

CHATTA NOOGA TOURISM CO.



2020 TOURISM REPORT



CEO

Barry White

“Collaborative efforts that carried us through 2020 will help Chattanooga lead the region’s tourism recovery.”

MESSAGE FROM THE CEO

2020 was a storm like we've never seen in our lifetimes. A storm that didn't just hit one neighborhood, state or country, but the whole world. And while we may have all faced the same storm, we all had different boats. Chattanooga's boat was built by a resilient community working together and lifting each other up. We responded quickly, decisively and while focusing on the safety of our neighbors and guests.

Tourism is essential to our way of life. Last year, Chattanooga Tourism Co. transitioned from a destination marketing organization to a destination leadership organization, and we take this responsibility to heart. Our role is to enhance the lifestyle and create economic opportunities for Hamilton County residents. We do this through tourism, and we experienced what happens when tourism disappears. The things we love most about Chattanooga are attractive to visitors. And without visitors supporting our businesses, we could not economically maintain the quality of life as we know it.

Collaborative efforts that carried us through 2020 will help Chattanooga lead the region's tourism recovery. Our safety efforts are known. Our drive-in markets are eager to visit. Our outdoors brand is coveted. Our ability to market and share a safety message throughout it all will bring leisure, meetings, sports and events back better and faster than just about any city across the nation. This is our goal, and we look forward to working with each and every one of you to achieve it.



Barry White

2020 MARKETING ANALYSIS

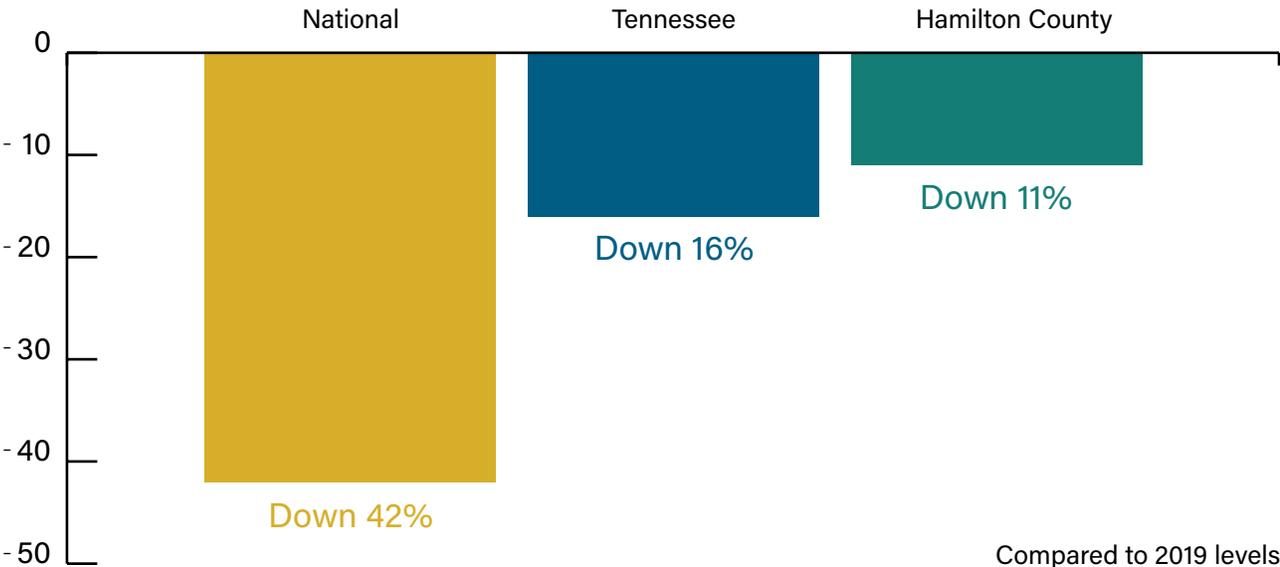
CHATTANOOGA WEATHERED 2020 BETTER THAN ANY OTHER TENNESSEE CITY IN 2020

In a normal year, saying we were down 11% and being proud of that would be surprising. But when the nation is down 42% and Tennessee is down 16%, it's something we should all be proud of. Without the foresight of our board to build reserves, without the support of the Tennessee Department of Tourist Development, without the extraordinary collaboration and communication between our partners, we would not be able to have weathered this storm better than most cities or states across the nation or world.

At the peak of shutdowns due to the pandemic, 10,000 Hamilton County residents lost their job in tourism. Businesses closed, and for the vast majority, revenues were lower – and for many, significantly lower. Most challenging of all, many lost loved ones to an unforgiving virus.

Through all of the darkness, our community emerged tighter. We came together to navigate this challenge together. Our marketing efforts and safety messaging, combined with Chattanooga's drivability for 15M+ Southerners and its outdoors reputation, created a scenario where Chattanooga fared better. Through the pandemic, we outperformed Nashville, Memphis and Knoxville in hotel demand and every county in the state in amusement spending (see graphs below). While there are still too many people out of work, 85% of jobs lost in tourism last year were recovered by the end of the year. We will be working hard with our partners to recover every tourism job in Hamilton County in 2021.

TRACKING TOURISM



A PANDEMIC SHIFT

2020 was unique, something our country hasn't experienced in more than 100 years. In order to adapt to these times, our team, our board and our partners entered a pandemic shift:

- Working better to support our partners
- Pursuing additional revenue streams
- Cutting staff positions and budgets that would underperform during a pandemic
- Prioritizing leisure marketing

In addition to these organizational shifts, we worked to adjust to our new paradigm, to develop new programs that would help support our partners through the pandemic and to create a safer place to visit.



CONNECT CHATT

Immediately following the awareness of how the pandemic would affect local artists and musicians, Chattanooga Tourism Co. invited select artists to perform as a part of a virtual series called Connect Chatt. From March to June, more than a dozen local artists streamed live concerts from their homes using the @VisitChatt Facebook page. The concerts totaled more than 360k views, and artists were paid a stipend and allowed to earn "virtual tips" (real money) from their audiences through online platforms. Beyond performances, Connect Chatt included a website component, featuring industry resources, virtual tours and offerings from tourism partners. Connect Chatt experiences were amplified through earned media coverage to keep Chattanooga top of mind for future travel.

TOURISM DISCUSSIONS & UPDATES

The Chattanooga Tourism Co. immediately became the information resource for the hospitality industry when Covid-19 hit. The virtual Tourism Discussions (webinars) & Updates (emailed newsletters) began in March as a way to listen to the needs of partners, to keep them engaged and informed and to help them navigate the pandemic. Discussions were held daily for the first few weeks with each day focused on a different industry sector – attractions, accommodations, food & beverage, Culture, Heritage & Arts (CHA) – and one day designated for all partners. The frequency later changed to weekly, and they are now offered monthly. The Tourism Discussions and Updates continue to be a valuable resource through our industry's recovery and feature national travel and health-related experts, community partners, latest travel research, Chattanooga Tourism Co. updates and other relevant topics.

AUCTION

The Chattanooga Tourism Co. partnered with River City Company, Blue Cross Blue Shield of Tennessee and local media sponsors to host the We Love Chattanooga auction. Together, we exceeded our goal and raised \$45,062.91 for Hamilton County businesses, artists and performers. Through the online store platform, we raised \$805 for United Way of Greater Chattanooga's Restore Hope fund and \$1,150 for the Community Foundation and United Way's Tornado relief fund for people and businesses impacted by the deadly Easter 2020 tornado. The auction was built on love for our community and businesses in Chattanooga.

CLEAN & SAFE VIDEOS

In order to engrain safety, the Chattanooga Tourism Co. developed the Clean & Safe video campaign to showcase partner efforts, demonstrate safety measures and help visitors understand what to expect when they arrived as people traveled here during the pandemic. The video series focused on the overall destination efforts of Chattanooga and its tourism partners as well as rotating spots featuring restaurants, accommodations, attractions and experiences. Published via YouTube, the video series was amplified through paid, owned and shared channels, including @VisitChatt social media, visitchattanooga.com, email marketing and ad retargeting. The Clean & Safe videos showed how the tourism community provided a welcoming, safe experience for visitors to Chattanooga. The videos had around a half million views on social media channels alone.



DEI ORGANIZATIONAL FOCUS

The Chattanooga Tourism Co. formed an internal Diversity, Equity & Inclusion (DEI) Council internally in June 2020. The goal is to create, assess, manage, measure and evaluate the company's cross departmental and external DEI initiatives. Through bi-monthly DEI council meetings, listening sessions, professional development and community collaboration, we will continue to work towards implementing a long-term DEI strategy. Our purpose is to educate, engage and empower our team, community partners and visitors.



PARTNER HIGHLIGHTS

The Chattanooga Tourism Co. served as a hub for discussions around how to best navigate the pandemic. Below, we highlight several partners and their adjustments, knowing everyone worked hard to adjust during the most challenging year for tourism in any of our lifetimes.

RESTAURANTS

Despite an immensely tough year, Chattanooga restaurants can be proud of how they adapted to our new normal. After closing due to the pandemic in March, **Davis Wayne's** owners Antonia Poland and Cynthia Wood suffered major damage to their home in April. They temporarily reopened their restaurant to provide food for their family and employees and to donate over 2,100 meals to emergency crews, volunteers and others affected by the Easter 2020 tornado. Originally planning to open in March, **Proof Incubator** quickly pivoted to offer restaurant recovery courses and delivered over 800 fresh food boxes to out-of-work hospitality professionals. On the Southside, **Niedlov's** and **Main Street Meats** quickly

set the standard for re-envisioning their spaces and operations to facilitate take-out and ensure safety. Niedlov's began donating breakfast items to healthcare workers. Local favorite **Easy Bistro** relocated to their new home in the West Village. Despite the tough year, Chattanooga welcomed several new restaurants. **Nick & Norman's** opened at the Choo Choo, **Goodfellas** brought New York-style pizza to King Street, **Lil Mama's** brought Chicago style hoagies to Patten Parkway, and there's now a dedicated space for food trucks at 5th and Market - **Food Truck Alley**.



ATTRACTIONS

Chattanooga attractions put safety at the top of mind during the pandemic and continue to implement safety measures to protect their guests. Larger attractions like **Tennessee Aquarium**, **Rock City** and **Ruby Falls** all moved to limit capacity, installed hand sanitizing stations, enhanced cleanings and required masks during visits. The **Tennessee Aquarium** leveraged a grant to install 10 new HVAC units that increase airflow and improve air quality throughout the attraction. Nearby, the **Charles H. Coolidge National Medal of Honor Heritage Center** officially opened, providing visitors with an immersive, educational experience. The **Chattanooga Zoo** reached “great heights” by welcoming giraffes to their family. Boutique attractions also adapted. **Chattanooga Ghost Tours** navigated 2020 by having smaller

tours, requiring masks and encouraging social distancing. **Chattanooga Whiskey** faced a unique challenge, having hundreds of barrels of whiskey in the distillation process. The whiskey company retained its employees, increased the number of tours with a reduced group size at the Experimental Distillery, partnered with **Gate 11** to bottle and distribute sanitizer and sold alcohol to go via curbside delivery. New married the old when the **Incline Railway** debuted new air-conditioned passenger cars for the trips up and down Lookout Mountain. The **Chattanooga Red Wolves** scored a major goal in 2020 with the opening of their new home stadium in East Ridge (the area’s first **Topgolf** also opened near the stadium).





MUSICIANS

Live concerts may have stopped for a while, but the music in Chattanooga didn't. Local artists found ways to pivot to virtual performances (including live streams on @VisitChatt social media platforms), created intimate, socially distanced concerts and held outdoor performances. Several local musicians had significant milestones in 2020. Bluegrass-fusion favorites **Strung Like a Horse** released a debut studio album titled "Whoa!" on Transoceanic Records. Chattanooga wrapper **Bbymutha** released "Muthaland," a sprawling 25-track album. **Jason Lyles** released album, "Chameleona" in October. We can't forget the incredible year **Nick Lutsko** had in 2020. He released a new single called "Spineless" and inexplicably became the unofficial spokesperson for Spirit Halloween stores with a song called "Unleash your Spirit." He followed that up with several songs now found on the "Songs from the Computer" album. Other local artists including **Call Me Spinster**, **Lon Eldridge**, **Summer Dregs** and **Lenox Hills** also released new tracks and albums in 2020. At the national level, Chattanooga-area native **Kane Brown** added to his country pedigree with the release of "Mix-tape Vol. 1." Fans of vinyl now have a hometown store. **Yellow Racket Records** is now open on Main Street.



ACCOMMODATIONS

Chattanooga hotels pivoted to provide guests with safer experiences during unprecedented times. More than other industries, hotel partners needed to focus on each detail within their properties — from contactless check-ins to face-mask requirements. Properties added hand-sanitizer stations and hand-sanitizer within the rooms, created transparent barriers for check-in and removed unnecessary contact points while maintaining the amenities travelers expected. Already rigorous cleanings standards were increased. Hotels used hospital-grade disinfectants and increased cleaning frequency using new, enhanced technologies such as electrostatic sprayers to sanitize surfaces. Hamilton County saw only one hotel open in 2020. The 117-room boutique **Hotel Indigo** opened its first Chattanooga property in the West Village.



2020 MARKETING ADJUSTMENTS & HIGHLIGHTS

ENGRAIN SAFETY, INSTILL CONFIDENCE AND INSPIRE TRAVEL

Chattanooga Tourism Co. has always focused on inspiring travel to the region, but with the onset of the pandemic, there was a shift to engrain safety first among our partners, local community and visitors. These efforts helped instill confidence that Chattanooga was doing its part to create a safer destination. Our research efforts included understanding not only our visitor's travel behavior but their readiness to travel and our community's readiness to receive visitors. Below are major adjustments made by the Chattanooga Tourism Co. in order to position Chattanooga as the best choice for travel in 2020:

RESEARCH-BASED DECISION MAKING

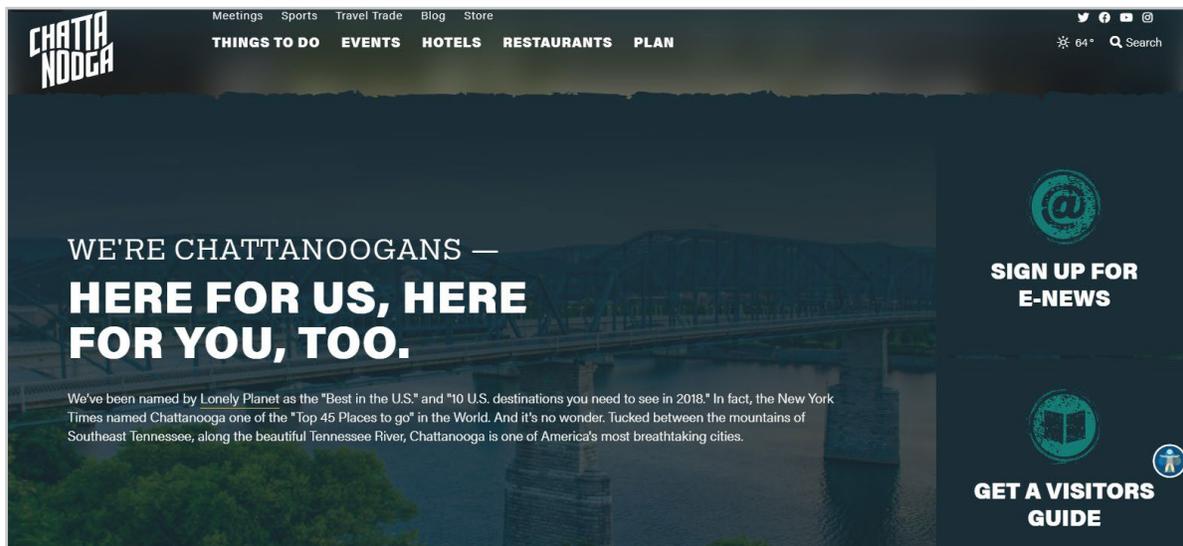
Prior to the pandemic, Chattanooga Tourism Co. added Arrivalist into our marketing mix. This software tracks the movement of visitors from 50+ miles and ties their visitation to our marketing messaging to allow us to improve the efficiency of our advertising. As soon as the pandemic began, Chattanooga Tourism Co. began collecting, interpreting and sharing research, first weekly and then monthly, to improve everyone's understanding of the effects of the pandemic on travel and tourism.

- Paid Media Spend: \$2 Million
- Advertising Impressions: 145 Million
- Paid Video Views: 20 Million

NEW BRANDING & CREATIVE LAUNCH

In 2019, Chattanooga Tourism Co. worked to develop a new brand for the destination and our organization. We decided early in the pandemic to continue to launch the new brand across all our platforms. This new brand was brought to life with a brand video and first broadcast to our visitor audience in July 2020 via two 30-second spots highlighting our business and community attitude as well as our natural and created assets. The new creative was recognized by the American Advertising Federation with six local ADDY awards, and five are now competing for district ADDY awards.

NEW WEBSITE & DOMAIN



In 2020, Chattanooga Tourism Co. rebranded and relaunched our website with a new domain, VisitChattanooga.com. The upgraded website has a new look and feel, features new content such as images, video and blogs and includes an accessibility toolbar to help visitors of all abilities access our site.

SOCIAL MEDIA GROWTH & TOP POSTS

Over the course of 2020, Visit Chattanooga's social media had a steady amount of growth despite the pandemic. The total number of new followers gained on Visit Chattanooga's Facebook, Twitter, Instagram and newly revamped Pinterest was 30,426. Below are the top posts from each platform.



Top Facebook Post

- 45,610 Total Engagements

Top Twitter Post

- 699 Total Engagements

Top Instagram Post

- 2,417 Total Engagements



MEDIA COVERAGE & TOP 5 MEDIA ACCOLADES

- Conde Nast Traveler – 10 Friendliest Cities in the U.S.
- Blue Ridge Outdoors – Top Adventure Town Finalist
- BuzzFeed – 17 School Vacation Spots In The US If You Hate The Beach
- Smart Meetings – 6 Warm Cities to Visit This Spring
- Forbes – 10 Best Work-From-Home Cities In The U.S.

2020 MEDIA COVERAGE BY THE NUMBERS:

- 690,400,007 Impressions
- 32 Articles in Top Tier Outlets
- 134 Articles About Chattanooga & Tourism Partners
- Snapshot: 6 Articles on MSN | 6 Articles in Forbes | 4 Articles in Conde Nast Traveler
- 6 Hosted Journalist Visits | 2 Media Mission Trips | 1 Virtual Destination Discovery Tour

NEW INFLUENCER PROGRAM

Goals of the 2021 Influencer Program are to create brand awareness of Chattanooga among travelers, drive website traffic, generate exposure for partners, build a photo/video library and maximize social media engagement. The 2021 strategy focuses on brand pillars and activations that highlight clean and safe visits to Chattanooga, family-friendly experiences including diverse and inclusive opportu-

nities, foodie and handcrafted exploration and the outdoors. Chattanooga Tourism Co. has secured a new influencer marketing management platform that will streamline sourcing, vetting, contracting, communicating and reporting for the 2021 campaign. At least 12 influencer activations are projected for 2021.

CHA STRATEGY & SPOTLIGHT

The Cultural Heritage and Arts (CHA) Strategy is to bring more brand awareness to CHA experiences in Chattanooga. In March of 2020, representatives of the CHA community met regularly to help advise CHA initiatives. Out of the collaboration, an integrated CHA marketing and digital strategy was implemented, the Experience Art Map was created for both visitors and locals to appreciate Chattanooga's outdoor public art and galleries, and the CHA Spotlight was introduced. Each month, the CHA spotlight blog and video series is dedicated to Chattanooga's festivals and events, local creators, public

art, performances, musicians, rich history and more at visitchattanooga.com/spotlight.



NEW CO-OP MARKETING MATCH

Seeing an opportunity to promote holiday travel in 2020, Chattanooga Tourism Co. launched a co-op marketing program aimed at boosting partner events and holiday initiatives. We matched partner funds dollar for dollar, and partners were able to use our agency services via Miles Partnership to

tap into existing Visit Chatt social resources and use first party data to retarget audiences. The holiday campaign was successful in driving people to Chattanooga as tracked by Arrivalist, and the co-op marketing program was extended seasonally throughout 2021.

NEW CHATTANOOGA STORE



Chattanooga Tourism Co. launched an online brand storefront on VisitChattanooga.com in 2020 to help promote awareness of the Chattanooga brand through a variety of apparel, promotional items and locally-made products. Since launching in 2020, the store has received over 10,000 sessions. In 2021, more items will be added, including partnerships with local artists and more local businesses. Store proceeds support local businesses and Chattanooga branding efforts.



MEETINGS, CONVENTIONS & SPORTS ADJUSTMENTS & HIGHLIGHTS

2020 started with optimism and hope of a bright year for Chattanooga events. Chattanooga Tourism Co. was projected to either host or partner on (by providing services) over 275 events. Once the pandemic hit the U.S. in mid-March, many events cancelled throughout the year. About 190 events were cancelled, creating a loss of about \$145 million in expected economic impact. The loss of events left a hole in the visitor economy, which was felt by restaurants, hotels, attractions and many companies and people around Chattanooga and the globe.

The Business Development Team at the Chattanooga Tourism Co. jumped into action in 2020 to offer whatever support it could to event planners. Sometimes that meant helping to reschedule, but most of the time, it meant helping cancel with the hopes of the event returning to Chattanooga in a future year. Efforts to keep Chattanooga top of mind continue as meeting planners look to reschedule. Our team is executing outreach, attending shows and planning to integrate our company's new branding into meetings and conventions messaging and promotion in 2021.

2020 certainly wasn't the year anyone expected for Chattanooga sporting events. Much like meetings and conventions, cancellations and rescheduling occupied most of Chattanooga Sports' operations. However, since most events were outdoors, distanced and with safety protocols in place, some events continued, and others relocated to Chattanooga as the Sports team worked to accommodate as many athletes as we could safely. We managed to host a USA Softball 16U National Championship when most events were shut down in July by setting the pre-tournament COVID protocols and expectations for creating a safe environment. The event was a resounding success driving sports tourism economic impact into our hospitality community. This was replicated by many other soccer and softball operators we supported throughout the later months of 2020. We found a pent-up demand to serve as long as the operator was willing to create the safest environment for the athletes and their spectators.



LOOKING AHEAD - 2021 BUSINESS PLAN HIGHLIGHTS

Chattanooga Tourism Co. will continue to move forward on our 3-year strategic plan, with adjustments to ensure we are paying attention to the challenges carrying into 2021. Below are highlights from our 2021 Business Plan:

BRAND AWARENESS

- Develop new printed publication that delivers on brand promise
- Advance brand awareness among meetings and sports planners
- Research, establish partnerships and develop DEI target market segments
- Expand earned media opportunities and influencer activations

ADVOCACY AND COMMUNITY ENGAGEMENT

- Implement a tourism advocacy plan
- Evolve and market new partnership program

BUSINESS DEVELOPMENT

- Formalize a segmented group and leisure sales strategy and plan
- Advance a comprehensive sports tourism strategy
- Review and enhance all group and leisure visitor services

MAXIMIZE ORGANIZATIONAL EFFECTIVENESS

- Submit DMAP application to achieve accreditation
- Execute long-term plan for the Chattanooga Tourism Foundation

VISITOR EXPERIENCE

- New visitor information dissemination plan and/or location
- Implement destination training program valued by partners
- Develop tourism master plan for the social and economic prosperity of our community

Thank You

A special thank you to our partners, especially the Hamilton County Commissioners and Mayor, the State of Tennessee Department of Tourist Development, and our elected local, state and federal officials, for your dedicated and ongoing investment through this challenging year to improve our community's economic and social prosperity through tourism.

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