



COMMISSION
AGENDA MEMORANDUM

Item No.

11a

BRIEFING ITEM

Date of Meeting

January 4, 2022

DATE: 12/11/2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director, Economic Development
Gail Muller, Project Specialist, Tourism Development
Patti Denny, Manager, International Tourism Development

SUBJECT: Port of Seattle Tourism Recovery Initiatives

EXECUTIVE SUMMARY

This briefing provides an overview of the Port of Seattle's efforts to help the visitor industry rebound from pandemic related travel challenges. Tourism is a vital and significant segment of King County and Washington State's economy and is essential to the Port of Seattle because SEA Airport is the primary gateway for air visitation for our state. We are also a gateway of choice for the Alaska Cruise market.

The COVID pandemic severely impacted travel and tourism in 2020 and had a huge impact on our Port facilities. Recognizing these challenges Commissioners supported an early \$1.5 Million investment to promote tourism recovery via a partnership with the Washington Tourism Alliance (WTA). This initiative has supported a comprehensive industry recovery program involving destinations and partners across Washington State. The WTA is now implementing an advertising campaign to help regenerate North American Air markets to SEA International Airport.

The Port of Seattle's Tourism grant programs and international marketing efforts have also pivoted during the pandemic. Grant programs were reduced significantly in 2020 as travel was impacted significantly. This year's grants were made to spotlight outdoor and local attractions that provided sensible travel options. The grants also helped key partners impacted by the pandemic showcase their destinations or events.

The Port's Tourism team implemented virtual promotional efforts in key countries that generate the most visitors to SEA International airport. The Port's international marketing efforts are complemented via our partnerships with Visit Seattle and the WTA.

WASHINGTON TOURISM ALLIANCE PARTNERSHIP EFFORTS

Our tourism recovery partnership with the Washington Tourism Alliance (WTA) continues to unfold. Over the past few months WTA has ramped up a travel publicity campaign and started

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an advertising campaign to regenerate North American air markets serving SEA. WTA is also stepping up efforts to connect with travel trade industry professionals (hoteliers, tour operators, destination marketing organizations and other industry professionals). These efforts are helping the industry recover although it is still too early to quantify the return on the Port’s investment in this initiative.

Port and WTA funds are split into the following programmatic areas

Initiative	POS \$ Investment	WTA	Timing (in Q only)
Destination Support/Development	\$150,000	\$100,000	Q2 2021 – Q1 2022
Travel Publicity Campaign	\$150,000	\$50,000	Q3 2021 – Q1 2022
Strategy Communications Advertising Campaign	\$1,080,000	\$600,000	Q2 2021 – Q1 2022
Travel Trade Sales and Promotion	\$120,000	\$120,000	Q2 2021 – Q1 2022
TOTALS	\$1,500,000	\$870,000	Q2 2021 – Q1 2022

Destination Support and Development

WTA is implementing a comprehensive industry recovery and destination development program for utilization for the statewide tourism industry. Activities initiated include:

- The WTA has hosted 8 virtual, half-day destination development workshops for eight state regions, including: Salish Sea; Islands; Beaches; the Gorge; Trails and Lakes; Wine Country; Ponderosa; and the Palouse. Workshops were led by destination development leader Pandion Consulting and included regional assessments, education, research, featured speakers, fundraising development tips and tactics and more. Workshops were attended by hundreds of community members, elected officials, and industry members across all business segments.
- The WTA is providing tourism grants in partnership with the state departments of agriculture and commerce. The WTA help develop and distribute \$2 million in grants to agritourism businesses throughout the state; and distributed \$1 million in grants to nonprofit destination marketing organizations in Washington
- The WTA hosted an agritourism webinar in June that attracted over 200 registrants and featured nationally renowned experts as keynote speakers.
- The WTA entered a partnership with TREAD (Trails, Recreation, Education, Advocacy, Development) and Dharma Maps to deploy the new TREAD Map App pilot program that combines a consumer-facing location-based app with robust, real-time trail and recreational data, updates, and advisories this spring and summer. The program is operational in the Trails and Lakes region of Central Washington (Kittitas, Grant, Douglas, Chelan, and Okanagan counties), where heavy public lands use is expected again this summer season and is expected to help balance the flow of tourism.

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Travel Publicity Campaign

WTA is implementing a travel publicity campaign to promote Washington as a unique destination and create messaging to positively impact travel trade and consumers. Travel publicity activities include:

- The WTA communications team served more than 50 travel media throughout the quarter. A selection includes but is not limited to: Good Morning America, Conde Naste Traveler magazine, CBS News, National Geographic (*travel guidebook*), FVW magazine (*German*), Primo magazine (*Benelux*), The Daily Beast, The Lightning Round pod cast.
- Published or broadcasted coverage resulting from WTA media relations efforts included, but not limited to American Way (*American airlines in-flight magazine*), Outside magazine, Washington Post, U.S. News & World Report, 60 Day USA, Love Exploring, Trips to Discover (*top-ten road trips*).

Strategy and Communications Advertising Campaign

WTA is starting to implement an advertising campaign to help regenerate North American Air markets to SEA International Airport. Early campaign consumer elements include:

- A partnership with Expedia is underway and will boost the presence of Washington with consumer travelers already searching for and booking travel. Display ads throughout Expedia properties drive customers to a custom landing page provides additional Washington inspiration for seasonally targeted regions of the state.
- Paid social media promoted Facebook and Instagram posts launched in June to drive travelers to the *Explore Washington's Backyard* landing pages and encourage downloads of the campaign's mobile passports. Paid social posts have reached more than 500,000 people and generated over 1.3 million impressions. Since ads launched, there have been 408 new mobile passport downloads (through June 29).
- Investment in development of TREAD Map App as consumer marketing/travel advisory and planning tool, including technology development, consultation services, and marketing direct to consumers in air markets.

Travel Trade Sales and Promotion

The WTA is implementing travel trade marketing initiatives to promote WA State destinations to travel agents, tour operators, and travel influencers:

- The WTA promoted the destination at Go West (domestic) and ITB (Berlin, in partnership with the Port of Seattle), and the Brand USA Global Marketplace (London) The number of trade show business appointments with tour operators and retail sellers of travel: Go West: 23, ITB:12, Brand USA Global Marketplace: 14.
- Follow-up emails were made to each appointment participant that included itineraries.
- A lead distribution system has been created for DMOs across the state. Partners can access notes on each appointment to gain insight on new potential products in their region.

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- The WTA facilitated a travel trade webinar called Steps to Success. The event educated DMOs, hoteliers, tour operators and other industry professionals on the importance of working with the travel trade industry. A travel trade expert-hosted and a panel included two inbound tour operators and a hotelier who has found success utilizing travel trade.

TOURISM DEVELOPMENT EFFORTS

Tourism Marketing Support Program

The Tourism Marketing Support Program was established six years ago to help tourism partners across Washington State promote their destination or attraction to increase non-resident traveler visitation and expenditures. Each year the Port provides grants to eligible Washington State non-profit organizations, chambers of commerce, cities, ports, and destination marketing organizations for (DMO). Grants of up to \$10,000 are awarded and partners must match Port funding on a two to one formula (for every POS dollar invested, the organization must contribute fifty cents). The funds must be used for advertising, publicizing, promoting, or distributing information to attract visitors to the destination. Priorities to support sustainable tourism and ethnic events/attractions have been added to the grant program over time.

In 2020 the program was reduced drastically due to pandemic travel restrictions. This year the program rebounded. Via an application process, 32 organizations applied, and 23 organizations were selected for 2021. Two of the 23 selected organizations chose to cancel, due to COVID impacts; however, 21 organizations, for a total amount of \$193,432, moved forward with their projects. All the partner organizations, whether they had to cancel or modify their projects, have continued to express their sincere appreciation during this challenging time.

Following is the list of the 2021 awarded organizations:

Organization Name	POS Awarded Amount	Summary of Proposed Project
Kittitas County Chamber of Commerce	\$6,000	County-wide social media marketing, targeting out-of-state markets, focusing on diversity and recreation.
Alliance for Pioneer Square	\$7,500	Creating a destination marketing piece (map & guide) for online and for visitors at SEA Airport
Forks Chamber of Commerce	\$10,000	Social media marketing for destination outdoor activities, Quileute Tribe and Makah Tribe attractions, and festival event
MOHAI	\$10,000	Digital marketing campaign including advertising to AR, CA, CO target markets and social media marketing efforts

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Seattle Architectural Foundation	\$10,000	Online advertising campaign, including website redesign, social media, and banner ads. Target markets: NY, San Francisco, Chicago.
San Juan Islands Visitors Bureau	\$10,000	Film production for media broadcast. Spanish speaking version included. Emphasis on environmental stewardship, activities, Native American heritage
City of Renton	\$10,000	Digital marketing and social media campaign. Graphics and website refresh will highlight minority-owned businesses, sample travel itineraries, and more. Target markets: TX, CA
Visit Walla Walla	\$10,000	Social media marketing campaign, including three media influencers from CA, TX, MO. Focus on BIPOC travelers.
Skamania County Chamber of Commerce	\$5,332	Create multi-day itineraries to include in the "Experience Skamania" visitor guide, focused on adventure/nature tourism and cruising from POS cruise terminals, for online, hotels, and mailed distribution
Tacoma Regional Convention & Visitor Bureau	\$10,000	Eco-adventure itinerary marketing campaign to out-of-state audiences, social media influencer marketing, and geo-location digital marketing.
Global to Local	\$10,000	Develop website, social media campaign focused on BIPOC "foodie" community, targeting out-of-state markets in CA and TX.
Ballard Alliance	\$10,000	Media familiarization and social media target marketing campaign. Focus on inclusion of diverse cultural experiences
City of Westport	\$10,000	Marketing advertising and social media campaign, target out-of-state fishers from CO, MT, WY
Visit Bainbridge Island	\$10,000	Marketing strategy includes print and digital advertising, social media, and website integration updates for target out-of-state promotional efforts
Savor Central Washington	\$8,600	Strategic social media, online and print advertising campaign, targeting several CA markets.

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Jefferson County Chamber of Commerce	\$8,000	Target markets: NY, AR, CA, IL, FL for online and social media marketing campaign, including video production, advertising, and new website landing page
Mt. Adams Chamber of Commerce	\$10,000	Website development and online media campaign, focused on promotion of "foodie" loop extension through WA wine country, support to native-owned businesses and highlighting sustainable outdoor recreation. Market targets: CO, NM, CA, TX
Cascade Loop Association	\$10,000	Develop a visual asset library for social media marketing and promotional efforts, targeting key air traffic markets
Coupeville Chamber of Commerce	\$10,000	Create online and print marketing, digital and social media campaigns, create website videos and itineraries for out-of-state travelers. Target markets: CO, AR, CA
City of North Bend	\$10,000	Online advertising and social media marketing campaign, highlighting adventure outdoor recreation, art, and culture.
Acoustic Sound Wintergrass	\$8,000	Strategic online, print, radio, TV, and social media marketing advertising for event promotion to target audiences from CA, TN, and other out-of-state cities. Focus on BIPOC outreach and inclusion

Spotlight SEA Airport Advertising Program

Since Q4 2017, the Spotlight SEA Airport Advertising Program offers eligible Washington State non-profit organizations, destination marketing organizations, cities, chambers of commerce, counties and our neighbor cities of Burien, Des Moines, Federal Way, Normandy Park, SeaTac, and Tukwila an opportunity to advertise, on a quarterly basis, at SEA International Airport to provide travelers with an awareness of destinations, attractions, activities, and events throughout our state.

In the second quarter of 2020, 27 of the total 36 awarded organizations had to cancel, due to COVID-19 impacts on small businesses and travel restrictions. A total of 18 awarded organizations were able to advertise in Q2-Q4 2020. Via an application process, a total of 32 organizations were selected for 2021. In comparison, a total of 48 organizations were selected for 2019, and with a total of 27 organizations already selected for Q1-Q2 2022, the increasing momentum for tourism recovery for next year is already palpable.

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INTERNATIONAL TOURISM DEVELOPMENT

International Tourism Development's efforts support both SEA and our cruise terminals as gateways to Seattle and Washington state. Key market targets are countries with direct air service into SEA and countries with high levels of cruising enthusiasts. We currently maintain three in-market offices in the United Kingdom/Ireland, Germany/Mainland Europe, and Australia/New Zealand with a focus on informing and educating the travel trade and media on the benefits of cruising from Seattle to Alaska, the wide range of pre/post cruise tourism opportunities in Seattle and Washington state, and the advantages of SEA as the preferred gateway for the Pacific Northwest, Western USA, and Western Canada.

WHY UNITED KINGDOM:

- Citizens of the United Kingdom are big on their holidays, viewing them as essential.
- UK is the USA's biggest overseas market representing 8% of all inbound travel - 4.87M in 2019.
- The UK is Seattle's largest long-haul market with direct air service via American Airlines, British Airways, Virgin Atlantic and Aer Lingus.
- 2M Brits cruised in 2019 and via our CLIA UK relationship, we target 8,000 cruise influencers.
- Testament to the Port's successful Cruise & Stay UK marketing, we received 2021 WAVES nomination as "highly recommended destination" by a jury of peers – media/trade influencers.

WHY AUSTRALIA:

- *Cruising* is the quintessential modern *Australian* holiday with 35+M *Australians cruising in 2019*.
- Australia leads the established cruise markets in penetration rates - one in 17 Australians cruise.
- Australian holidays (19-21 days) provide plenty of time to explore the Pacific Northwest
- USA has emerged a top-booked international destination with borders opening in November.
- Australian savings (which have traditionally averaged 9.48% over the past 60 years) reached an all-time high of 23.6% in 2021 - meaning Australians have the cash to travel big in 2022 and beyond.

WHY GERMANY:

- Germany is the largest and wealthiest source market in Continental Europe.
- # 3 in the world for tourism expenditures - USD \$93.2B. Total population of "only" 83M with 2M Germans traveling to the USA pre-pandemic.
- Direct air service into SEA via Lufthansa and Condor (Alaskan Airlines partner) plus easy connections via Delta and Icelandair.
- 2.4M German cruise passengers in 2019.

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- Rapidly growing source market for cruise vacations.
- Extremely strong partnership in Germany between Port and NCL for trainings and promotions.
- Germans as a rule have 30 days of paid vacation and enjoy 12 public holidays.

Internationally, we collaborate with airlines, cruise Lines, Brand USA, U. S. Travel Association, U.S. Commercial Service, Cruise Lines Industry Association (CLIA) and Visit USA Committees. Locally, we partner with Washington Tourism Alliance, Visit Seattle, Washington Wine Commission, statewide tourism offices, hotels, and attractions.

In 2019, the Port welcomed 1.2M cruise passengers - 10% were international visitors. Visit Seattle reports the city received 712,500 overseas visitors in 2019 (2,475,200 including Mexico and Canada) with \$525,500,000 introduced into our local economy.

With Covid-19 restricting international travel, Tourism has initiated inspirational and educational programs to provide our global travel industry audience with compelling content to keep Seattle and Washington state top-of-mind. Our representatives have provided the trade with tools (itineraries, webinars, training, newsletters, etc.) for tourism development when travel opens again. The opening rates for our newsletter and press release communications have received an average 26% opening rate (industry average is 12-13%) and have generated \$2,347,324 earned advertising equivalency.

The post-pandemic marketplace will be very competitive. Destinations that are not working with the proper B2B tour development channels will lose out.

TRAVEL MARKETING PROCESS

Destination/Hotel/Attraction »
Receptive Tour Operator (RTO) »
Tour Operator » Travel Agent » Consumer

To support SEA international flights and cruise business, Tourism focuses on designing new itineraries that reflect emerging travel trends and works with Receptive Tour Operators to provide their global networks with ready-to-book holidays.

In 2021, Tourism leveraged key RTO relationships to generate awareness and interest in Washington tourism. Through *ATI*, *ATP*, *Bonotel*, *InquisiTours*, *RMHT*, and *Travalco*, our itineraries are shared in 70 different countries to 7,000 travel trade businesses worldwide.

Tourism Development 2022 Priorities

For 2022, the Tourism program will continue to provide inspirational and educational communications to our media and travel trade partners. Flexibility is important. Our

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representatives will monitor the Covid situation to react to changes and close contact will be maintained with RTO partners to create bookable itineraries.

Marketing strategies and tactics will include sponsorship and participation in familiarization tours, international trade shows, sales missions, marketing campaigns with cruise lines and tour operators, and other industry events.

We will continue to investigate how to best utilize and leverage resources for international marketing via partner organizations – Washington Tourism Alliance, Visit Seattle and Destination Management Organizations throughout Washington and the Pacific Northwest.

Tourism Development will also work with the WTA and other partners to organize a conference on sustainable and responsible travel during the Fall of 2022.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 23, 2021 – Washington Tourism Alliance briefing to Port Commissioners

December 15, 2020 – Commissioners authorized the Executive Director to approve execution of all contract agreements for the 2021 Tourism Marketing Support Program

July 28, 2020 – The Commission authorized the Executive Director to execute a \$1.5 million joint marketing agreement with Washington Tourism Alliance (WTA) to promote tourism recovery