

**ANNUAL VISITOR &
LODGING FORECAST FORUM**
CALENDAR YEAR 2020



JOE D'ALESSANDRO

President & CEO, San Francisco Travel





AGENDA

AGENDA

- ▶ Welcome & Agenda
- ▶ Planning for the Recovery
- ▶ SF Travel Forecasts & Updates
- ▶ International Forecast
- ▶ SFO Update
- ▶ Recovery Marketing Update
- ▶ Closing Remarks

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ADAM SACKS

President, Tourism Economics



PLANNING FOR THE RECOVERY

Adam Sacks

President

Tourism Economics

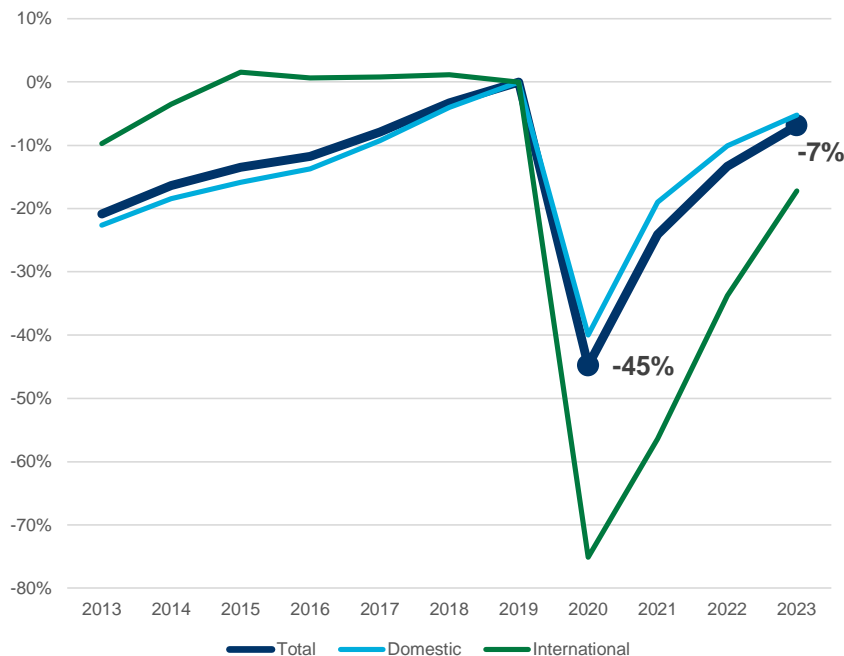
adam@tourismeconomics.com

August 2020

2020 will be a year to forget... but the worst appears to be behind us

Travel spending in US by visitor origin

Relative to 2019



- Travel spending in the US is forecast to decline 45% this year.
- By 2023, travel spending is expected to recover to within 7% of its 2019 level.
- International visitor spending has declined most rapidly and is expected to take the longest to recover.

Losses appear to have leveled off at around 50%

Weekly travel spending: US

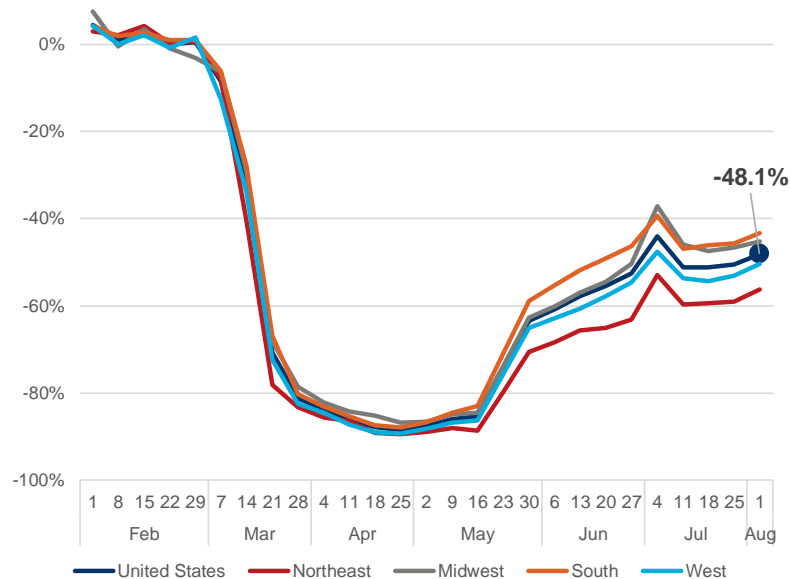
Relative to 2019



Note: Weeks ending on dates shown. Source: US Travel and Tourism Economics

Weekly travel spending: US

Relative to 2019

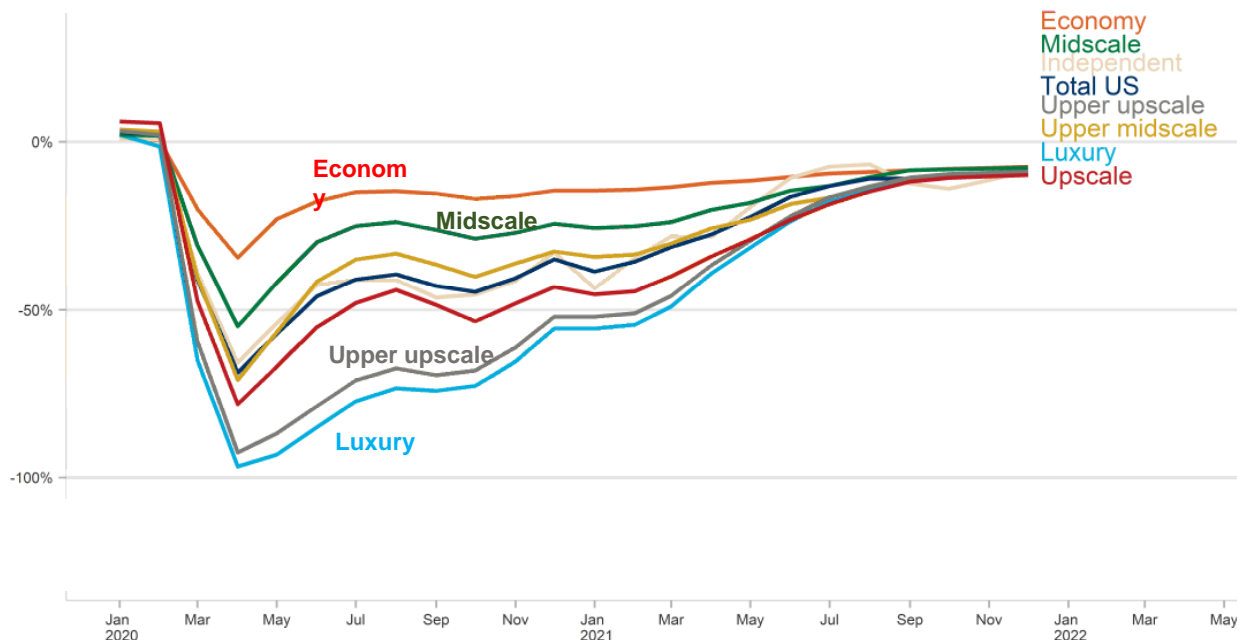


Note: Weeks ending on dates shown. Regions refer to Census Regions. Source: US Travel and Tourism Economics

Sharp Decline on Upper End

Demand

Percent difference relative to 2019



Source: STR, Tourism Economics

The negative impact to demand has been least severe in the economy (e.g. Days Inn), midscale (Best Western) and upper midscale (Hampton Inn) segments.

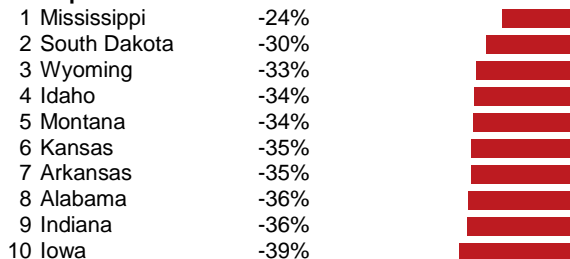
Rural and outdoor destinations are outperforming

Impact to travel spending by state

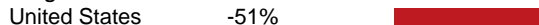
Weekly travel spending relative to 2019

Week ending 7/18

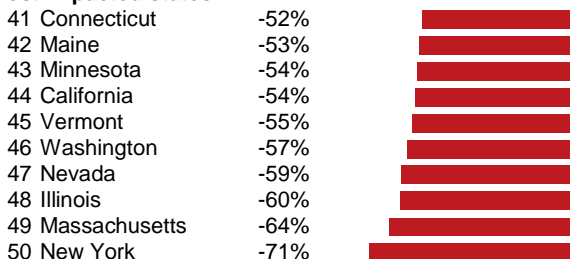
Ten least impacted states



National average



Ten most impacted states



Hotel Occupancy

Week ending July 25th

Top States

Market	Occ
Idaho	68.0
South Dakota	67.2
Montana	66.7
Wyoming	63.5
Delaware	59.7

Bottom States

Market	Occ
New York	41.5
Illinois	39.9
Massachusetts	38.6
Washington DC	24.5
Hawaii	20.4

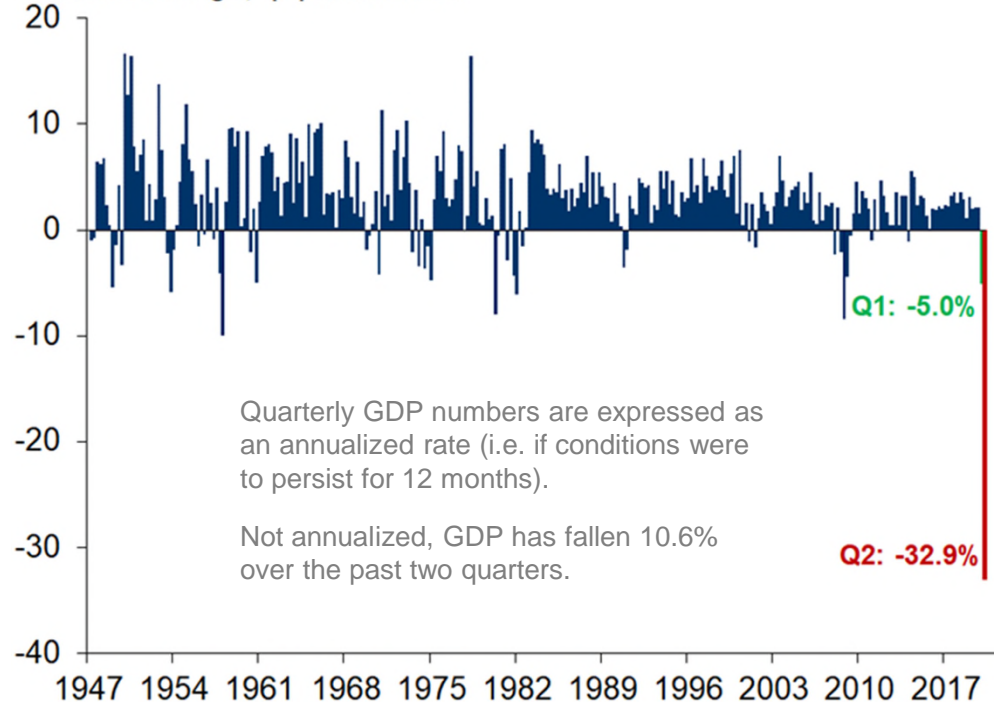
Source: STR

Economic indicators that matter

Q2 GDP: Historic and meaningless

US: The worst quarterly decline in GDP

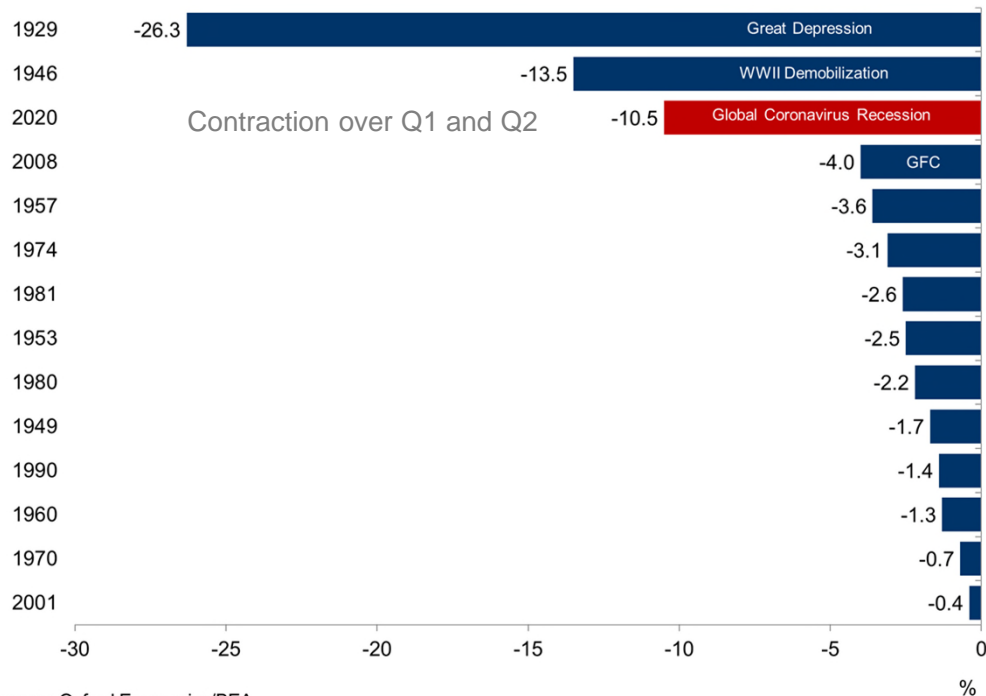
Percent change, q/q annualized



Source : Oxford Economics/Haver Analytics

Historic

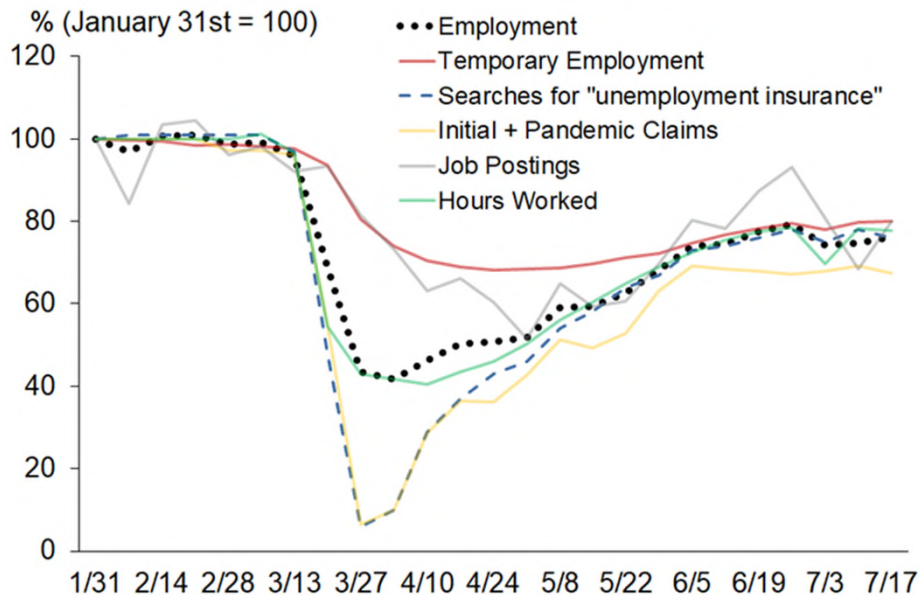
US: Peak-to-trough GDP decline during recessions



Source : Oxford Economics/BEA

Jobs recovery has paused

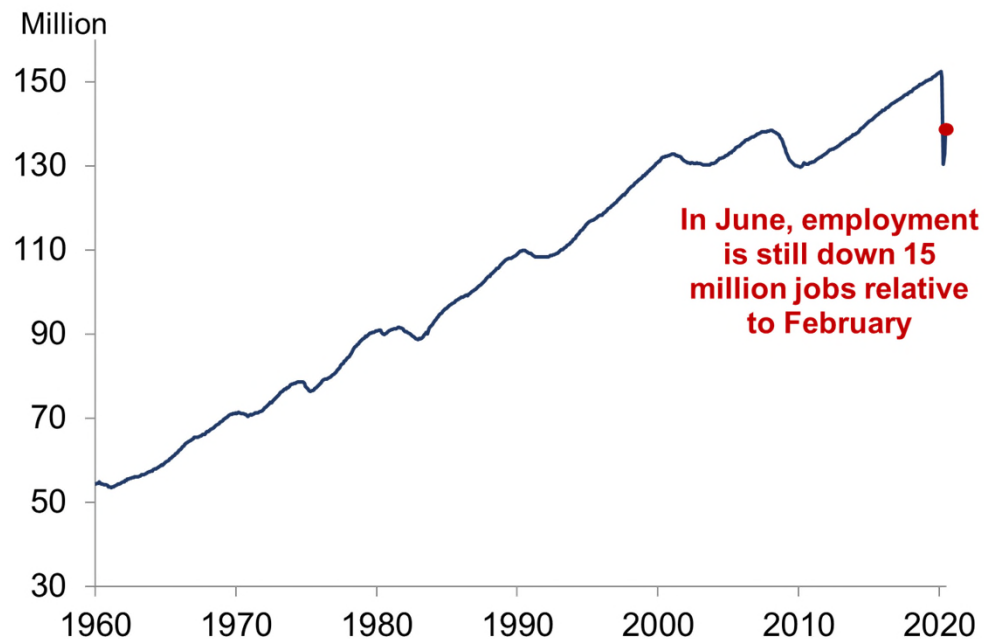
US: Recovery Tracker -- Employment



Sources: Oxford Economics, Homebase, Google, Burning Glass, Department of Labor, American Staffing Association

Despite gains, economy is still down 15 million jobs

US: Perspective on job losses

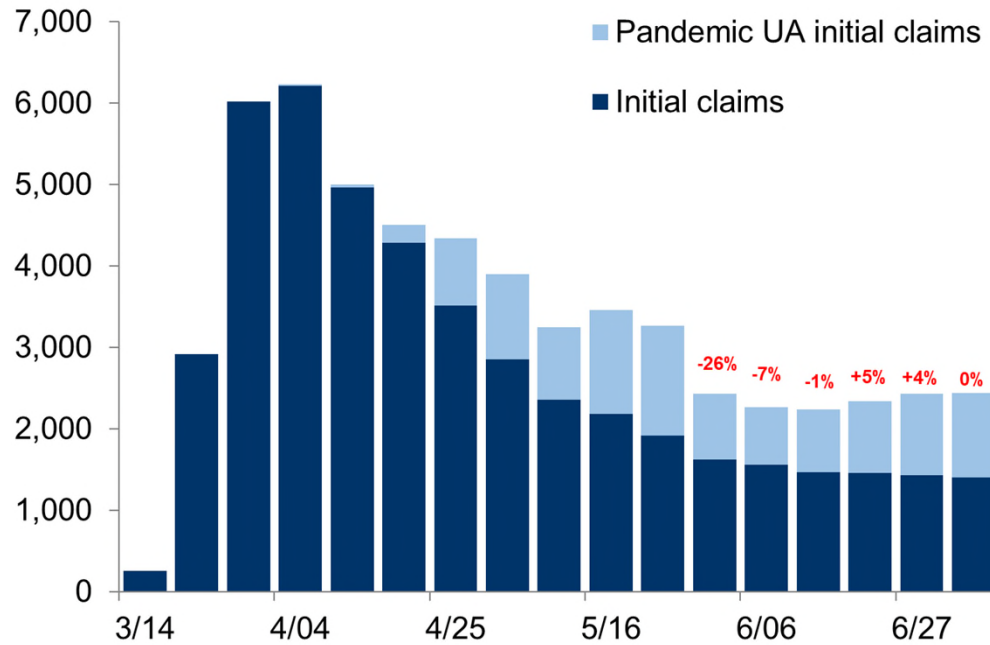


Source: Oxford Economics/Haver Analytics

Unemployment claims remain high (base of 30 mn)

US: Sticky claims for unemployment benefits

Thousands



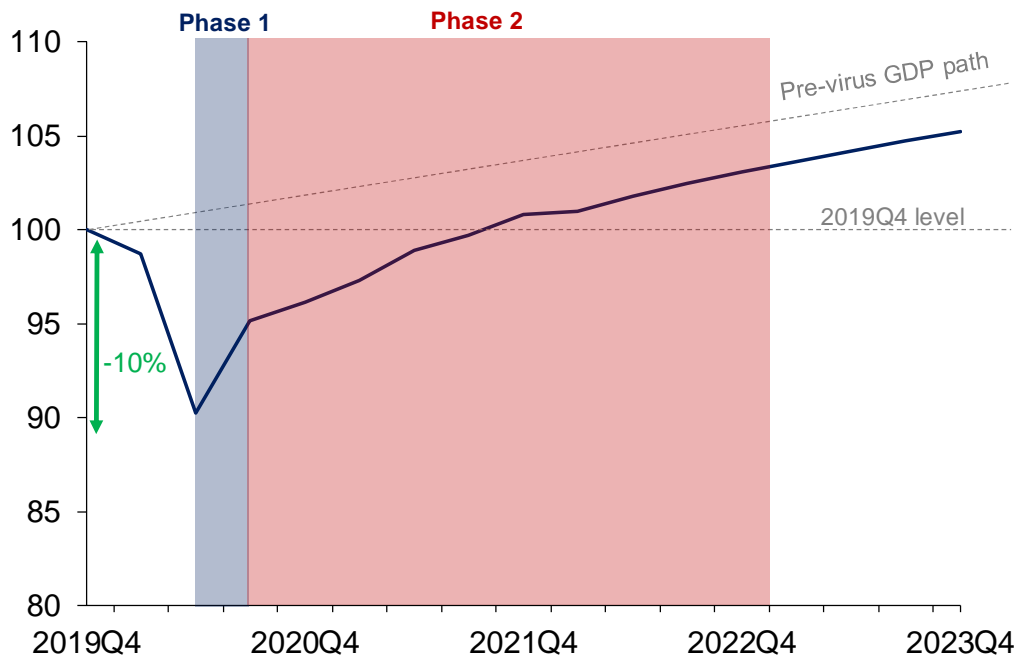
Source : Oxford Economics/Haver Analytics

Our forecast

US recovery should accelerate into 2021 but will remain below par

Deepest economic contraction since 1946

GDP Q4 2019 = 100



Source : Oxford Economics

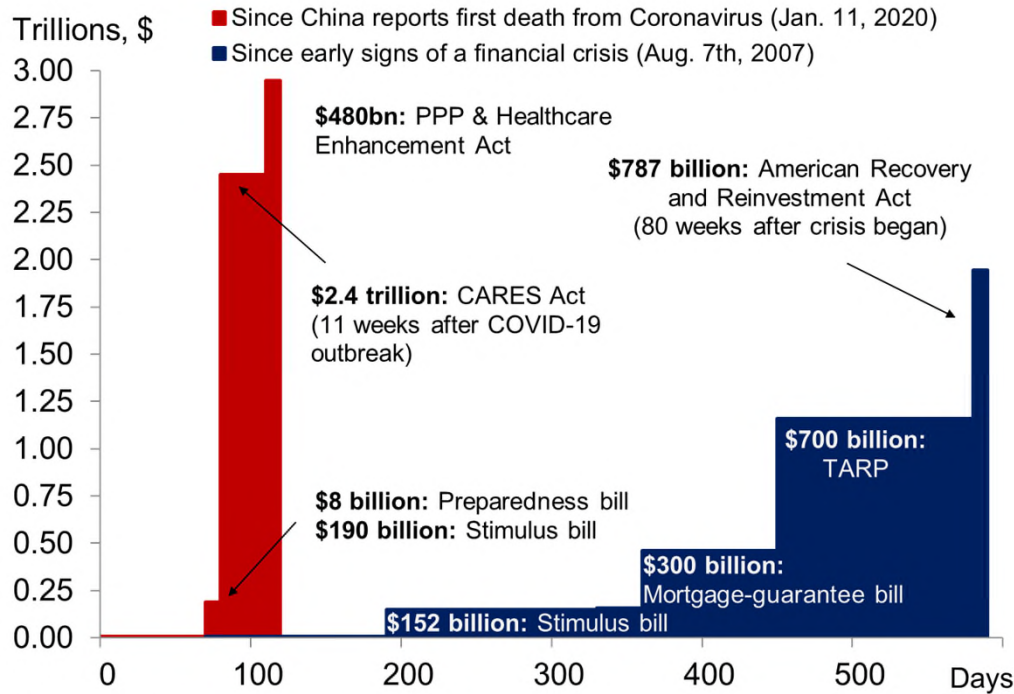
Risks are skewed to the downside

Five global scenarios: (US GDP in 2020 and 2021; probability)

- **Baseline forecast** (-4.2%, 3.9%; 40% probability)
 - While growth bounces back following a peak in infections and lockdown stringency in Q2 2020, the COVID-19 induced recession in the first half of the year has some lingering costs for global GDP.
- **Recovery fades amid renewed wave of infections** (-4.7%, -6.4%; 20% probability)
 - A second coronavirus wave results in renewed lockdowns, with persistent public health concerns weighing on confidence and activity in the medium term.
- **Scientific advances speed up return to normal** (-3.3%, 5.4%; 20% probability)
 - Restrictions are eased more quickly, facilitating a more rapid recovery and limiting permanent damage on the global economy.

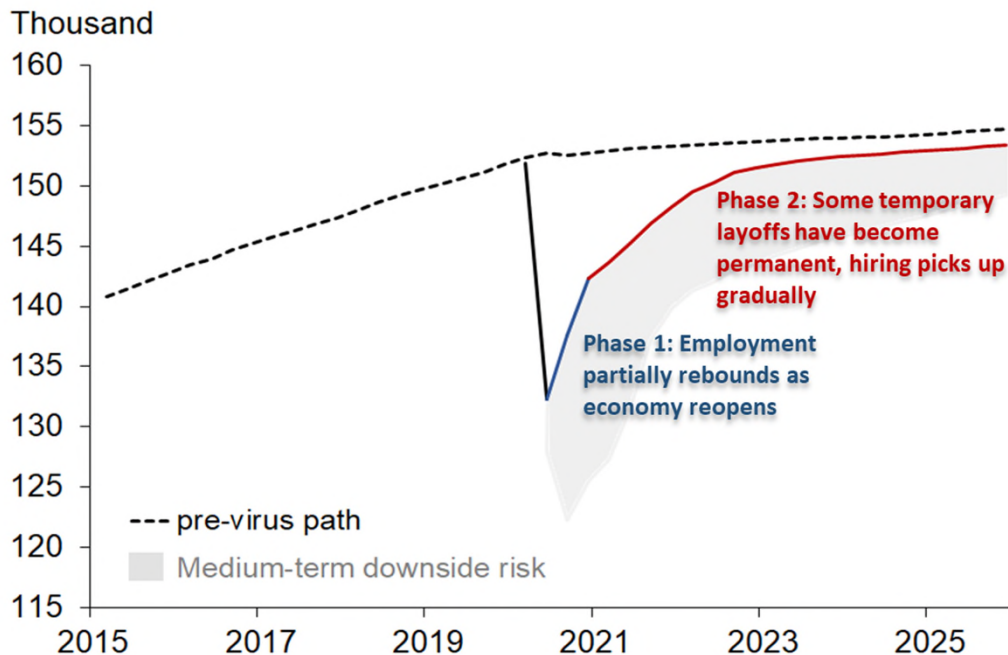
...but an easing of lockdowns will release stimulus impact

US: Funds authorized by Congress



A two-phase labor market recovery

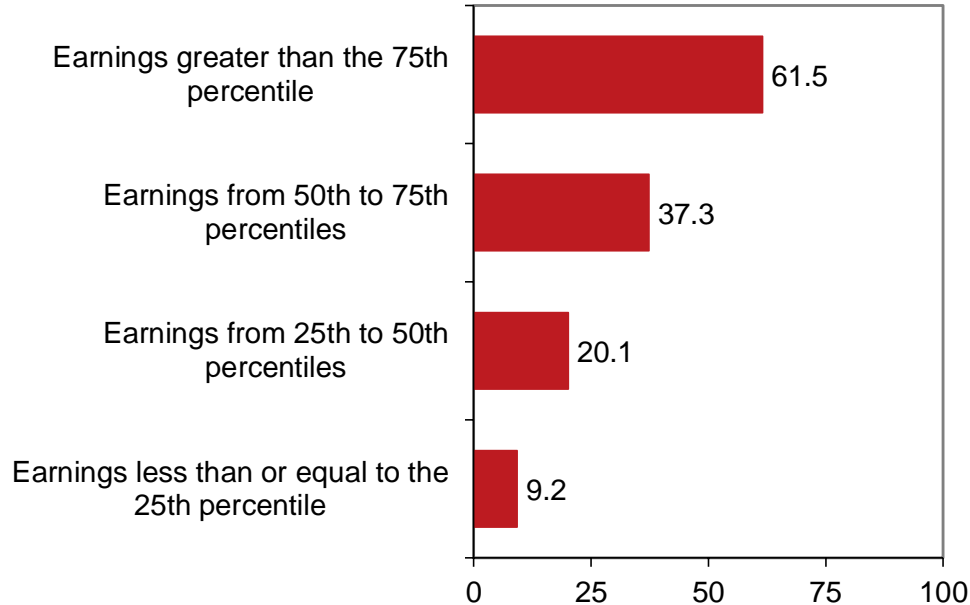
US: Nonfarm employment



Source : Oxford Economics/Haver Analytics

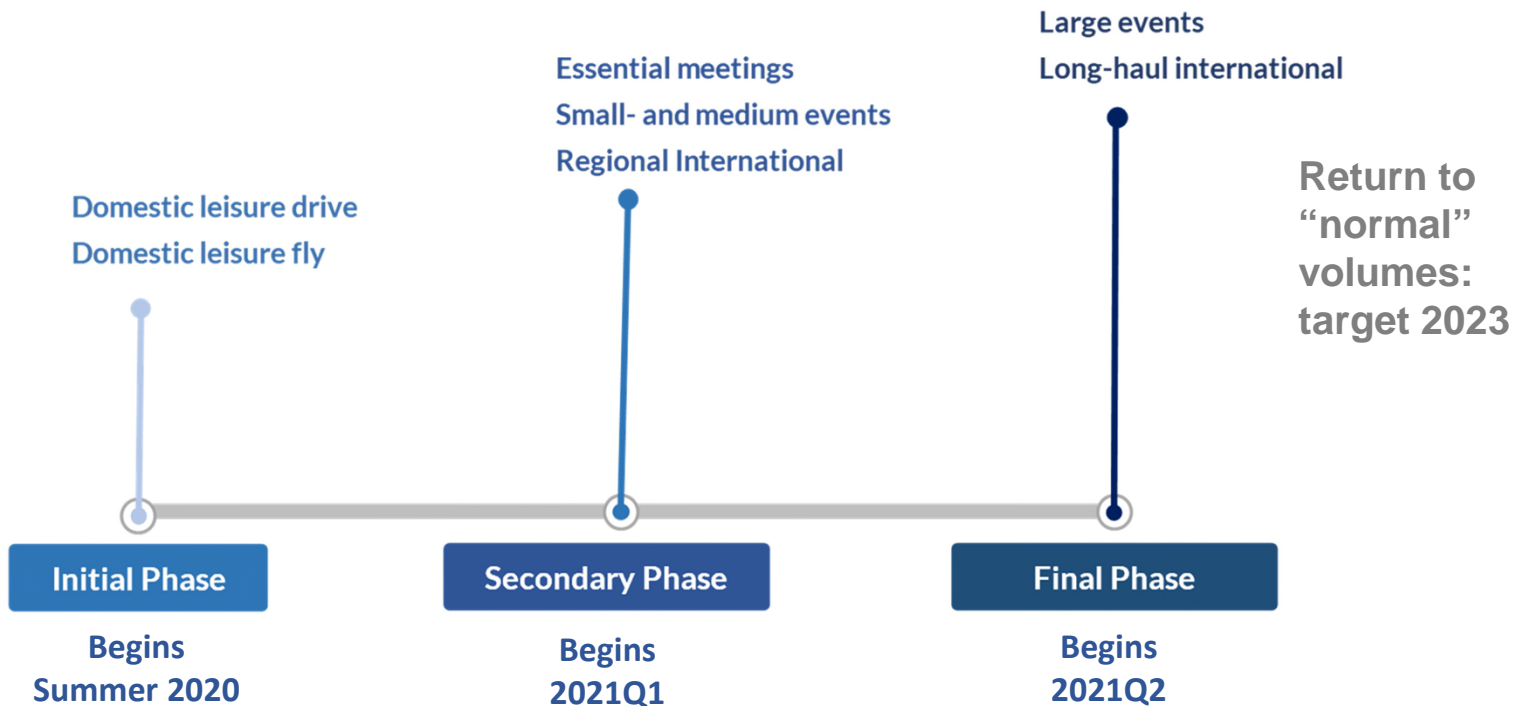
High income earners least impacted by the crisis

US: Share of workers who can telework by wage level, in %



Source: Bureau of Labor Statistics/Oxford Economics

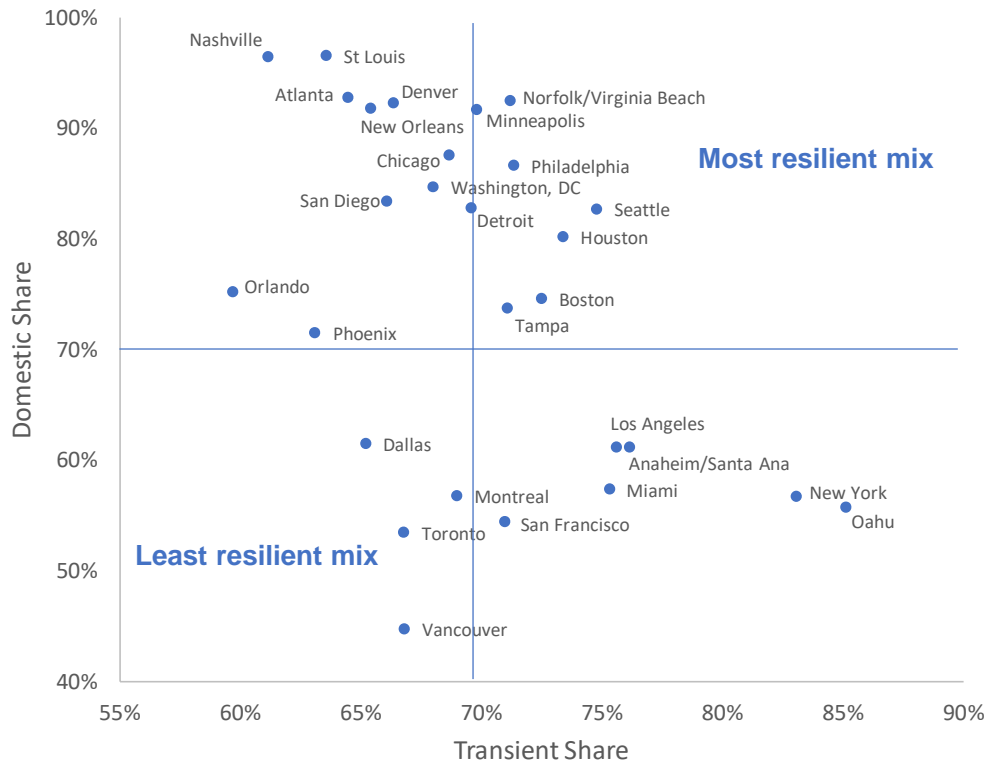
Anatomy of a travel recovery



Destination performance will largely hinge on exposure

Hotel room demand by customer type

Share of 2019 room nights sold



But historical mix is only part of the story.

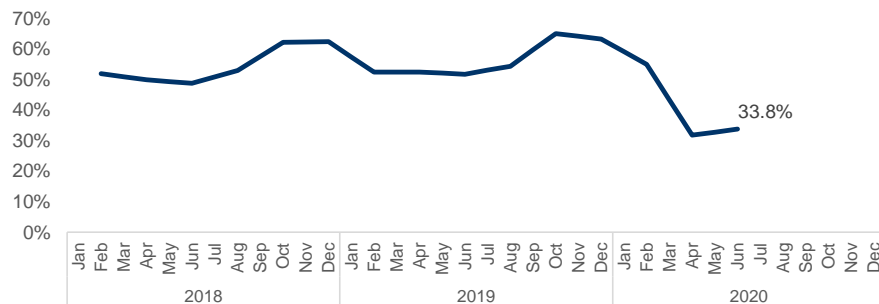
Ability to transition to new markets will be key to accelerating recovery.

Vacation intentions declined from 55% in February to 34% by June

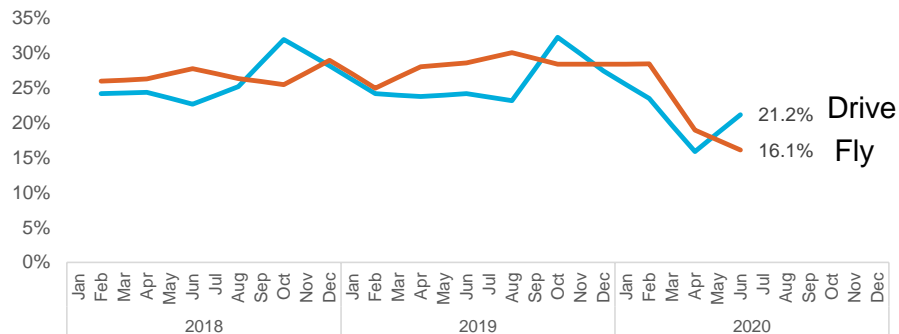
Intend to take a vacation in the next six months

Share of US households

Total



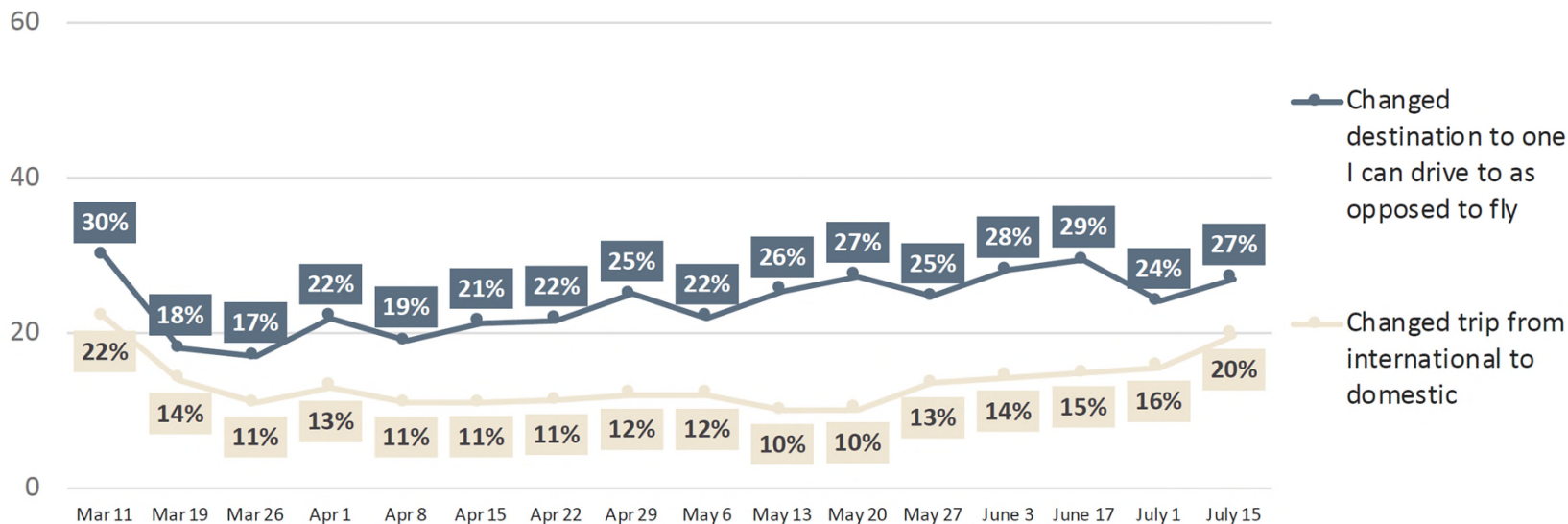
By means of transportation



Note: Data measured every other month. Interim months estimated. Source: Conference Board

Major reshuffling of the deck

Impact of COVID-19 on Upcoming Travel Plans Comparison

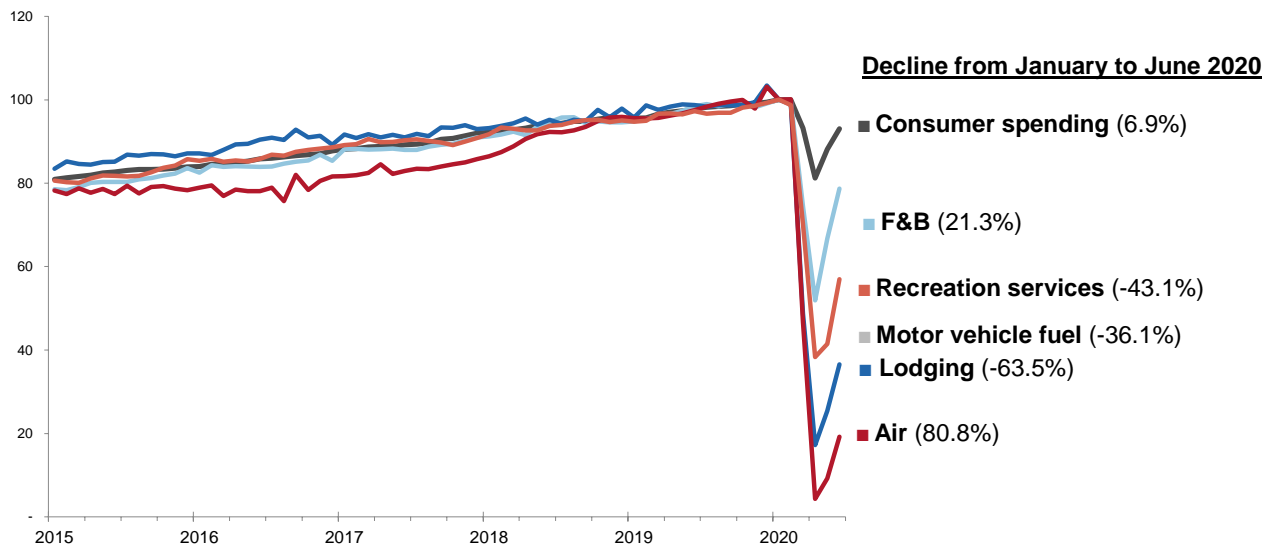


Base: Coronavirus Changed Travel Plans

Spending on recreation services and F&B have declined less than air and lodging

Consumer spending, US

Index (Jan. 2020=100)



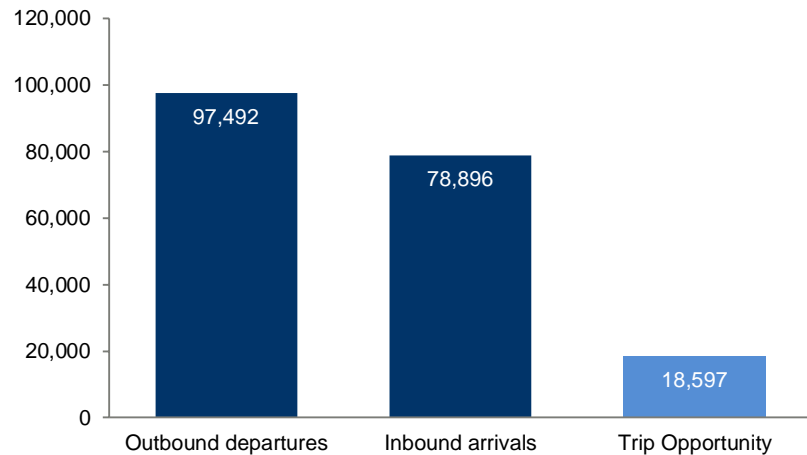
Note: Data is nominal, three-month moving average, seasonally adjusted and extends through June 2020. Recreation services includes membership clubs, sports centers, parks, theaters, museums, gambling, services related to photography equipment, and other services.

Source: Bureau of Economic Analysis; Tourism Economics

What happens if all international travel stops? Domestic opportunity

US Balance of Travel (2019, trips)

Thousands



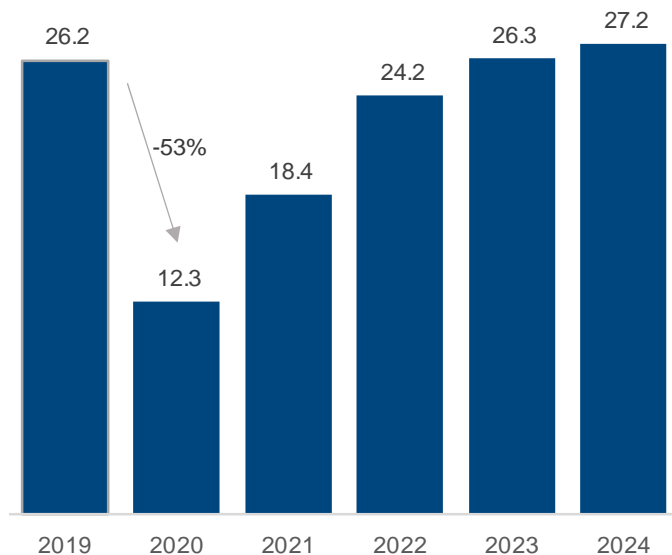
Source: Tourism Economics

**19 million more US outbound trips
than inbound**

Visits recover to 70% of peak next year. Fully recovered in 2023.

Total visits to San Francisco City/County

In millions

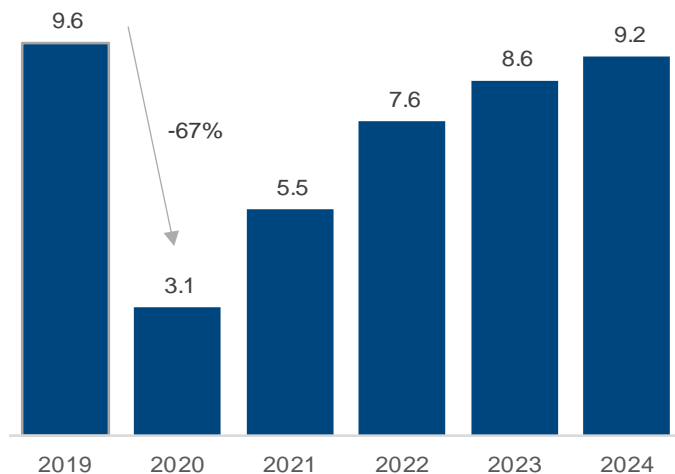


Source: Longwoods International, STR, Tourism Economics

Spending recovers to 57% of peak next year. Nearly recovered in 2024.

Total spending in San Francisco City/County

In \$billions

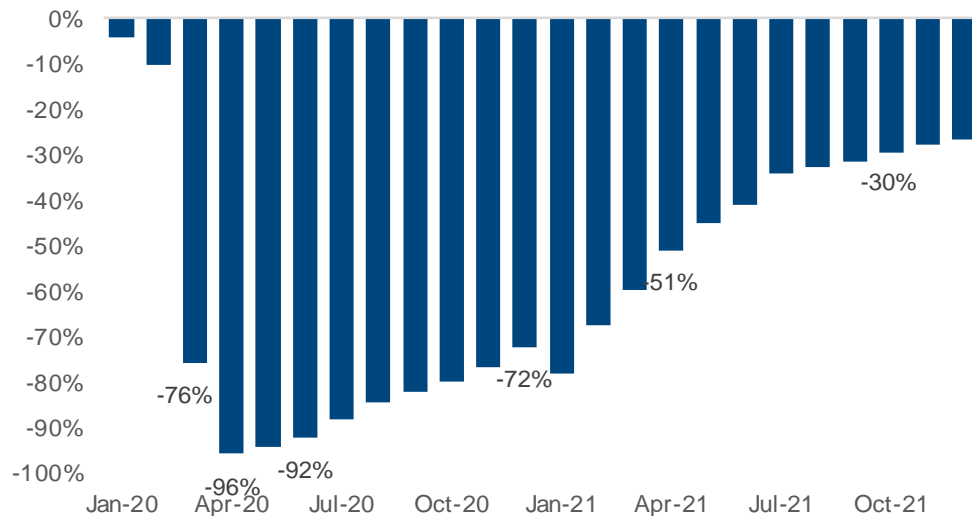


Source: Longwoods International, STR, Tourism Economics

Room revenue reaches 70% of 2019 values by end of 2021

Room revenue impact

Difference relative to same month in 2019



Source: STR, Tourism Economics

Key guideposts for the next 18 months

- Recovery has begun (notwithstanding the risks)
- Economic recovery has plateaued but will accelerate as virus is contained
- Performance by destination will be incredibly disparate for the next 9 months
- San Francisco will approach normalcy in the second half of 2021 with full recovery in 2024
- Recovery timeline will be largely a function of:
 1. Pandemic exposure
 2. Travel market exposure (drive, leisure)
 3. Ability to pivot to recovering markets

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CALENDAR YEAR 2020



BRETT ALLOR

Sr. Director Research & Market Strategy,
San Francisco Travel





SF TRAVEL FORECASTS & UPDATES

AGENDA



- ▶ Lodging Supply
- ▶ Lodging Statistics Year to Date June
- ▶ Forecast Methodology & Assumptions
- ▶ Convention Room Night Pace
- ▶ San Francisco Lodging Forecast
- ▶ Visitor Volume & Spending Forecast
- ▶ Domestic Inbound 2019

SUPPLY SUMMARY

SF/SM - Current Supply: 419 Hotels, 54,331 Rooms; Temp Closures 60 Hotels, 14,899 Rooms

# of Hotels - # of Rooms	In Construction	Final Planning	Planning	Deferred	Unconfirmed
Luxury			1 – 223 rooms	1 – 171 rooms	
Upper Upscale	1 – 150 rooms		4 – 888 rooms	1 – 250 rooms	
Upscale	2 – 247 rooms	10 – 1,480 rooms	7 – 1,236 rooms	1 – 27 rooms	
Upper Midscale	1 – 110 rooms	5 – 690 rooms	8 – 753 rooms		1 – 174 rooms
Midscale			3 – 310 rooms		
Economy					
Total: 46 - 6,709 rooms	4 – 507 rooms	15 – 2,170 rooms	23 – 3,410 rooms	3 – 448 rooms	1 – 174 rooms

City & County - 231 hotels, 34,600 rooms; Temp Closures 52 hotels, 13,778 rooms

Hotels (Opening Date)	Final Planning	Planning	Deferred	Unconfirmed
Line Hotel (Jul 2021)	236			
AC Hotels by Marriott Downtown (Sep 2022)	192			
1 Hotel @ Chase Center (Jan 2023)		129		
Hilton Garden Inn (Sep 2024)		299		
Langham (Jun 2025)		223		
citizenM (No Opening Date)		186		
Transbay District Hotel (No Opening Date)		185		
Hotel on Market Street (No Opening Date)		240		
5 Unnamed Hotels (No Opening Dates)		514		
Marriott Mission Bay (No Opening Dates)			250	
Waldorf Astoria			171	
Holiday Inn (Kimpton) Fisherman's Wharf				174

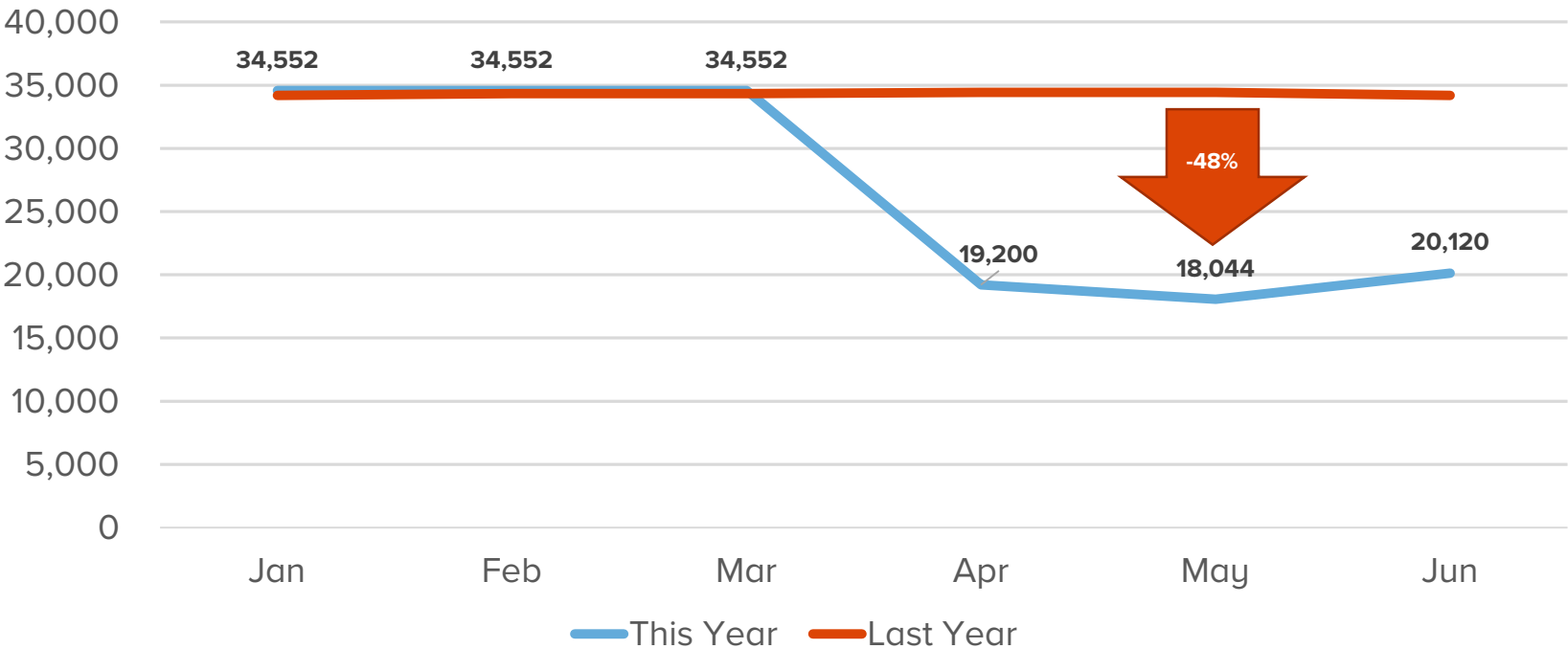
Total: 16 hotels, 2,799 rooms (7% increase)
2 – 428 rooms
11 – 1,776 rooms
2 – 421 rooms
1 – 174 rooms

Source: STR. Reproduction or other re-use of this data without express written permission of STR is strictly prohibited



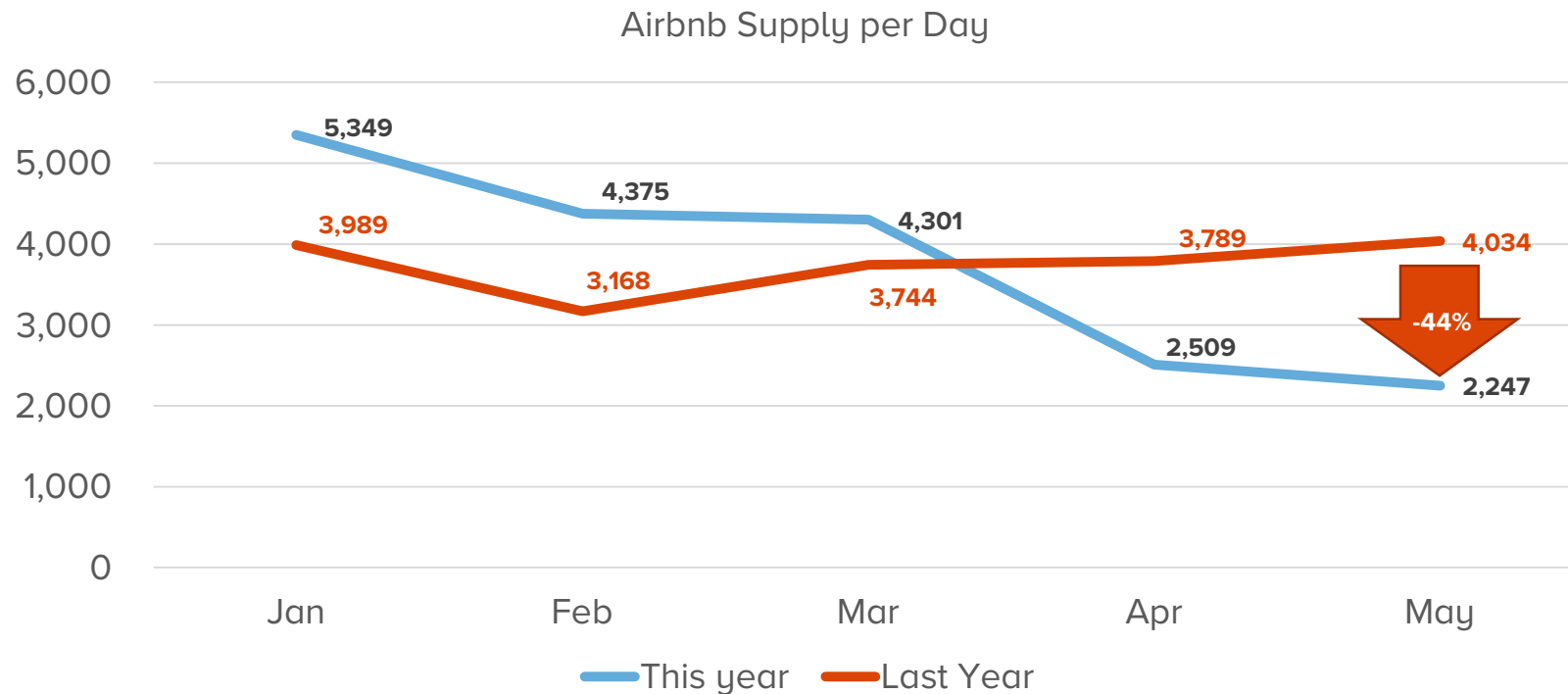
SUPPLY SUMMARY CITY & COUNTY

Rooms Available per Day



Source: STR. Reproduction or other re-use of this data without express written permission of STR is strictly prohibited

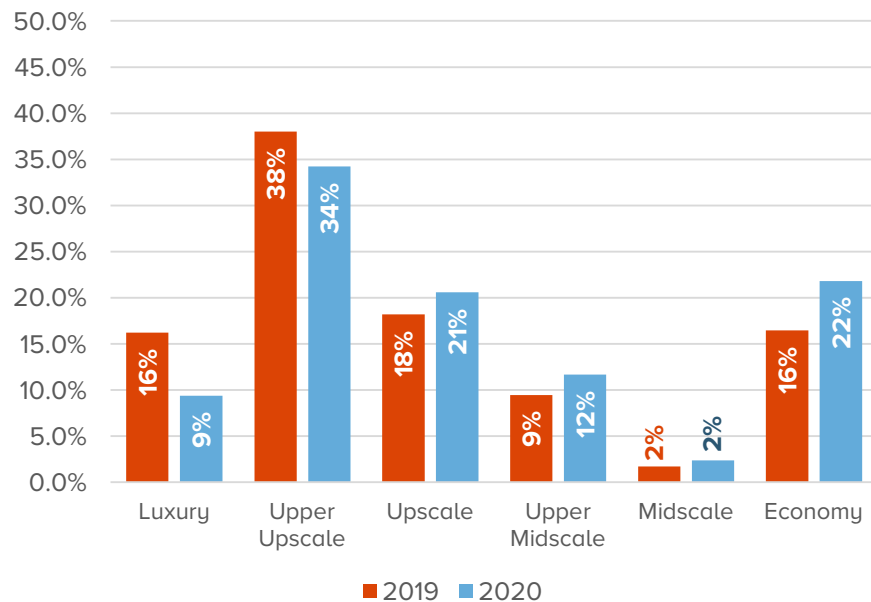
SUPPLY SUMMARY CITY & COUNTY



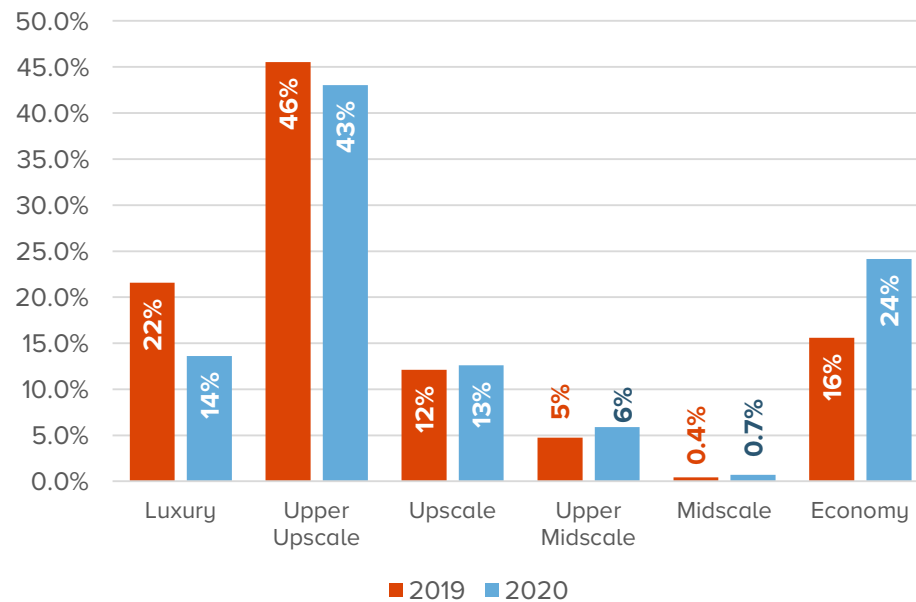
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SUPPLY CHANGES - AVAILABLE ROOMS

Market Supply Changes



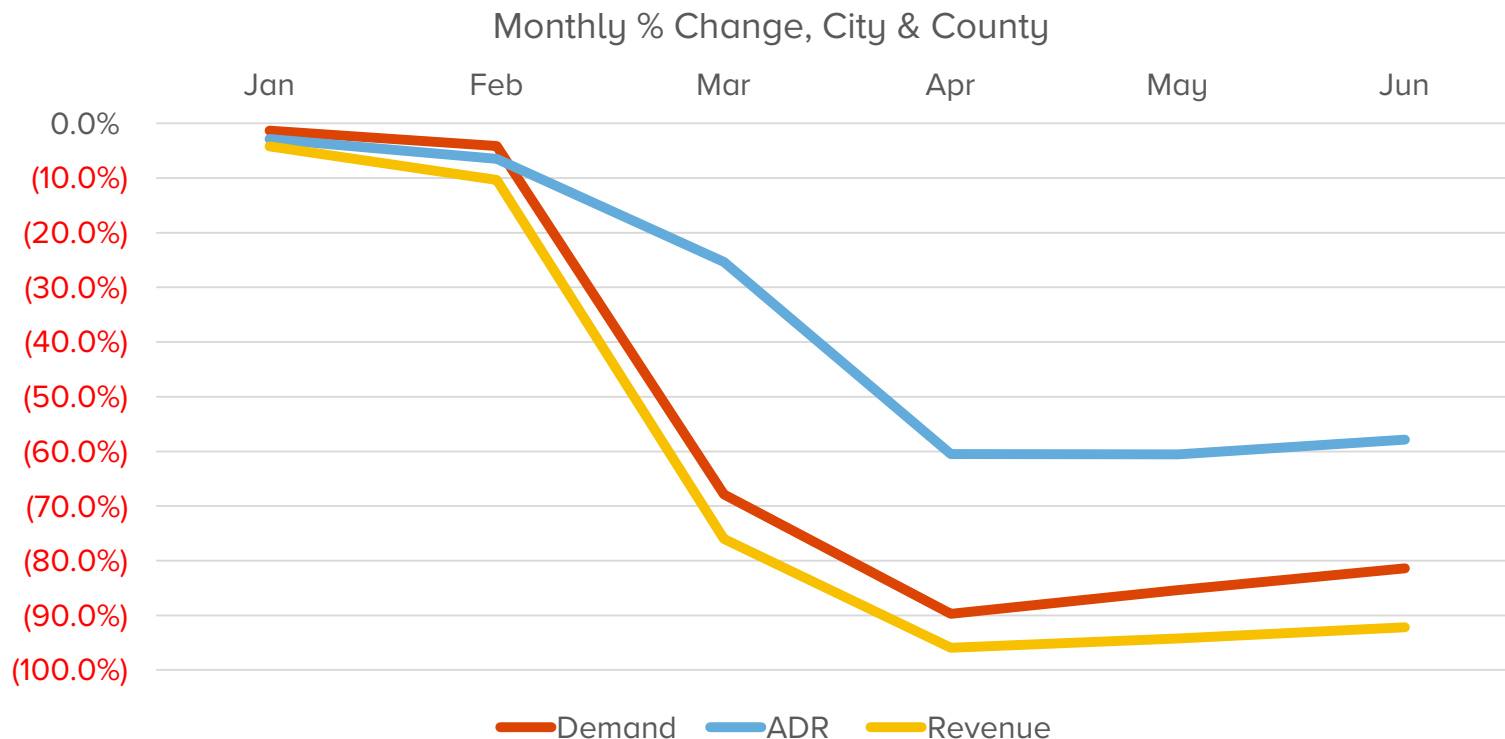
SF City & County Supply Changes



LODGING PERFORMANCE YTD JUNE 2020

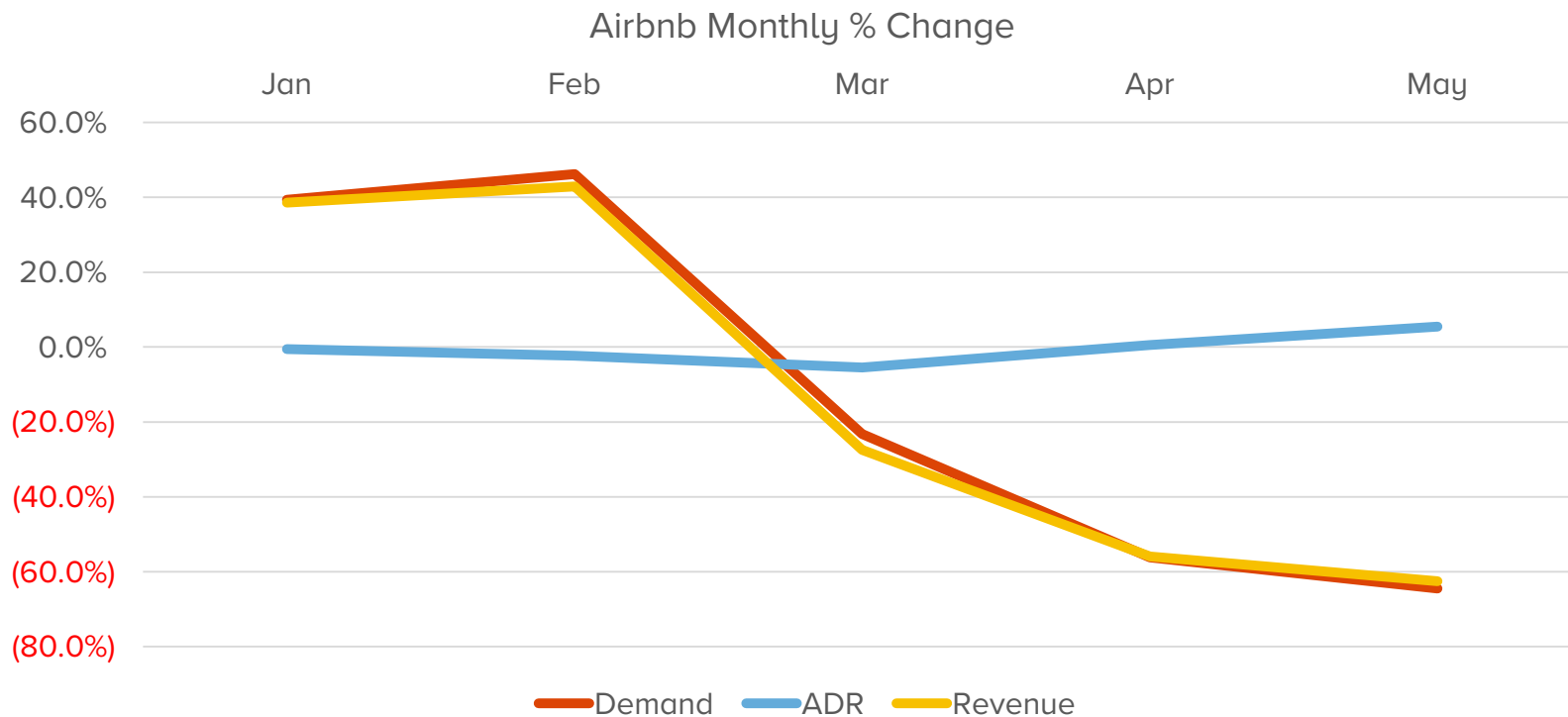
	YTD June 2020			Percent Change		
	Occ. (%)	ADR	RevPAR	Occ.	ADR	RevPAR
San Francisco County, CA	44.6	258.01	115.18	-45.2	-8.9	-50.1
San Francisco County, CA (with no supply changes)	34.4	258.01	88.81	-57.8	-8.9	-61.5
Union Square	42.4	274.07	116.26	-49.2	-2.8	-50.7
SOMA	43.9	283.57	124.57	-42.1	-9.0	-47.3
Financial District (including Embarcadero)	Lack of Data					
Nob Hill	Due to closed					
Fisherman's Wharf	Hotels					
Civic Center/Van Ness/West of Van Ness/Marina/Lombard	45.0	170.30	76.67	-42.7	-17.9	-53.0
Airbnb (YTD May) All Accommodation Types (supply 3,756)	60.4	207.21	125.06	-15.4	-1.6	-16.8
San Mateo-Redwood City	41.6	184.46	76.65	-43.2	-20.9	-55.0
San Francisco Airport	48.4	145.22	70.27	-44.1	-22.2	-56.5
Oakland-Berkeley-Hayward	49.1	132.50	65.08	-36.8	-17.5	-47.8
San Francisco Area	45.8	162.57	74.47	-41.1	-21.3	-53.6
Napa County, CA	37.5	250.11	93.90	-46.7	-19.5	-57.1
Sonoma County, CA	48.6	131.72	64.01	-33.1	-22.8	-48.4

LODGING PERFORMANCE MONTHLY 2020



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AIRBNB PERFORMANCE MONTHLY 2020



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SAN FRANCISCO TRAVEL LODGING FORECAST



Image: Louis Raphael

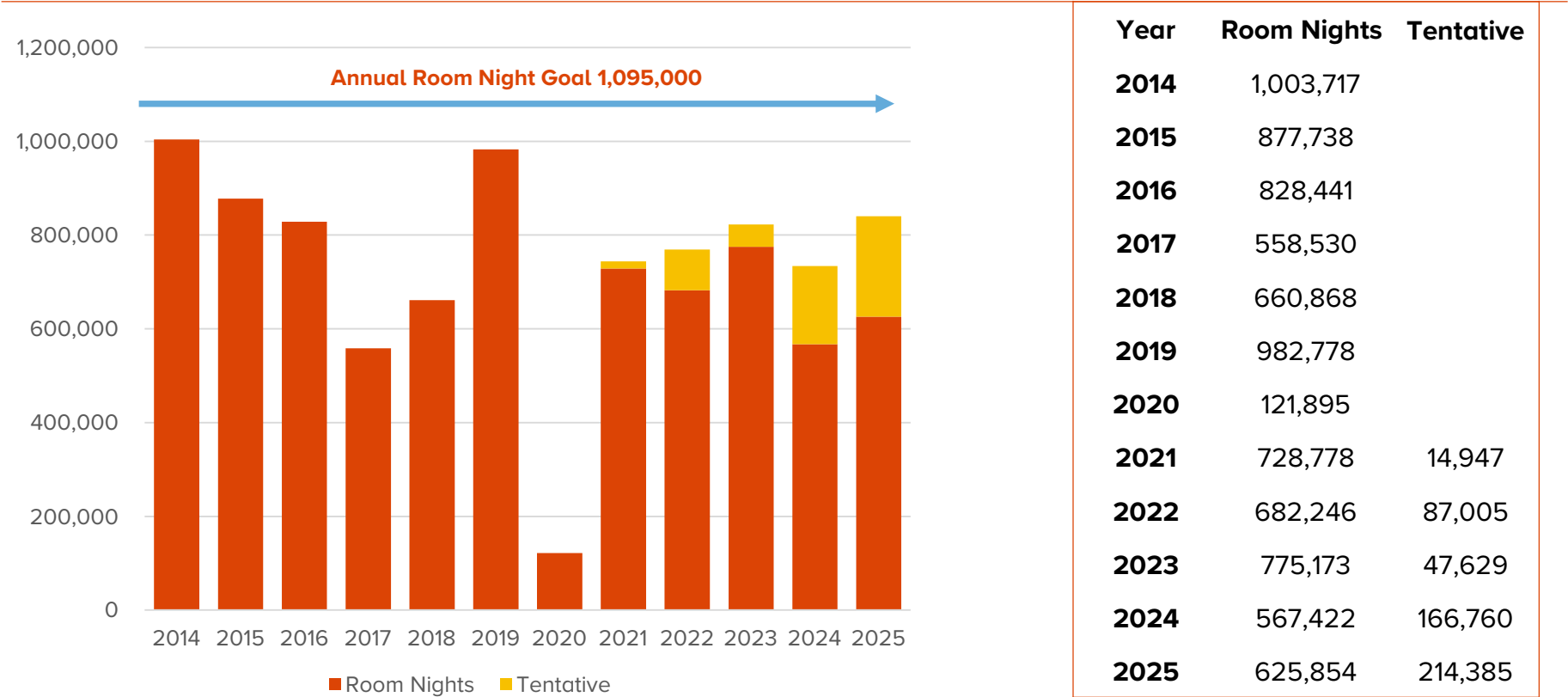
METHODOLOGY



FORECAST ASSUMPTIONS

	2020Q4	2021Q1	2021Q2
Virus	Progress against disease allows gradual easing of restrictions (e.g., through therapeutics)	Vaccine(s) or other substantial progress against disease allows further easing of restrictions	
Groups	Assumes no group business	Small groups gradually return in Q1 with physical distancing requirements. However, some groups have already canceled/postponed or choose not to meet and attendance at events is lighter than normal.	Large groups return late in Q2. Small and medium groups gradually increase throughout Q2.
Leisure Transient	Leisure travel permitted. Some households remain cautious, willingness to travel gradually improves		
Business Transient	Corporate travel policies continue to restrict/discourage travel	Corporate travel restrictions gradually ease	
International	International inbound travel remains very limited	Easing restrictions on international inbound travel	

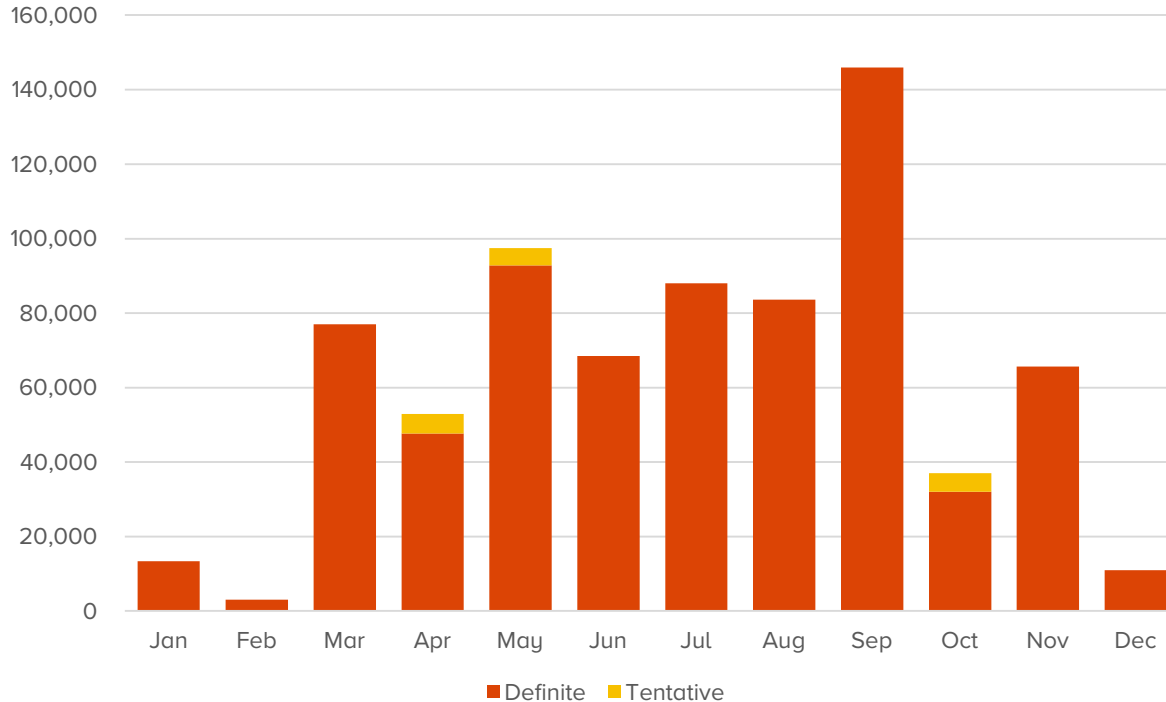
MOSCONE ROOM NIGHTS



MOSCONE ROOM NIGHTS



2021 Moscone Monthly Room Nights



Pandemic Impacts 2021:

- Cancellations – Four Events, 33,704 room nights, January – April dates
- Date changes – Five Events moved from Q1 or Q2 into H2

SAN FRANCISCO LODGING FORECAST

Year	Supply	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
2017	33,745	0.0%	83.3%	-2.4%	\$248.93	-1.4%	\$207.48	-3.8%
2018	34,163	1.2%	82.2%	-1.4%	\$263.36	5.8%	\$216.54	4.4%
2019	34,219	0.2%	82.9%	0.8%	\$275.78	4.7%	\$228.53	5.5%
2020F	24,568	-28.2%	41.5%	-50.0%	\$222.16	-19.4%	\$92.13	-59.7%
2021F	32,309	31.5%	65.5%	57.9%	\$206.10	-7.2%	\$135.00	46.5%
2022F	34,763	7.6%	76.5%	16.8%	\$227.39	10.3%	\$173.99	28.9%

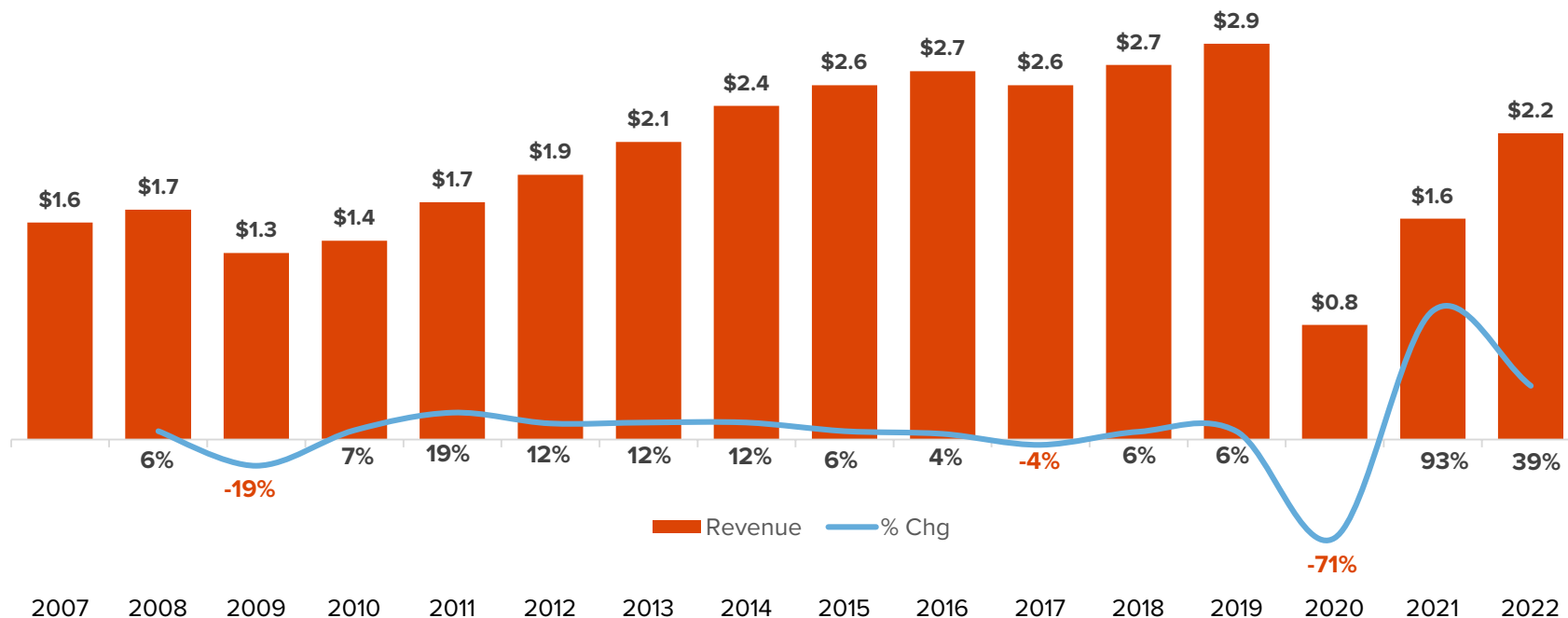
SAN FRANCISCO LODGING FORECAST

Economic Model (no supply impact) % Change to 2019

Year	Supply	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
2019	34,219	0.2%	82.9%	0.8%	\$275.78	4.7%	\$228.53	5.5%
2020F	34,552	1.0%	29.5%	-64.4%	\$222.16	-19.4%	\$65.51	-71.3%
2021F	34,552	0.0%	61.2%	-26.1%	\$206.10	-25.3%	\$126.23	-44.8%
2022F	34,763	0.6%	76.5%	-7.6%	\$227.39	-17.5%	\$173.99	-23.8%

SAN FRANCISCO LODGING FORECAST

Room Revenue 2007 – 2022 (in billions)



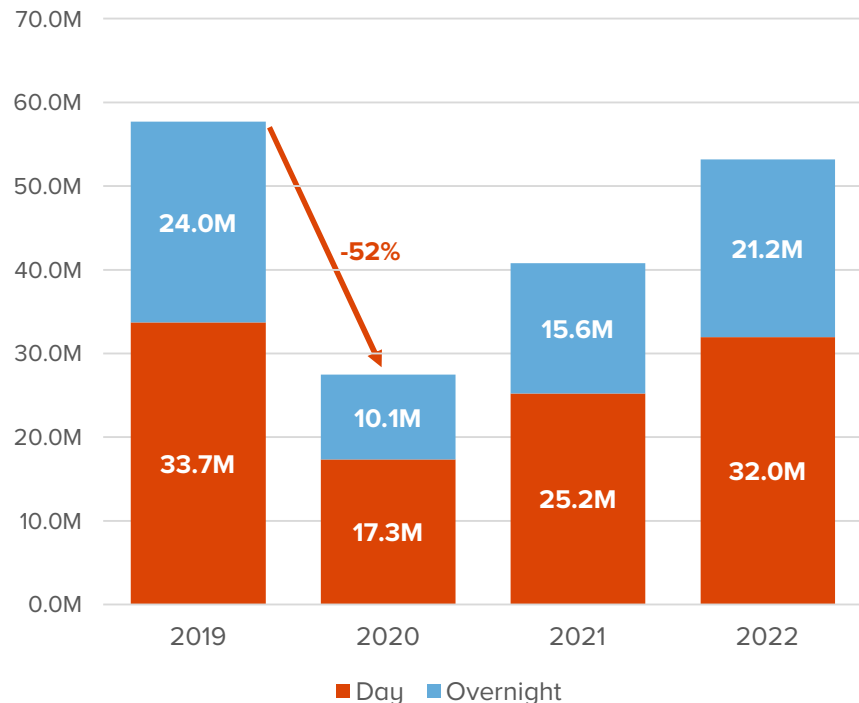
VISITOR VOLUME & SPENDING FORECAST



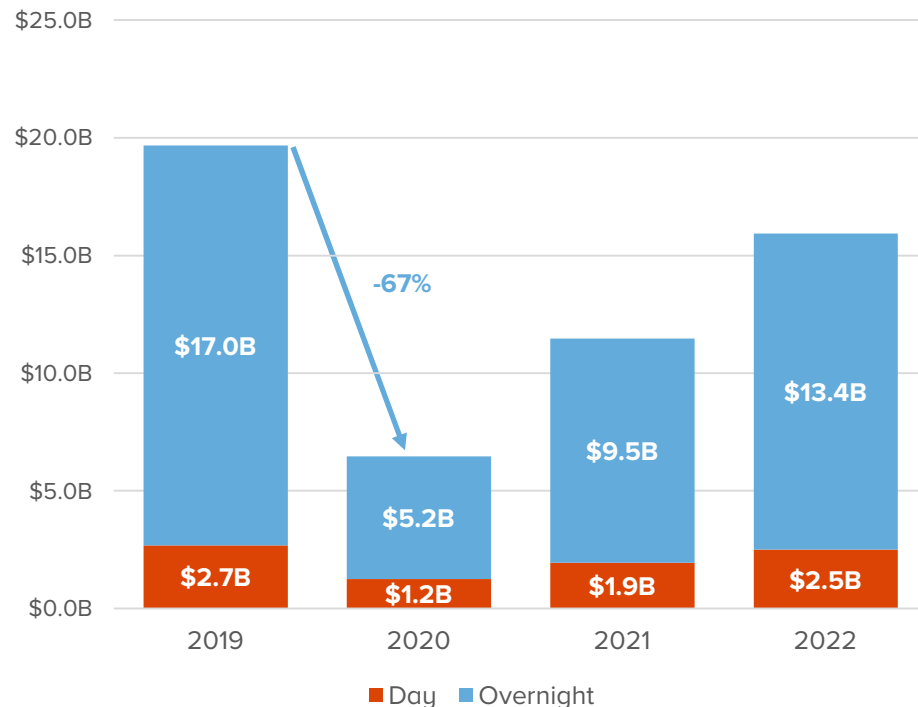
Image: Louis Raphael

REGIONAL VISITOR VOLUME & SPEND

Volume

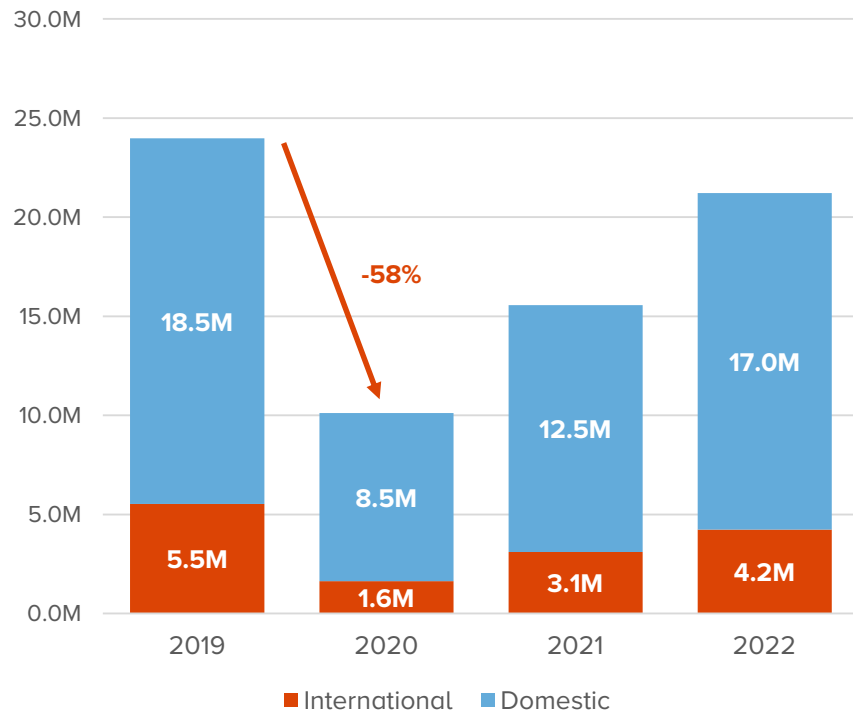


Spend

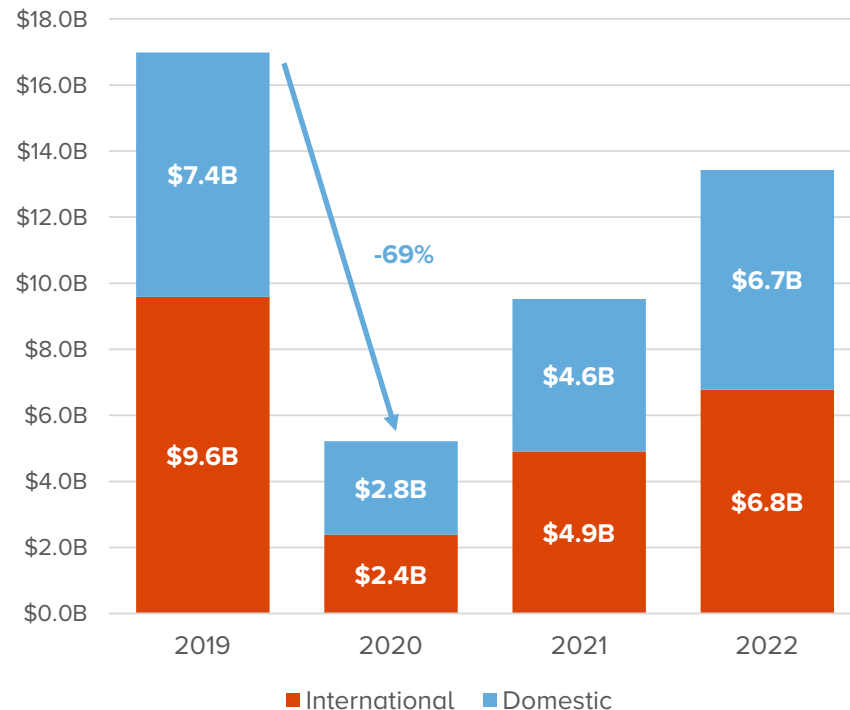


REGIONAL OVERNIGHT VOLUME & SPEND

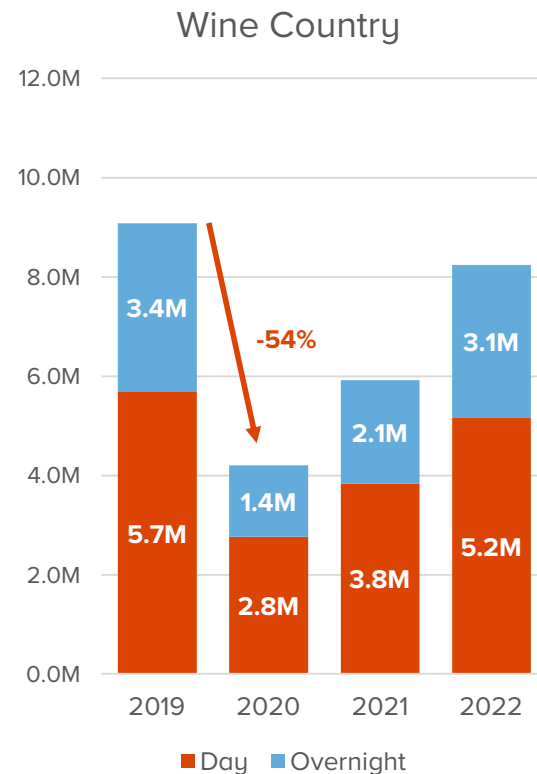
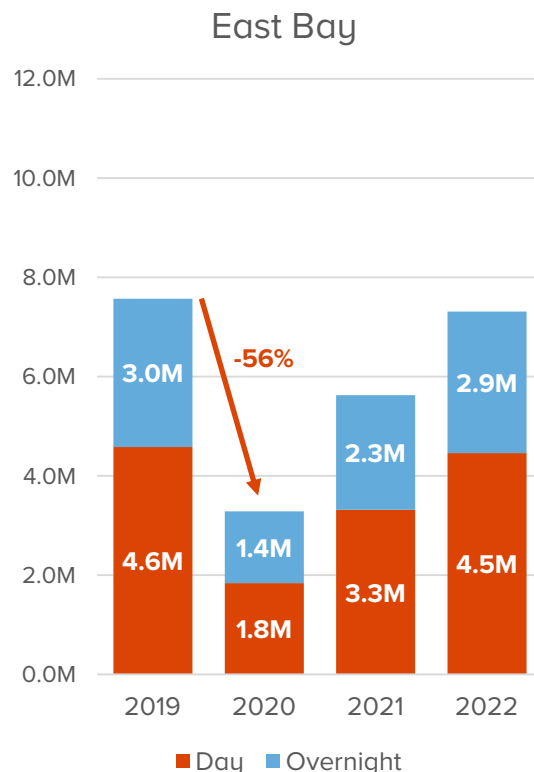
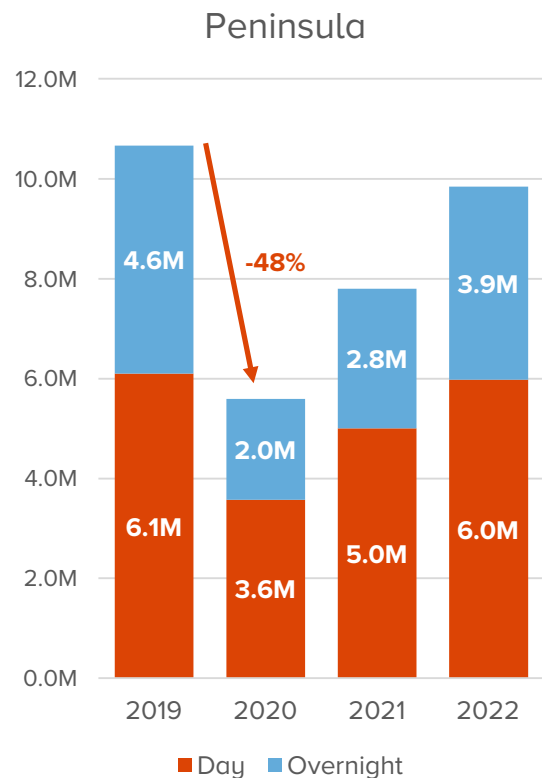
Overnight Volume



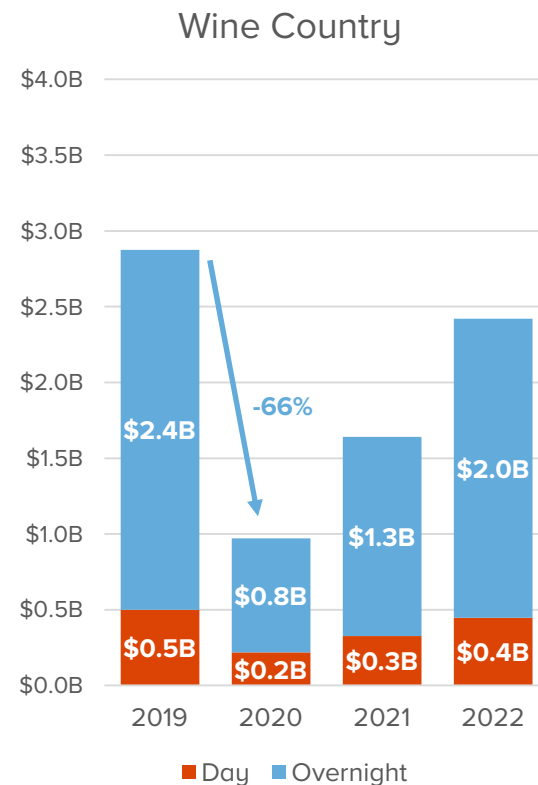
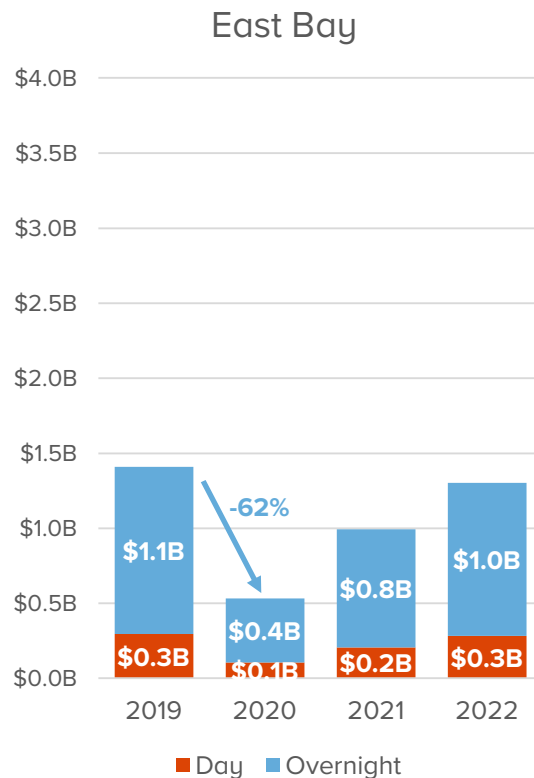
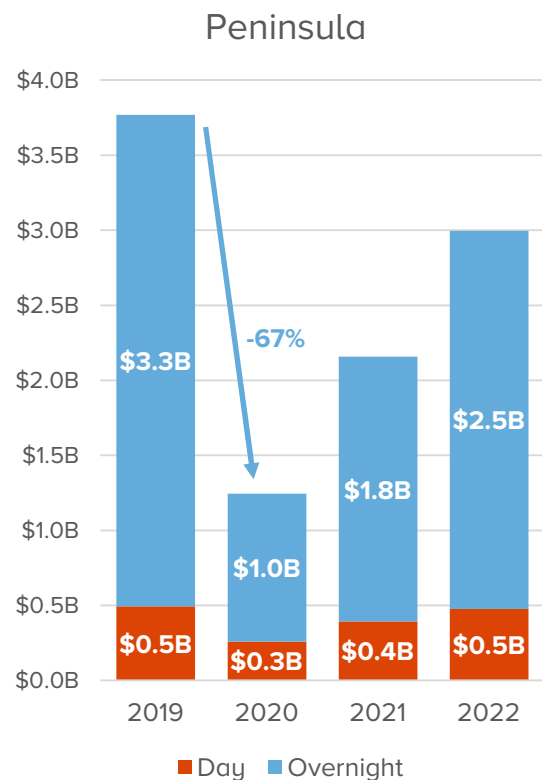
Overnight Spend



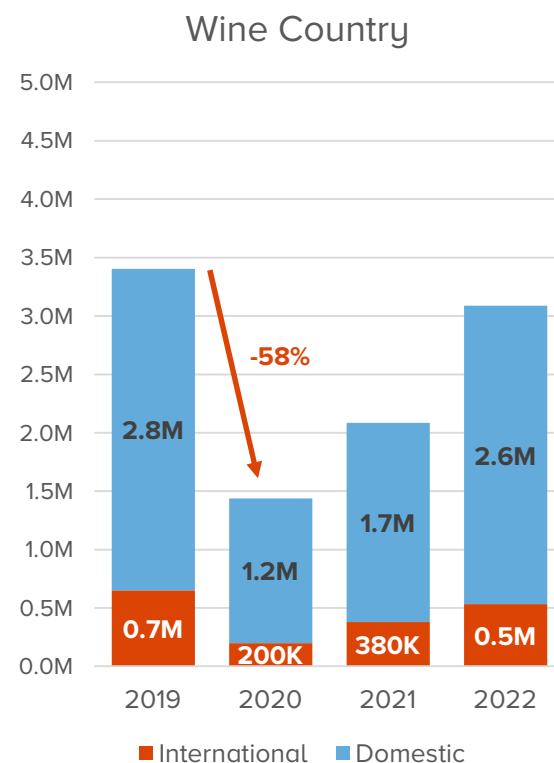
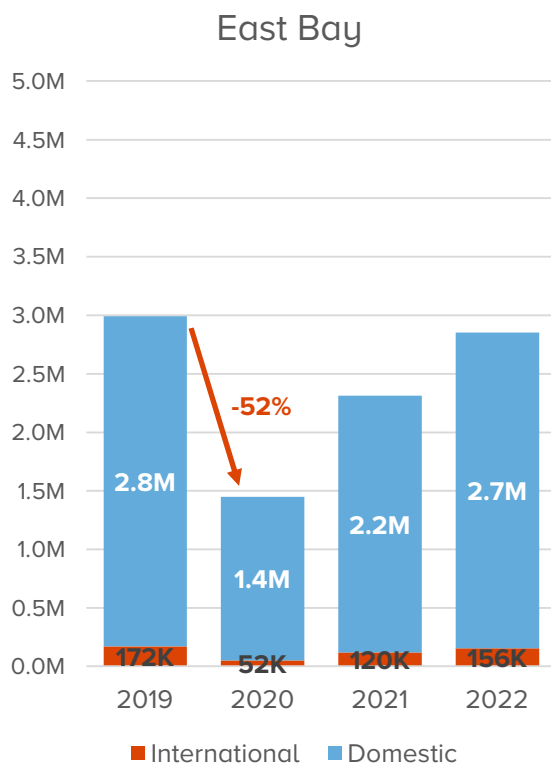
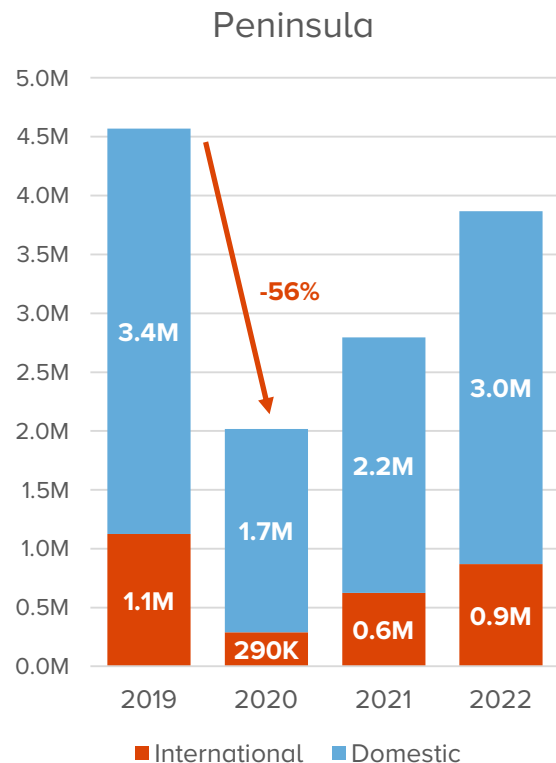
PENINSULA, EAST BAY & WINE COUNTRY - VISITOR VOLUME



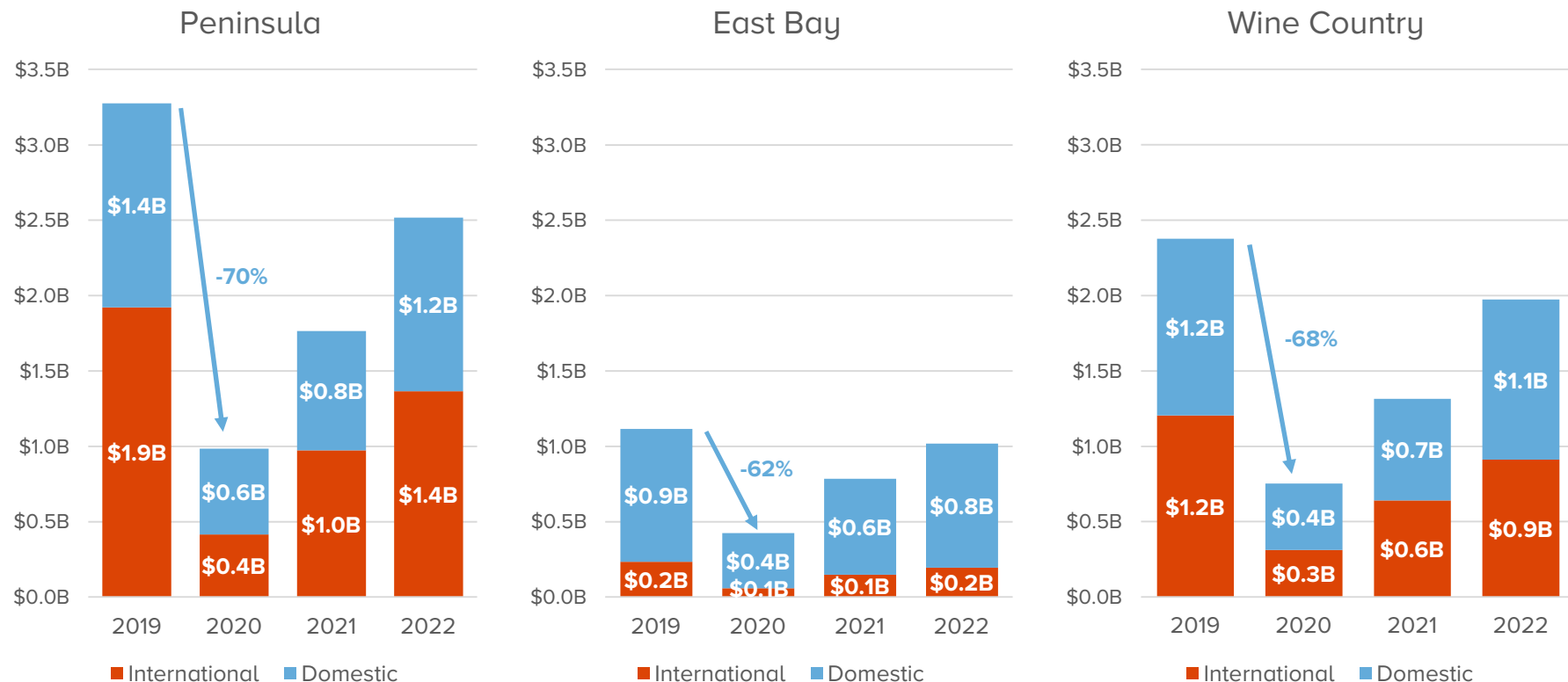
PENINSULA, EAST BAY & WINE COUNTRY - TOTAL SPEND



PENINSULA, EAST BAY & WINE COUNTRY - OVERNIGHT VOLUME



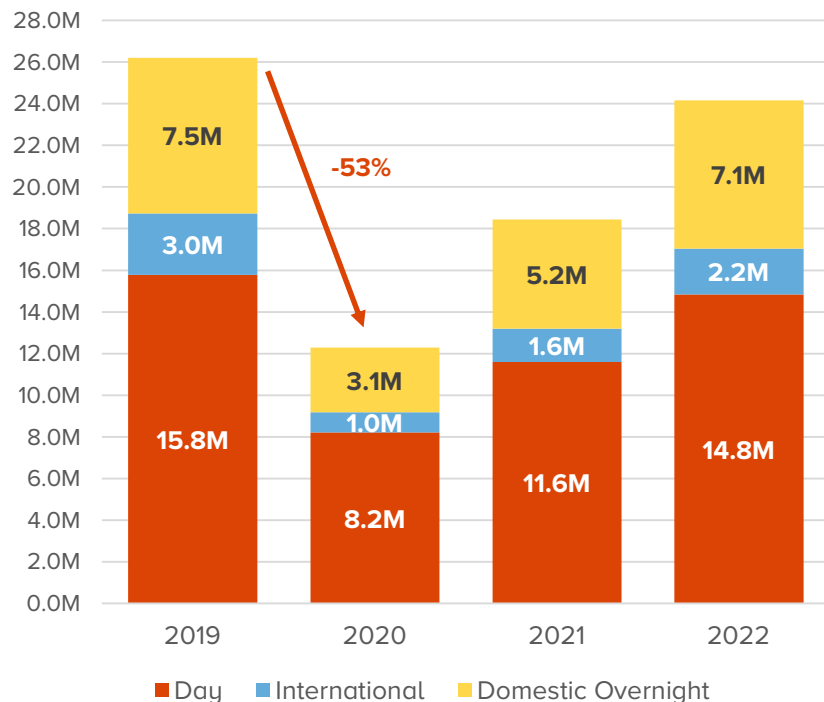
PENINSULA, EAST BAY & WINE COUNTRY - OVERNIGHT SPEND



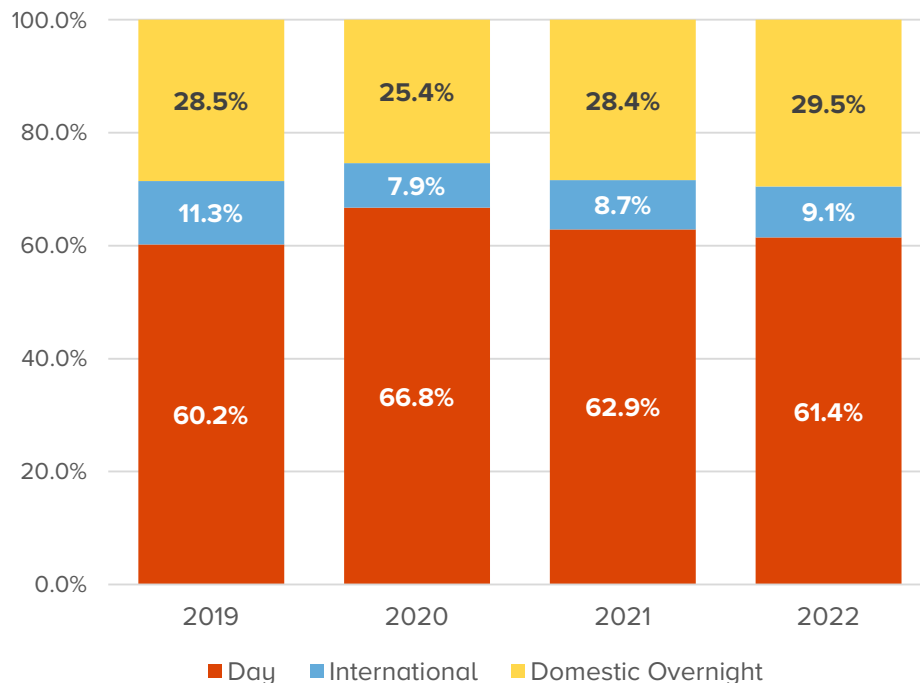
Source: San Francisco Travel Association in conjunction with Tourism Economics; Travel Forecast, San Francisco

SAN FRANCISCO CITY & COUNTY

Visitor Volume

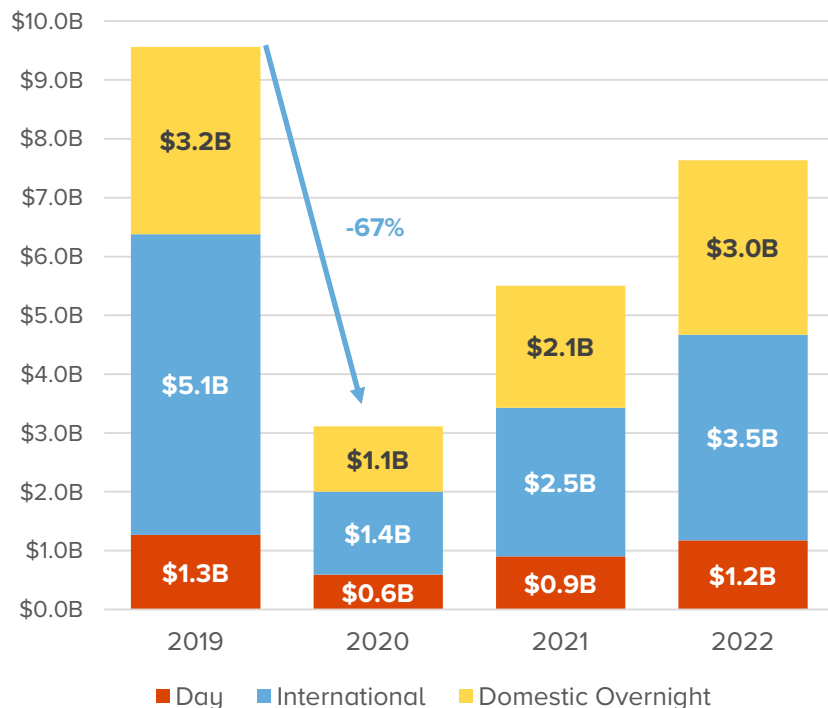


Volume Share

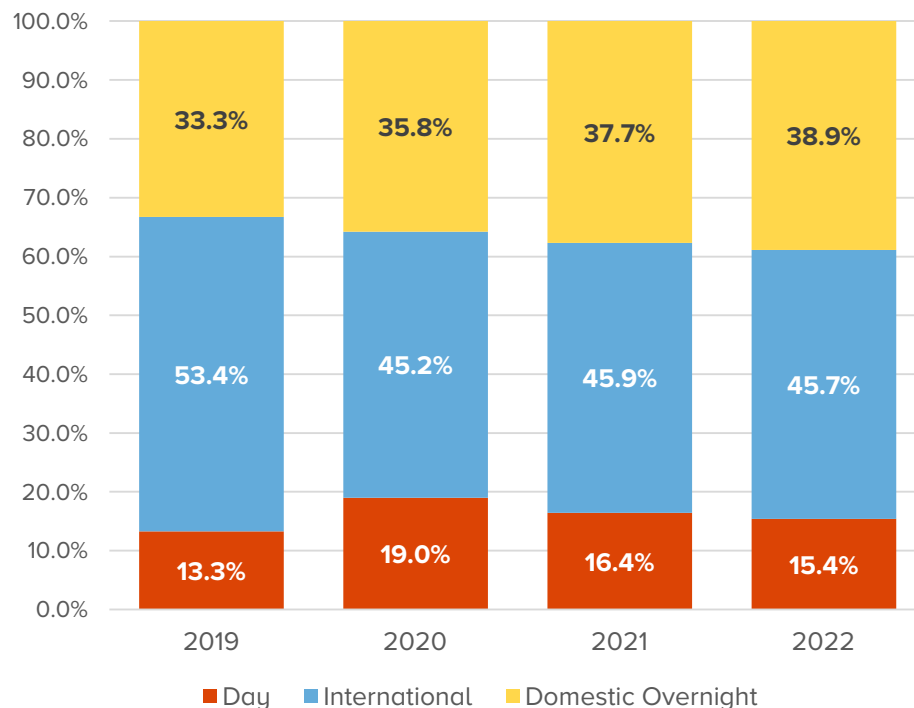


SAN FRANCISCO CITY & COUNTY

Visitor Spend



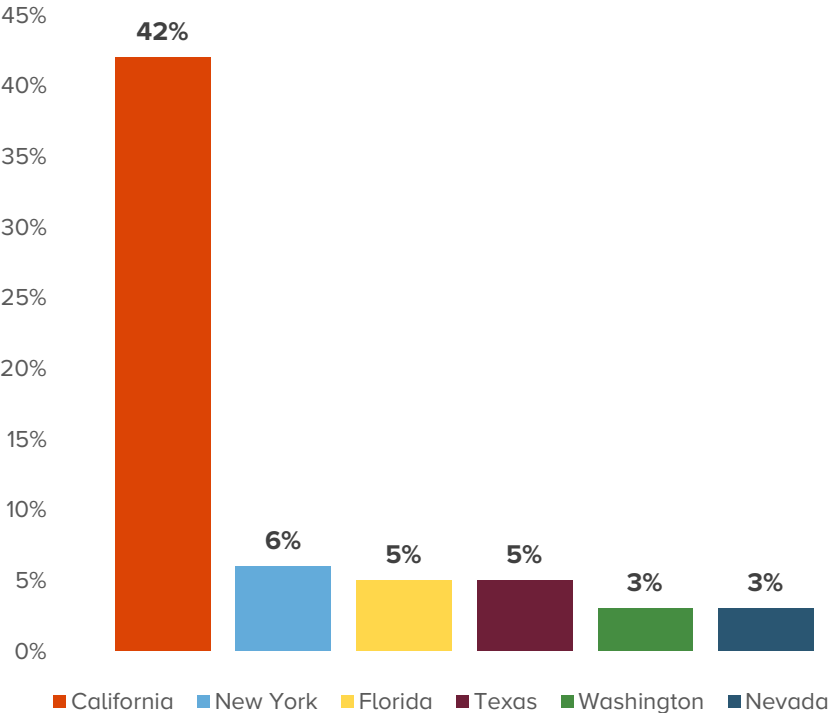
Spend Share



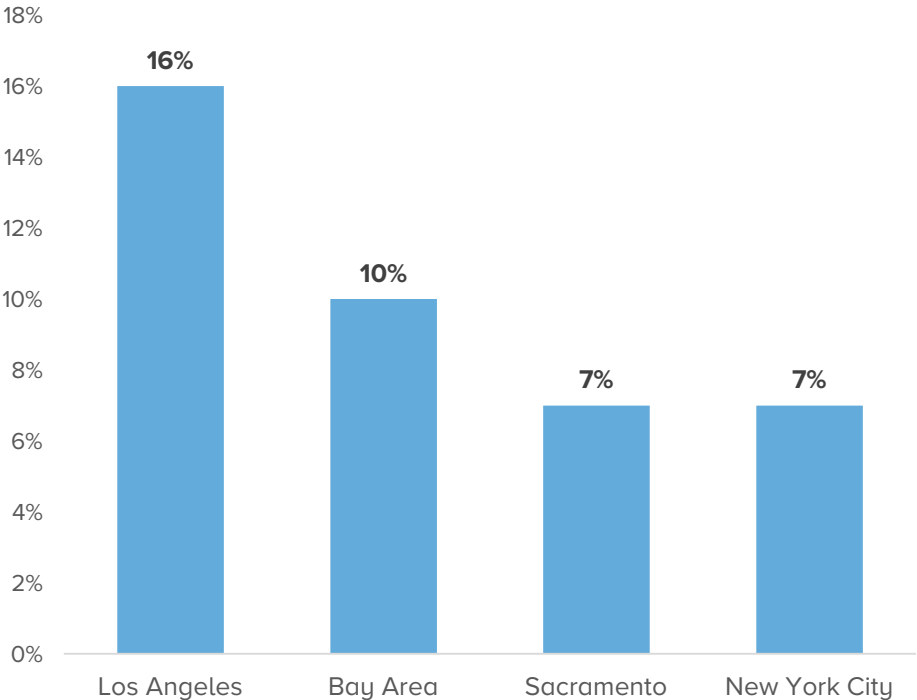
2019 DOMESTIC INBOUND OVERNIGHT



State Origin



DMA Origin



**ANNUAL VISITOR &
LODGING FORECAST FORUM**
CALENDAR YEAR 2020

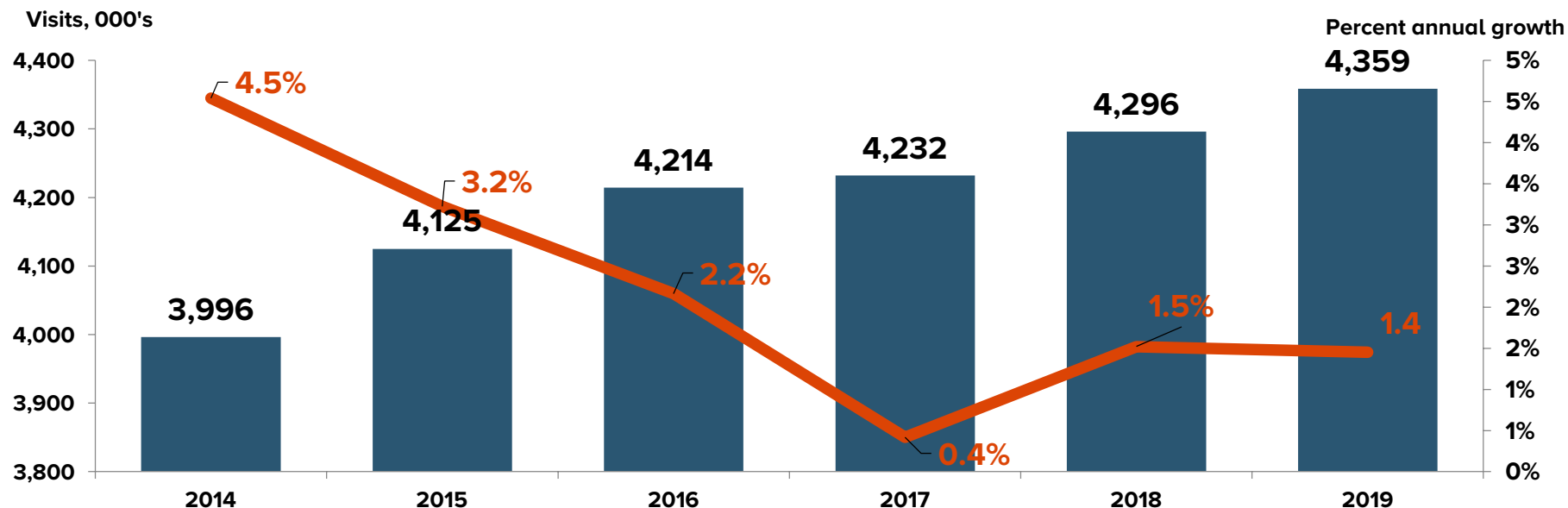


HUBERTUS FUNKE

EVP & Chief Tourism Officer,
San Francisco Travel

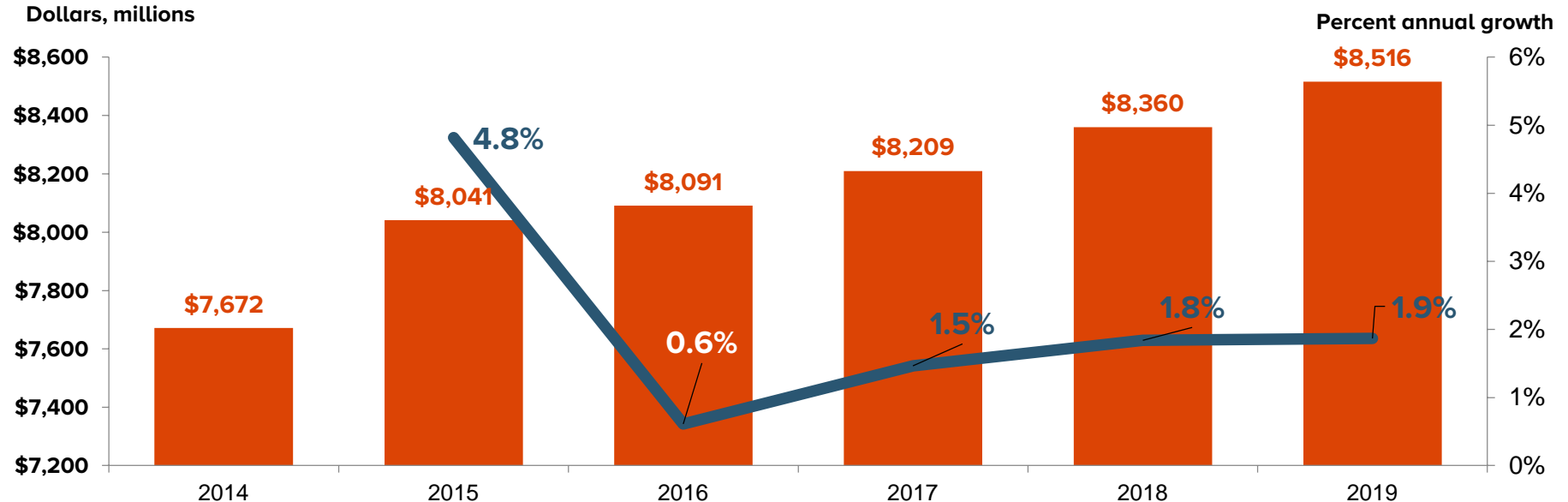


VISITOR VOLUME 2014-2019



Between 2014 and 2019 visitor arrivals increased to 4,358,600 from 3,996,200, a total increase of 9.1% in 5 years

VISITOR SPENDING 2014-2019



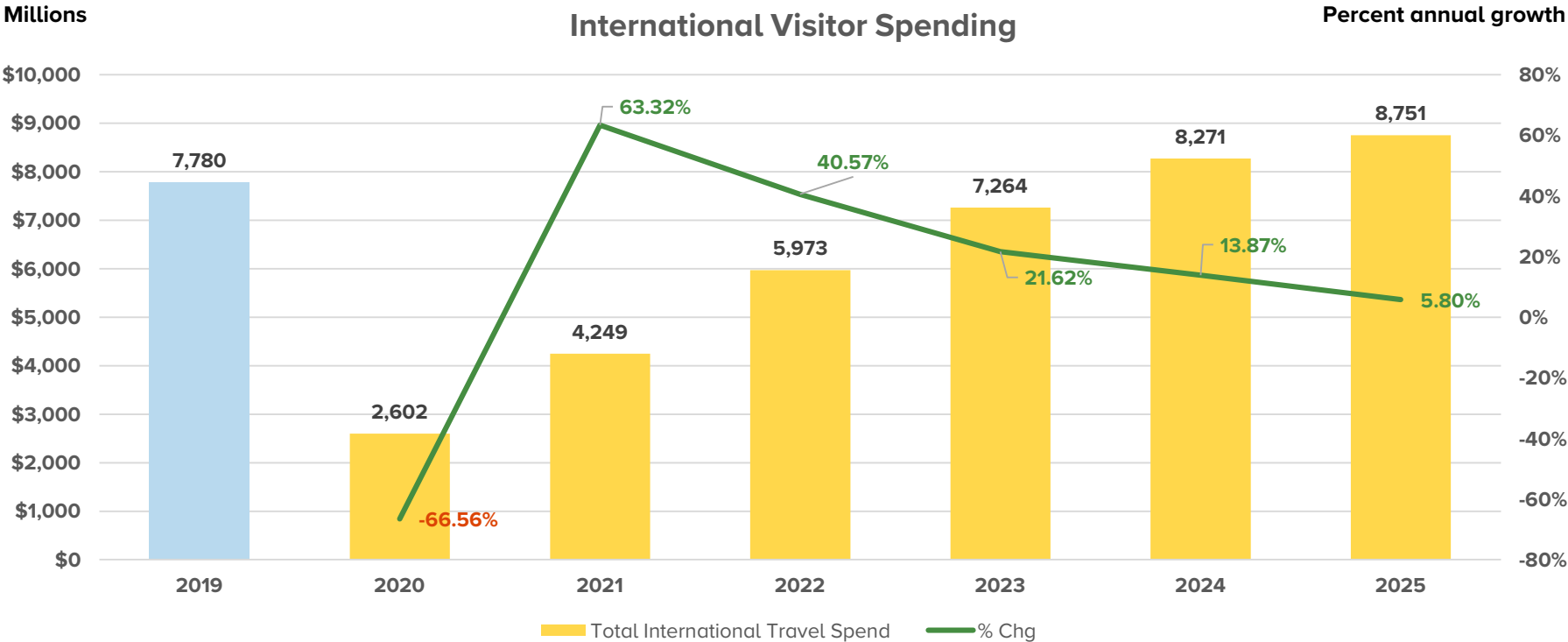
Between 2014 and 2019, international visitor spending increased to \$8.5B from \$7.6B, a total increase of 11%

VISITOR VOLUME 2019 - 2025



Source: San Francisco Travel Association in conjunction with Tourism Economics

VISITOR SPENDING 2019 - 2025

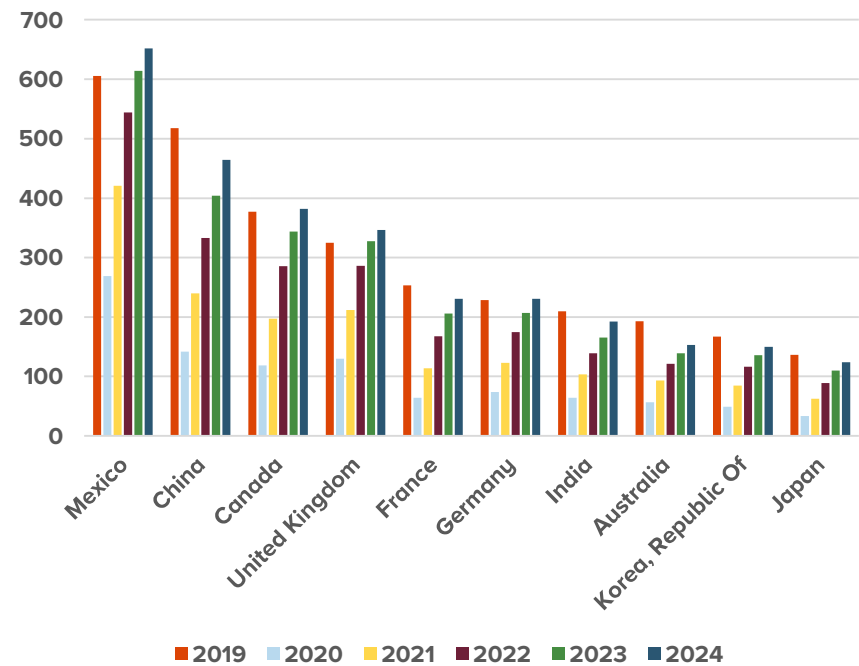


Source: San Francisco Travel Association in conjunction with Tourism Economics

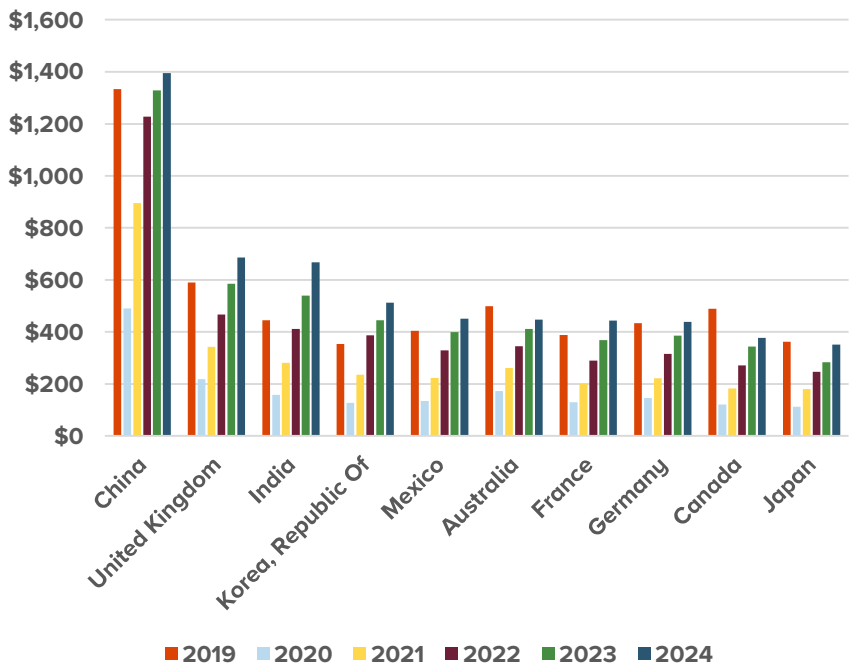
TOP 10 INTERNATIONAL MARKETS



Visitor Volume (000's)



Visitor Spending (in millions)

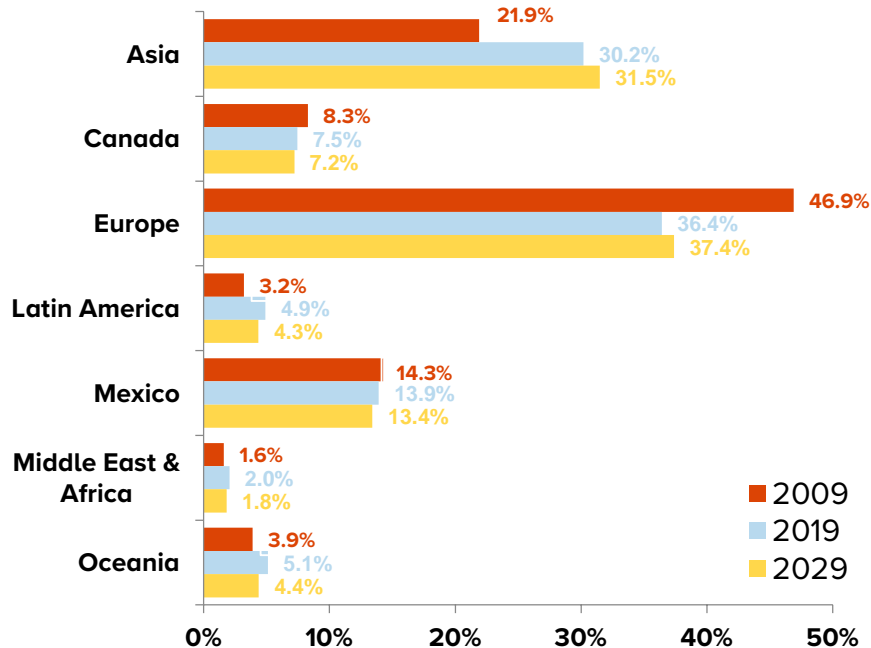


Source: San Francisco Travel Association in conjunction with Tourism Economics

PROJECTED SHARE OF VISITOR VOLUME



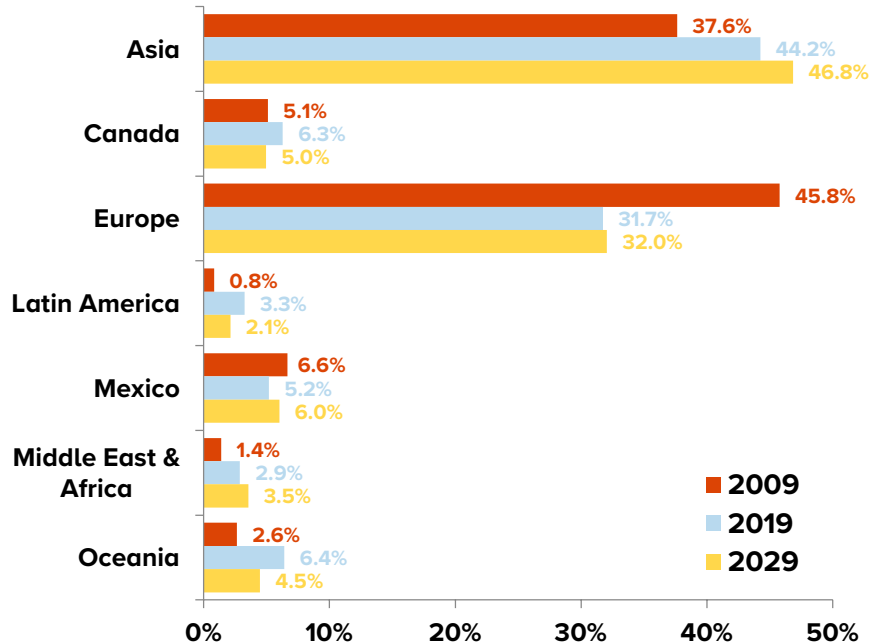
Share of total international visitation



- ▶ Asia and Europe likely to drive long-term visitor volume
- ▶ Asia region continues to gain market share in visitation
- ▶ Australia/NZ, LatAm, Canada expected to lose share of visitor volume

PROJECTED SHARE OF VISITOR SPENDING

Share of total international spending



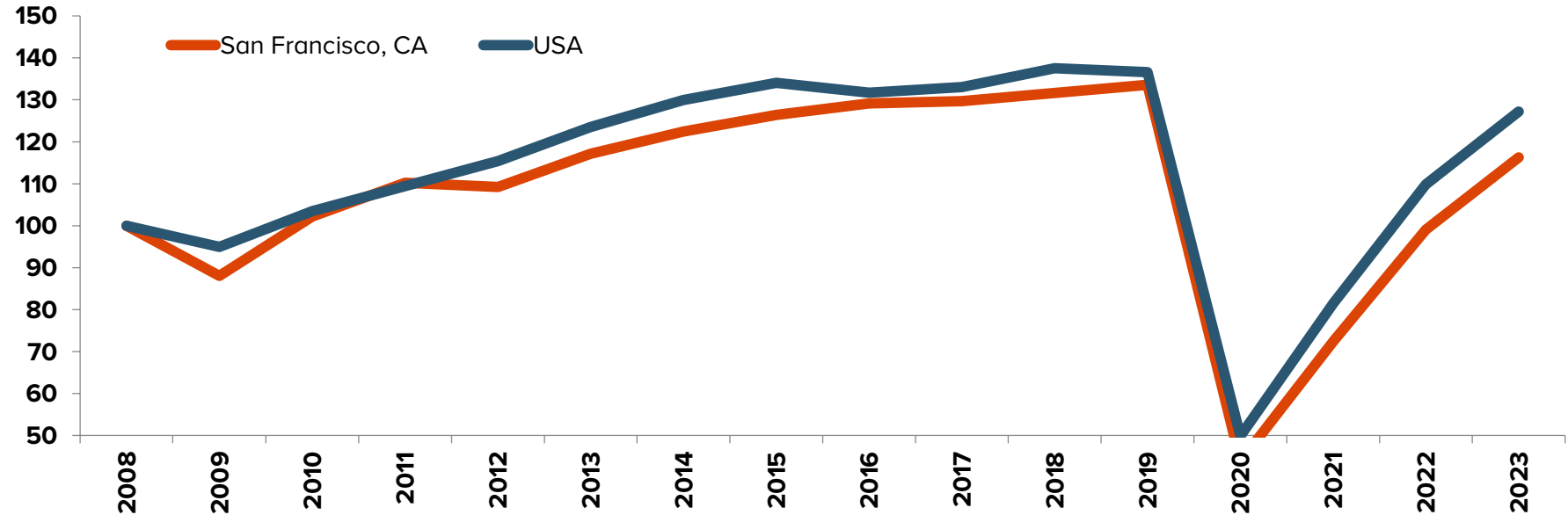
- ▶ Asia to outperform Europe in spending
- ▶ Canada, LatAm, Australia/NZ expected to lose share of visitor spending

INDEXED VISITOR VOLUME USA/SF



Indexed total international visits to the USA and San Francisco

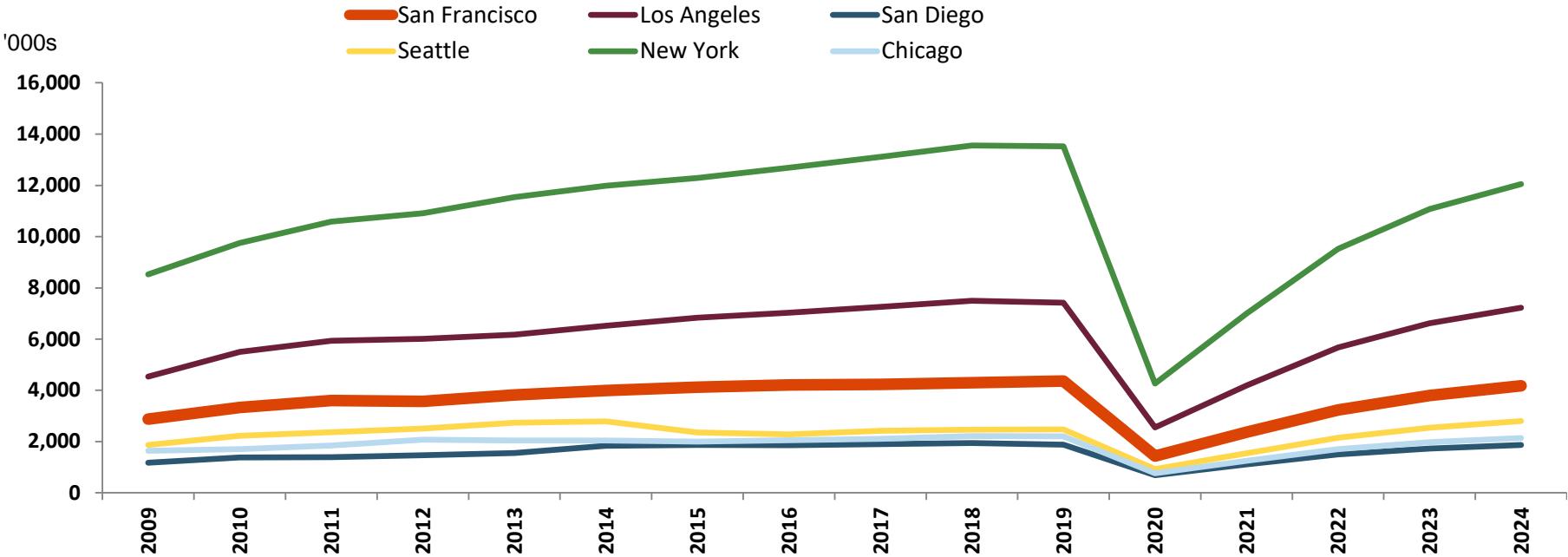
Index (2008 = 100)





MARKET SHARE OF VISITOR VOLUME

Total international visits to San Francisco and comp set



Source: Tourism Economics

KEY TAKE-AWAYS / ASSUMPTIONS

- ▶ International visitation remains very limited for Q4 of 2020
- ▶ Most international markets will start to rebound in 2021, but will likely not fully recover to 2019 levels before 2024
- ▶ International visitor volume to reach pre-COVID levels by 2025; visitor spending by 2024
- ▶ Short-term opportunities (2021/2022) in Mexico, Canada and European core markets
- ▶ Short-term international visitation will largely depend on easing of travel restrictions, macro-economic factors and availability of a vaccine
- ▶ Long-term recovery driven by China, India, Korea and European core markets

DANIEL SCHWARTZ

Director, Global Tourism Development,
San Francisco Travel



INTERNATIONAL FORECAST

TOURISM INSIGHTS

DANIEL SCHWARTZ



Image: Melissa Andretta

**Are we seeing significant
changes in booking behaviors?**

“Seasonality will be completely turned on its head this year”

▶ **Canada**

There will be an extended lag to book trips to the US and Europe because these are areas Canadians perceive to be the hardest hit in the world.

▶ **Germany**

Will see far more last-minute bookings.

▶ **Korea**

Booking curve for accommodation is shortened. Typical holiday seasonality is fading out

▶ **UK**

Likely to travel longer out of what has traditionally been known as ‘peak’ season.

TRIP TYPES



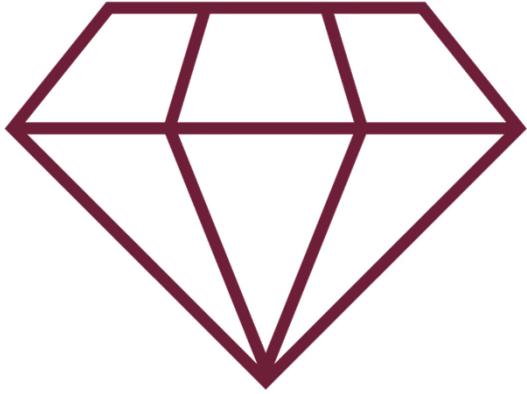
- ▶ Demand for small group and tailor-made tours are growing in key Asian markets, such as **China** and **Korea**.
- ▶ **European** and **UK** travelers looking for outdoor experiences and adventure. Northern California is ideal.
- ▶ Roadtrips: domestic and international

Key Strategies:

- ▶ Beyond SF packages and promotion
- ▶ Ensure product and rates are in the marketplace

**What segments will recover fastest?
Who will be traveling first?**

TRAVEL SEGMENTS



Luxury



Millennials and Gen-Z



VFR

- ▶ **Canada:** travelers are either luxury focused or very budget-conscious looking for deals and economic-driven incentives.
- ▶ **UK:** 51% of travel agency advisors and tour operators said the premium market would return within a year
- ▶ **Australia:** Luxury Escapes Reporting only 10% of bookings are actually cancelled – 90% are on hold/postponed
- ▶ **China:** Luxury tourism operators are expected to be the first to see a revival of outbound travelers



Is the travel trade landscape changing?

GLOBAL TRADE LANDSCAPE

- ▶ Traditional trade in **Germany** has always been more important than OTA's and we don't expect this to change due the crisis
- ▶ **Korea** travel trade is shifting to mobile and digital platforms
- ▶ Consolidation across the **UK** trade
- ▶ For international destinations, 43% of **Canadian** operators are willing to conduct fam trips beginning in the first quarter of 2021



TRADE LANDSCAPE

- ▶ OTA's and Tour Operators have rolled out booking campaigns focused on flexibility.
- ▶ Travel advisors continue to engage in virtual education at record rates.
- ▶ OTA's and meta-search have been experiencing higher shares of traffic in comparison to direct hotel or airline sites.
- ▶ Travel advisors continue to be optimal for targeting luxury market.

“OTA's and Travel Advisors both remain critical channels across key markets.”

INBOUND OPERATORS



Associations



**Connectivity &
Contracting**



Business on the Books

**ANNUAL VISITOR &
LODGING FORECAST FORUM**
CALENDAR YEAR 2020



MELISSA ANDRETTA

Director of International Marketing and
Aviation Development, SFO

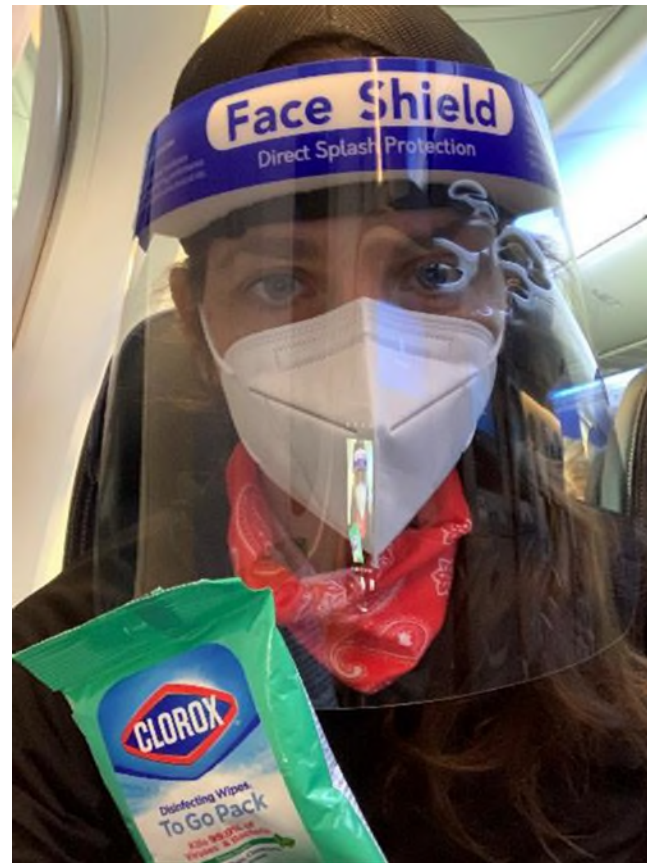


SFO Update

Melissa Andretta
Director of International Marketing &
Aviation Development







Meetings today - call in numbers



Melissa Andretta (AIR)

To Stephanie Coe (AIR)

Cc Jon Ballesteros (AIR); Peter Biaggi (AIR); Jeff Hoglind (AIR)

 Reply	 Reply All	 Forward	
---	---	---	---

Mon 3/16/2020 8:32 AM

Hi Stephanie,

I hope you had a restful weekend. It seems like it is going to be another uncertain week, but we will get through it.

I am stuck in Tahoe because the closed the pass yesterday for avalanche mitigation and it continues to snow. I have been in touch with JB and he said it would be fine for me to call into the two meetings below today. Jeff and Peter will be doing the same, although Jeff might come in just for the Gate Allocation follow up meeting.

Can you set up conference call numbers for both meetings so that we can call in?

Thanks so much. I will see you tomorrow, hopefully.

Best regards,

Mel


Meetings today - call in numbers



Melissa Andretta (AIR)

To Stephanie Coe (AIR)

Cc Jon Ballesteros (AIR); Peter Biaggi (AIR); Jeff Hoglund (AIR)

 Reply

Hi Stephanie,

I hope you had a restful weekend. It seems like it is going to be another uncertain week, but we will get through it.

International Carriers

44

International Carriers

3

International Carriers



International Carriers

19

International Carriers



Available Passenger Seats

-97%

Available Passenger Seats

-82%

Available Passenger Seats

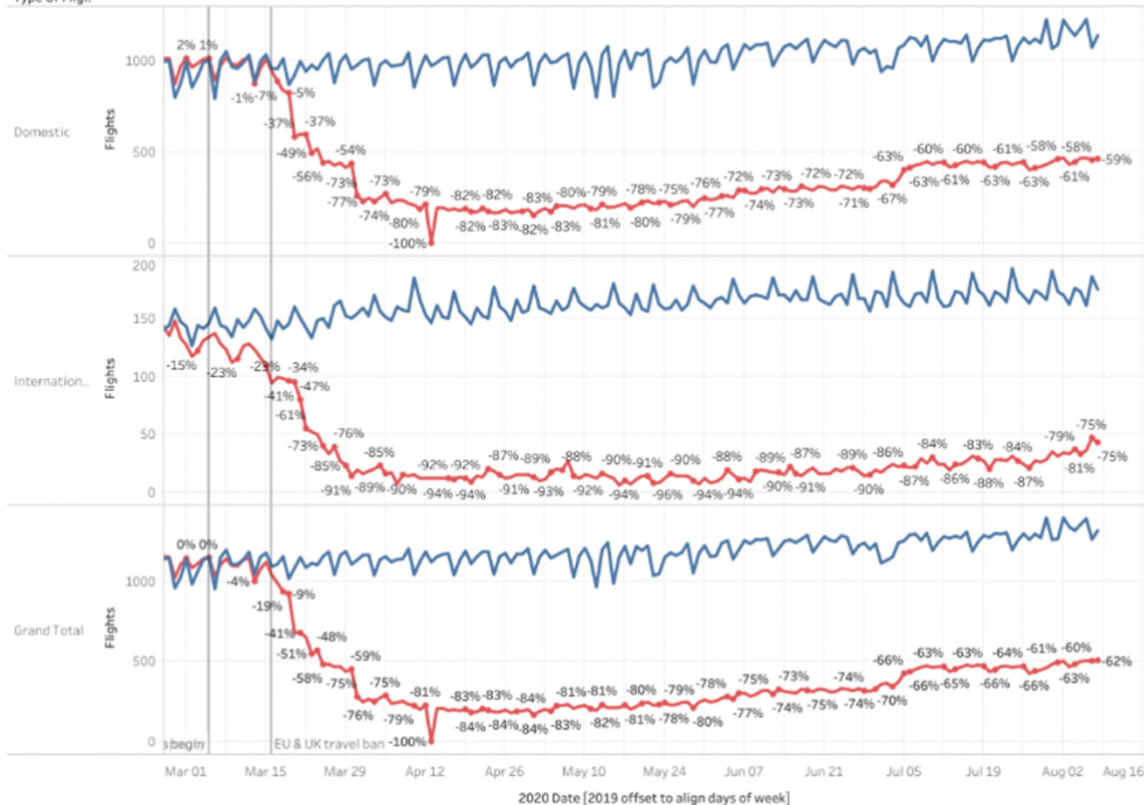
6x available seats!



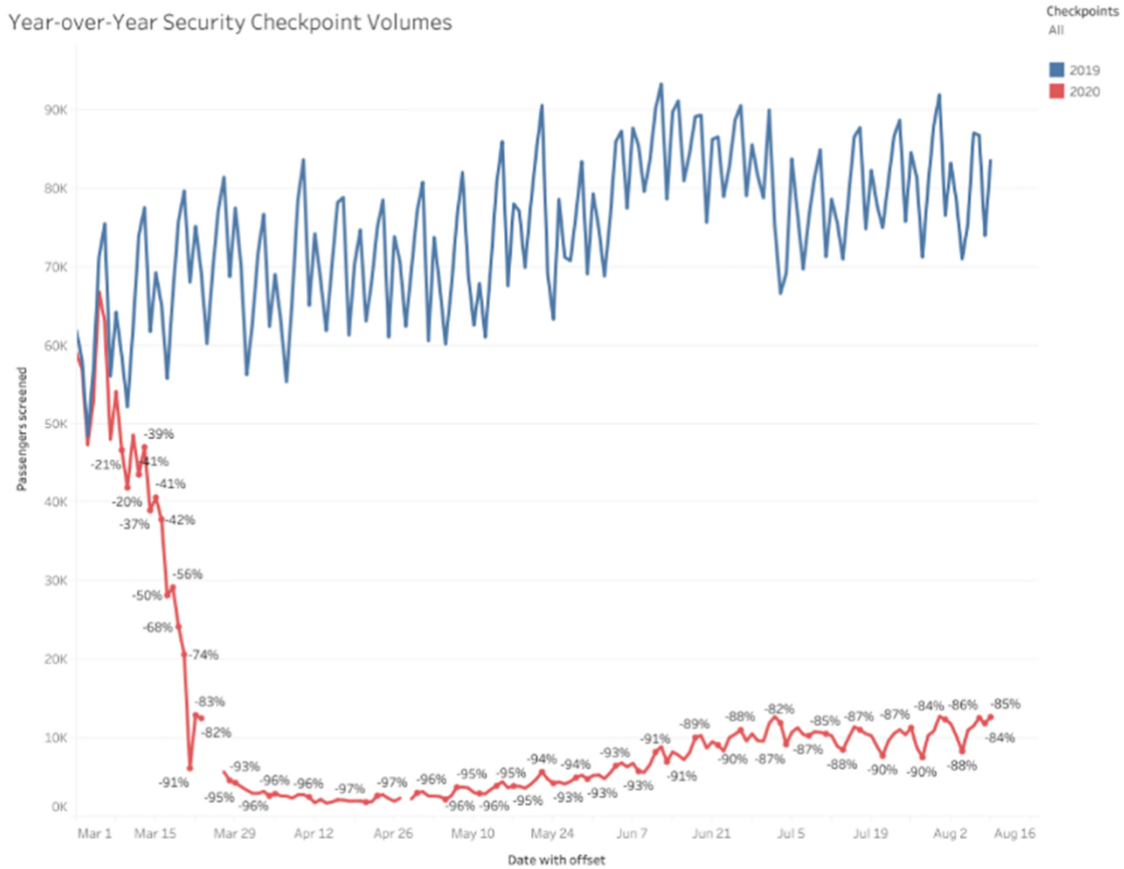
Passenger Flights, 2019 vs. 2020

■ 2019
■ 2020

Type Of Flig..

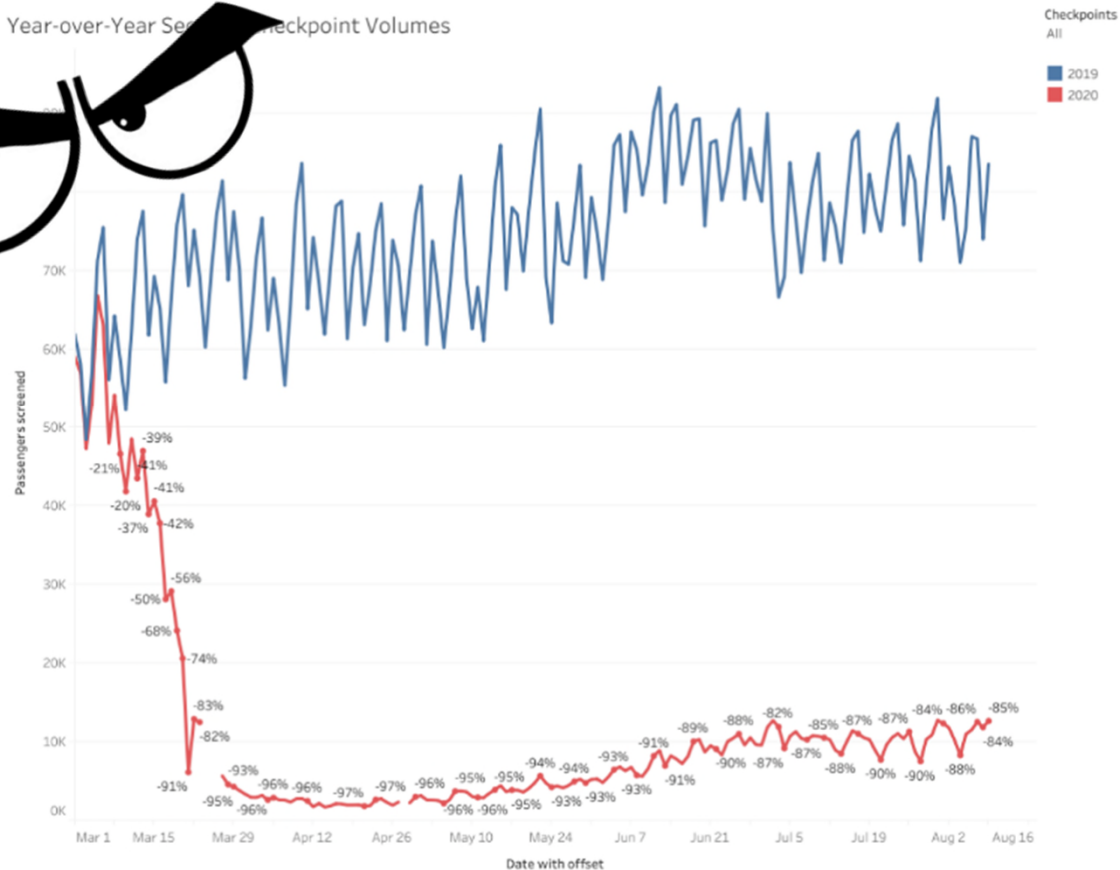


Year-over-Year Security Checkpoint Volumes





Year-over-Year Security Checkpoint Volumes





SAN FRANCISCO INTERNATIONAL AIRPORT

COVID-19 RECOVERY TO RESILIENCE FRAMEWORK 2020-2023

Goal #1: Improve passenger confidence in traveling through SFO

OBJECTIVES
1. Facilitate maximum physical distancing throughout passenger journey.
2. Ensure SFO does not serve as a portal for transmission of diseases.
3. Enhance cleaning practices and services.
4. Provide effective safety and health messaging to passengers as they prepare for and travel through SFO.
5. Implement suitable health & safety practices with guidance from health organizations.
6. Facilitate consistent information provided to travelers by airlines, agencies (FAA, CBP, TSA, public health agencies and organizations) and transportation companies/systems to ensure passengers experience SFO operating as one team.
7. Ensure a consistent cleanliness & sanitation experience for passengers throughout SFO.
8. Implement appropriate solutions for passenger health screenings and testing.
9. Adopt solutions to provide a more "touchless airport" experience.
10. Cooperate with government and health agencies on contact tracing processes.



Goal #2: Enhance safety, health & well-being for Airport Commission employees

OBJECTIVES
1. Establish a safe work environment for employees through enhanced health & cleaning protocols, paired with staffing plans and physical workspace changes that facilitate maximum physical distancing.
2. Support the health and well-being of employees and address challenges employees face during transitions.
3. Employees have access to Personal Protective Equipment (PPE) and are assured of a safe work environment.
4. Provide training resources to enable employees to thrive in their jobs and adapt to changes in the workplace.
5. Train new employees and re-train existing employees on pandemic protocol and response.
6. Implement employee health self-screening and self-certification systems to ensure safe work environment.



KEY INDICATORS
1. Maintain low COVID-19 infection rate among Airport Commission employees.
2. 95% of Airport employees feel there are effective safety measures in place in the event of a future outbreak; they are confident in the Airport's ability to respond to another outbreak; they have adequate access to PPE; they are confident they can access testing in a timely fashion, if needed.

Phases of Recovery

Managed COVID-19 Risk

- No vaccine
- Limited access to rapid tests
- Strict physical distancing measures in place
- Difficulties with securing Personal Protection Equipment (PPE)
- COVID-19 resurgence
- Flight activity at 3-30% of normal level
- Passenger daily volume at 2K-20K
- Stay Home orders remain
- Airlines & businesses in financial hardship; potential bankruptcy for airlines, ground handlers, other operators at SFO
- Limited availability of proven technologies, devices, products to counteract viruses

Low COVID-19 Risk

- No vaccine
- Increased access to rapid tests and on-site testing at SFO
- Some physical distancing measures in place
- Few challenges with maintaining at least 30-day supply of PPE
- Flight activity at 30%-60% of normal level
- Passenger daily volume at 20K-40K
- Most Stay Home orders lifted
- Airlines & businesses in financial recovery; potential bankruptcy for airlines, ground handlers, other operators at SFO
- Outbreaks of COVID-19 cases; seasonal increases
- Increased availability of proven technologies, devices, products to counteract viruses

Safe from COVID-19

- Vaccine widely available (COVID-19 specific or pan-coronavirus)
- Rapid tests or improved alternatives widely available
- Limited-to-no physical distancing measures
- Flight activity at 60%-90%+ of normal level
- Passenger daily volume at 40K-60K+
- All travel restrictions lifted
- Airlines, businesses, & other operators stable
- Occasional outbreaks of variety of viruses
- Wide availability of proven technologies, devices, products to counteract viruses

Goals and Objectives

- **Goal 1:** Improve passenger confidence in traveling through SFO.
- **Goal 2:** Enhance the safety, healthy and well-being for Airport Commission employees.
- **Goal 3:** Ensure the financial recovery, stability and vitality of SFO & continued support of its business partners.
- **Goal 4:** Care for and support SFO's community and local workforce.
- **Goal 5:** Build resilience and future proof the airport.



Onward & Upward

Delivers optimism tempered with resolve. It won't be easy, but we'll get through it. Together.

We are moving forward.
Evokes buoyancy.

Lends itself to campaign phases/timings.
Phase 1: Onward
Phase 2: Upward

Works as a Master Brand that can incorporate all elements of the Travel Well concept.

Helps position SFO as a leader in the Bay Area's recovery.

Travel Well

Utilizing the existing and evergreen "Travel Well" offers us message consistency and connects previous campaigns to today and the future.

The double entendre speaks to both a good travel experience but also traveling during a health pandemic - combination of both Bon Voyage and God Speed.

The Travel Well message should be woven into the current campaign to support the Master Brand.

Welcome Back and Thank You

Tapping into our Core Value of Care, the Welcome Back and Thank You messages express gratitude and appreciation for the commitment of our airlines bringing service back to SFO.

The sentiment also extends to our own team members, our tenants, and returning visitors.





SFO

**Your health is our priority. Learn what we're doing
at SFO to keep you traveling well. flysfo.com/travelwell**

SFO

SFO

travel well

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April 21, 2020

FOR IMMEDIATE RELEASE:

CONTACT: Doug Yakel
Public Information Officer
External Affairs Office
San Francisco International Airport
650.821.4000
Doug.Yakel@flysfo.com
SF-20-11

SFO Outlines New Face Covering Requirement in Response to COVID-19

Airport adds enhanced health and safety measures to protect passengers and employees

SAN FRANCISCO - April 21, 2020 – On April 17, 2020, the San Mateo County Public Health Officer issued Order No. c19-8 (Order), in a continuing effort to mitigate the impact of the novel coronavirus (COVID-19) pandemic. The Order applies to the San Francisco International Airport (SFO), which is why SFO now requires all members of the public to wear face coverings. While wearing a mask or facial covering will help contain the spread of COVID-19, members of the public should also comply with social distancing requirements by maintaining at least six feet of separation from others, as well as follow public health and CDC recommendations for minimizing the spread of coronavirus, including frequent hand washing and regular sanitizing of common spaces and touch points.





San Francisco International Airport (SFO) 🇺🇸 @flySFO · Jun 1
Welcome Home, ANA! We're glad to have @FlyANA_official back at #SFO, providing nonstop service to Tokyo Narita (NRT) @Narita_OPC_info. Flights are planned to operate three times a week, on Mondays, Thursdays and Saturdays.

flysfo.com/ana



14

77



You Retweeted

San Francisco International Airport (SFO) 🇺🇸 @flySFO · May 28
Welcome home, @AirCanada! We're glad to have you back. Air Canada is now offering daily nonstop flights to Vancouver (YVR) for those with essential, medical or repatriation travel needs.

flysfo.com/air-canada



You and 3 others



14

126





FLYSFO.COM

Welcome Back Philippine Airlines!

Philippine Airlines is back, offering nonstop servi...


[Learn More](#)

   721

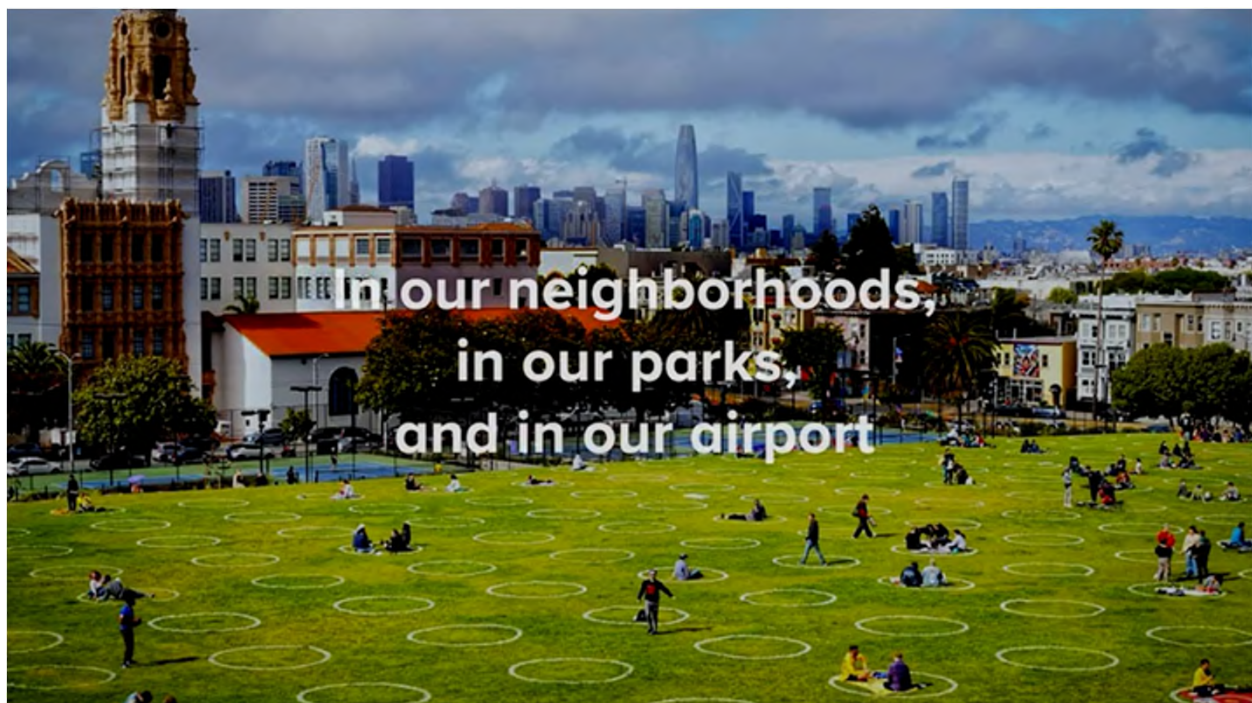
[187 Comments](#) [170 Shares](#)

 Love

 Comment

 Share





in our neighborhoods,
in our parks,
and in our airport

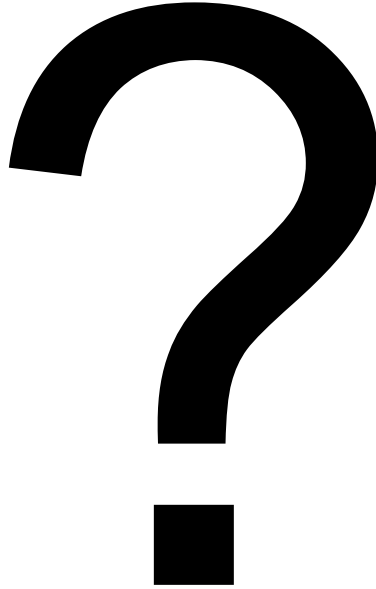


Philadelphia Airport, A Trans-Atlantic Hub With No Trans-Atlantic Flights, Will Offer Incentives To Airlines

LA Airports See Massive Drop in First-Half Traffic

COVID-19 Pushes Dallas Fort Worth To World's Busiest Airport

San Jose to waive \$3.2 million in fees for airlines reeling from the pandemic





Vietnamese carrier conducts direct flight to the US for first time in history

🕒 11:33 | 08/05/2020 Jennifer Tran



The Vietnam Airlines special flight to repatriate Vietnamese citizens in the US landed at San Francisco International Airport on May 7.



San Francisco International Airport (SFO)



8 hrs · 🌐

Today is a historic day at SFO as we welcomed the very first **Vietnam Airlines** passenger flight to the United States! This repatriation flight is being operated on one of Vietnam Airlines new Boeing 787-10 aircraft. SFO is proud to welcome this special flight!





[#VietnamAirlines](#) [#DuHocSinh](#) [#PhoBolsaTV](#)

Vietnam Airlines bay chuyển thứ 3 và tâm tình du học sinh từ Mỹ về Việt Nam giữa mùa đại dịch

100,136 views • Premiered Jun 8, 2020



1K



59



SHARE



SAVE





Onward & Upward!



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CALENDAR YEAR 2020



LYNN BRUNI- PERKINS

Vice President, Global Marketing
Communications, San Francisco Travel





RECOVERY MARKETING UPDATE

3 PHASE COMMUNICATION STRATEGY

Phase 1

Safety, utility,
“flatten the curve”

March

Phase 2

Inspiration and
remaining
relevant; activities
all can use during
isolation

April – Late June

Phase 3

What's open,
safety measures
in place, moving
into recovery and
welcome back

**Current and late
August**

PHASE 3 RECOVERY PLANS

Objectives



Restart

the tourism economy in
San Francisco



Collaborate

with all key partners
for leverage



Establish

new metrics for
success

RECOVERY MARKETING PLAN

Triggers to move forward

- ▶ Bay Area open for business
 - Communication based on phases
 - State allows leisure travel
- ▶ Travel restrictions lifted – by countries and by corporations
- ▶ Consumers ready to travel
- ▶ Flights start to come back (domestic first, then international)

**Markets will return in this order:
leisure, small business, large group**



RECOVERY MARKETING PLAN



Key consumer insights

- ▶ Pent up demand; consumers showing some readiness to travel
- ▶ Focused on closer to home
- ▶ Open spaces, parks, outside will be most attractive
- ▶ Messages need to invite and reassure (on safety)

WAVE 1 – TARGETING LOCALS

Key consumer messages

- ▶ Support your local economy
- ▶ Be a tourist in your backyard – explore neighborhoods and outdoor spaces
- ▶ What's open and safety measures
 - Building this content out on our website now
 - Campaign landing page
 - Appeal to partners to update content

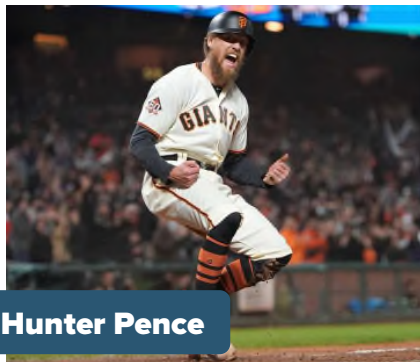


WAVE 1 – CELEBRITY CAMPAIGN

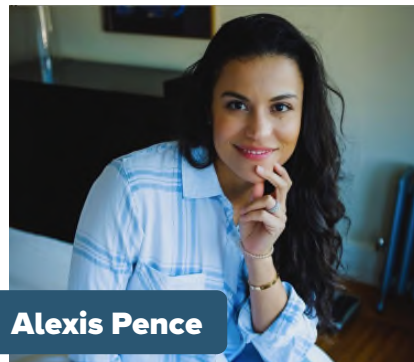
Concept

- ▶ Utilize local “celebrities” to share their love for San Francisco and encourage locals and beyond to visit and help restart the economy
- ▶ Leverage celebrities and great city content to develop a :90 video showcasing the best of the city; and several other videos of various lengths
- ▶ Use in the international PGA event broadcast and possibly NBC Sports PSA’s
 - Special PGA :60 version with more sports content

WAVE 1 – CELEBRITY CAMPAIGN



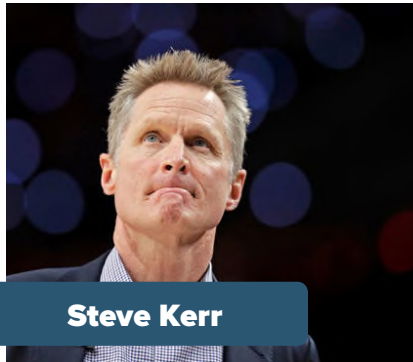
Hunter Pence



Alexis Pence



Francis Ford Coppola



Steve Kerr



Mayor London Breed

WAVE 1 – MARKETING CHANNELS

Media channels

- ▶ Organic social: Facebook, Twitter, Instagram, Tik Tok
- ▶ Sftravel.com with CrowdRiff (UGC) images
- ▶ Email database
- ▶ PGA Broadcast (:60 SF Travel PSA)
- ▶ Q. Digital display banner assets and video
- ▶ Earned media (press releases, local fams)

Celebrity Campaign Video (PGA)



2020 PGA CHAMPIONSHIP



Overview

- ▶ International PSA – 164 countries reaching more than 500M+ households
- ▶ Most-viewed PGA Championship since 2010
- ▶ Estimated 5.6M viewers on Sunday final round
- ▶ UC Berkeley alum, Collin Morikawa winner
- ▶ San Francisco becoming “golf mecca”



WAVE 2 – CALLING ALL CALIFORNIANS

- ▶ VCA negotiated heavily discounted media rates plus 20% match
- ▶ Targeting 70% So. Cal, 30% No. Cal
- ▶ Start date pushed to August 31 (flexible)
- ▶ Visit Oakland, Mount Diablo Region and United Airlines partnering in the co-op



WAVE 2 – MARKETING PLAN



Consumer messages

- ▶ Calling all Californians: “Our Gate is Open”
- ▶ We're open and safety measures are in place
- ▶ Take our **Safe Traveler Pledge** and travel responsibly
- ▶ Explore neighborhoods, unique experiences, and outdoors
- ▶ SF is the gateway to Bay Area

Timing: Aug. and into Fall*

WAVE 2 – MARKETING PLAN

Media channels

- ▶ Paid media: Adara, Sojern, Facebook/Instagram, Expedia
- ▶ Organic social: Facebook, Twitter, Instagram, Tik Tok
- ▶ Sftravel.com with CrowdRiff (UGC) images
- ▶ Email database
- ▶ NBC Sports (:60 PSA)
- ▶ Q. Digital display banner assets and video
- ▶ Earned media

Celebrity Campaign Video (Our Gate is Open)



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CALENDAR YEAR 2020





CLOSING REMARKS

JON KIMBALL

Board of Directors Chair

General Manager
Westin St. Francis

Area General Manager
Marriott International



JOE D'ALESSANDRO

President & CEO, San Francisco Travel





**Thank you
& stay safe.**

SFTRAVEL.COM