ground?

# Industry Engagement & Recovery Strategies

## Meetings Industry Positioning

- Amplify virtual studio
- Protecting for the safety and comfort of attendees – GBAC Certification
- Risk management and mitigation – attrition and Force Majeure
- "Keep Your Meeting Home" messaging



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## All Meetingprofs Want is a Production Studio



By JT Long October 26, 2020

- What's better to find in your stocking than candy, diamonds or even your two front teeth? Meeting professionals facing a year of lumps of coal are putting venues with a turnkey production studio at the top of their lists. As [hybrid meetings](#) become the norm going forward, having the ability to record and produce from the meeting space could be the best present ever.
- "The more venues can help us achieve the Monday Night Football model, the better off we all will be," said Megan Finnell, director of meetings and conferences with [Medical Group Management Association](#) (MGMA). "That is the future, and it is never going away."
- Venues across the world are listening, and many have already delivered with

### ☆ Resource Shortcut

-  **NEW Event Safety Protocols**  
How to stay safe and healthy at our VIP events  
[See more →](#)
-  **Smart Sourcing**  
Easy research, RFP and virtual site inspections  
[See more →](#)
-  **Smart U**  
Education for a bright hospitality career future  
[See more →](#)





# Industry Engagement & Recovery Strategies

- Booking event assistance funding discussion / temporary guidelines
- Jeff Holcomb retirement – Eric Reichert taking market over
- Virtual client events
  - Monona Terrace, Mediasite, PC Nametag
  - “Quizconsin” gamification
  - Talley Management and 3 City Alliance
- 2021 planning - staffing, tradeshow, sales trips



# Booking Updates

## 2021 Contracted Business Update

- Collaborative Family Healthcare Association (CFHA): October 2021, 500-800pp, \$34,000 in contract revenue, room nights TBD
- American Association of Animal Science – canceled 2020 Annual Convention but rebooking in 2026 and adding two new Midwest Regionals in March 2023 and 2024 worth \$16,500 in contract revenue and 1,100 room nights for each year
- American Astronomical Society – canceled 2020 Annual Convention but rebooking for 2024 and adding 2028. \$76,000 in contract revenue and 1,900 room nights each year
- There were (27) contracted definite events in 2021, (3) canceled. (9) remain in the first half. Planners indicating hopefulness but uncertainty for holding an event. See list of booked conventions provided

**Thank you!**