

LOOKING TOWARD THE FUTURE: TOURISM AS A CAREER



Dan Fenton, CEO Team San Jose

Team San Jose

- Manages the San Jose Convention Center and Cultural Facilities, including the San Jose Civic, Parkside Hall, Center for the Performing Arts, California Theatre and Montgomery Theater.**
- Acts as the San Jose Convention and Visitors Bureau.**
- A unique customer service model that works in partnership with local hoteliers, organized labor, local arts leadership and business community to provide a one team approach to all event planning needs.**

Value of Tourism

Travel is a critical engine of the American economy:

- **Direct spending by domestic and international travelers generated \$704 billion in the nation's economy last year.**
- **The industry represents one of America's largest employers, accounting for more than 10 million direct and indirect jobs.**

Value of Tourism

- **Though the travel workforce has declined as a result of the prolonged recession, industry expects to add 90,000 new American jobs in travel this year due to modest gains.**
- **U.S. Travel projects domestic travel will be up 2% over last year, and international arrivals are expected to increase nearly 3 percent over 2009.**

Value of San Jose Tourism

- **In Fiscal Year 2008-2009, Team San Jose welcomed 1.18 million visitors who came to engage in convention business and over 6 million visitors to San Jose overall.**
- **Visitors generated over \$117 million in spending and over \$229 million in gross hotel room revenues throughout the City.**

Overview

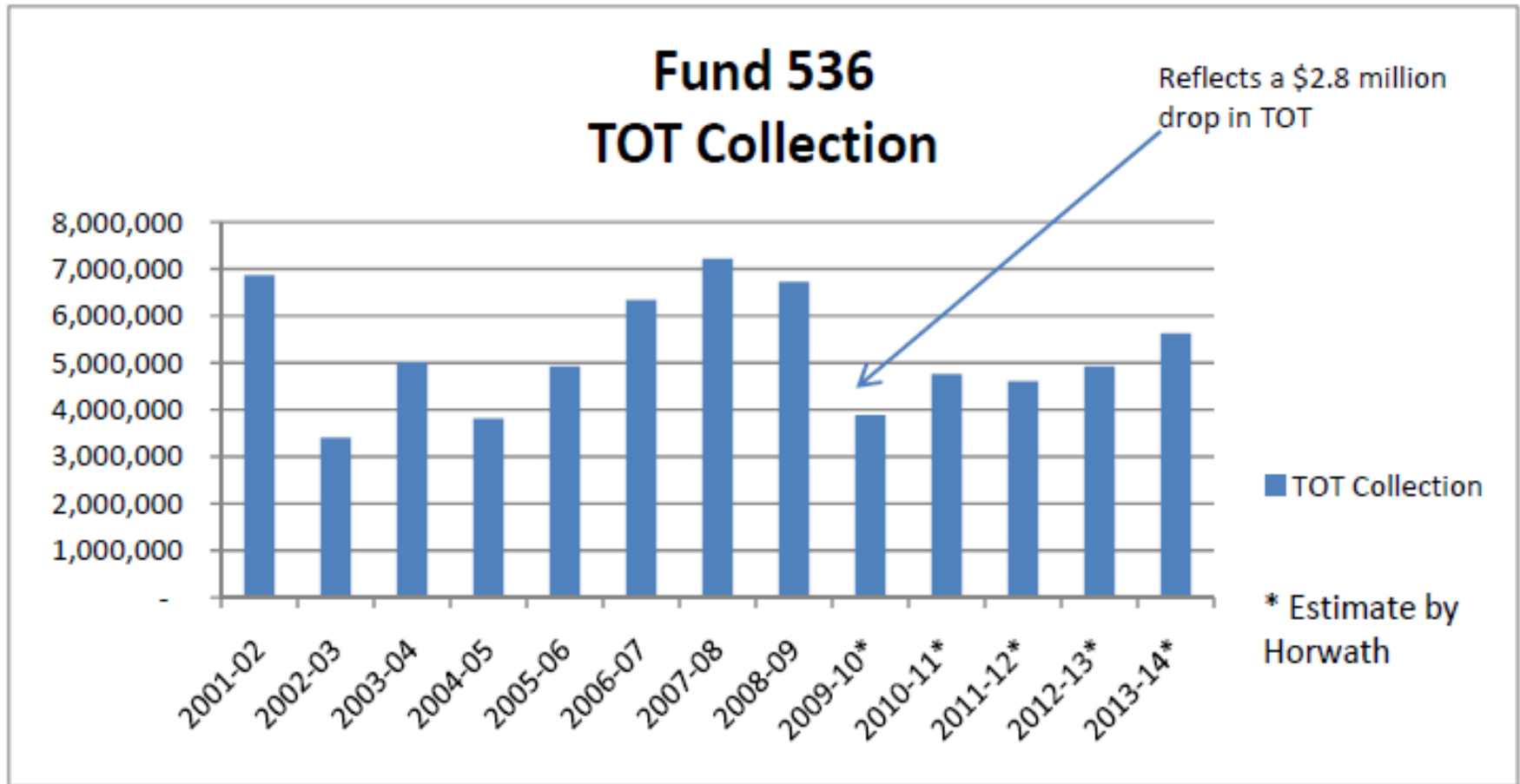
- ❑ **Current trends and industry landscape**
- ❑ **Responding to challenges and uncertainty**
- ❑ **Adapting and thinking creatively**
- ❑ **Looking forward in San Jose**

Current Industry Trends



- Fewer events, less attendees
- Transient vs. group bookings
- Higher competitiveness among destinations
- Meeting planners are more selective, looking for added value

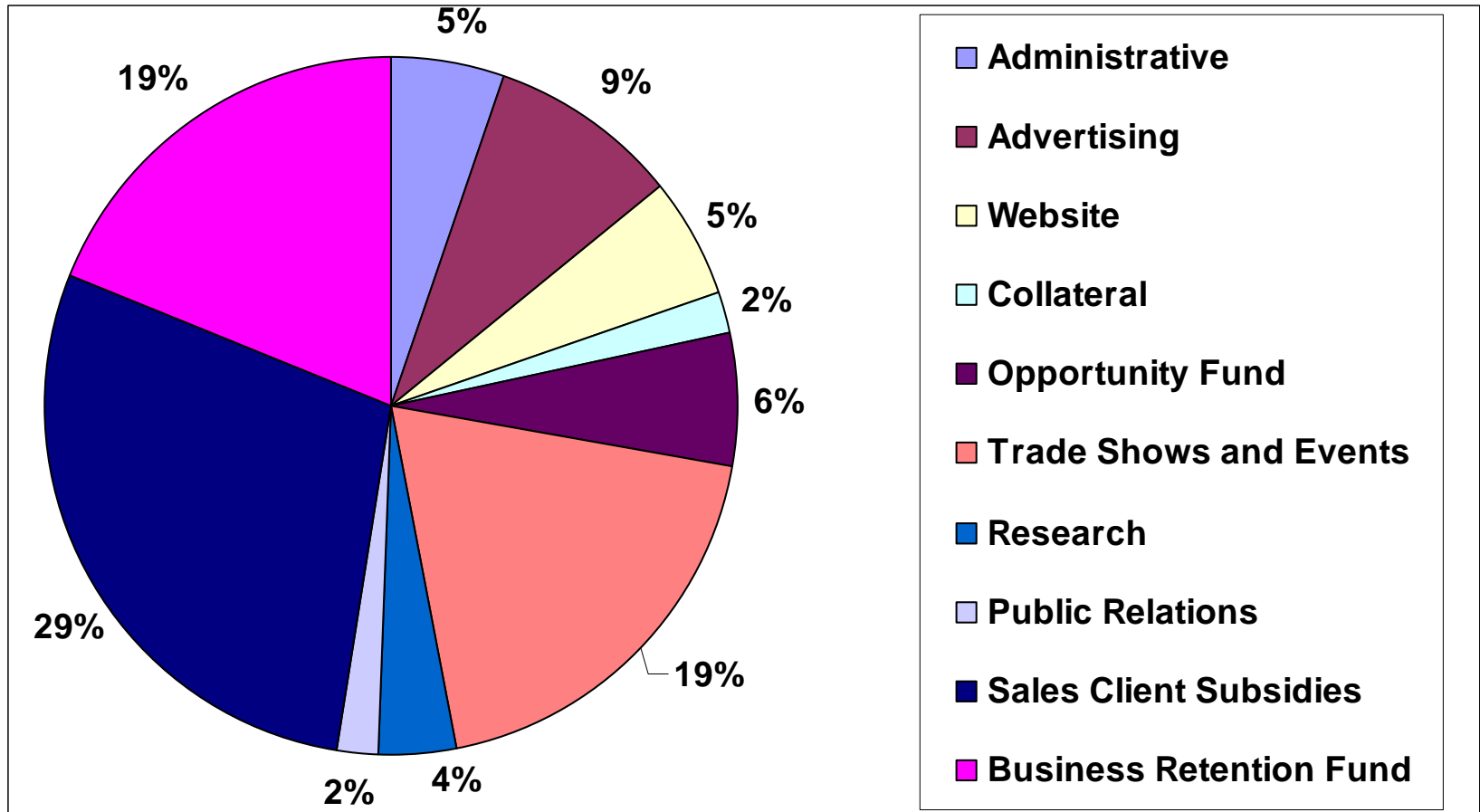
Hotel TOT Revenue Trends



Effect on the global Team San Jose

- Importance of flexibility; continuation to operate despite challenges, economic downturn
- Balance of priorities

Funding Priorities



It's a new landscape

- The industry landscape today is very different from even a few years ago.
- This presents new challenges and opportunities
 - ▣ Destinations will need to refine themselves
 - ▣ Think creatively and add value for customers

Hotel Industry Trends

	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Avg. Occupancy	48.87%	57.70%	59.91%	62.08%	53.76%
Avg. Daily Rate	\$114.06	\$120.30	\$133.45	\$142.12	\$129.50
Rev PAR	\$55.74	\$69.41	\$79.95	\$88.22	\$69.62

What continues to be important?

- ❑ **Relevancy:** continue to demonstrate our value
- ❑ Importance of adapting and thinking creatively
- ❑ Importance of training, education and strategic thinkers who can identify industry trends
- ❑ Well rounded leaders with necessary skill sets
- ❑ Solid work force is needed to keep the industry moving forward

What is different today?

- More added value to planners and attendees
- Higher competitiveness with all destinations
- A need to further partnerships with lodging and others
 - ▣ Occupancy vs. hotel rate
 - ▣ Value of economic impact of convention groups

Solutions in San Jose

- **Focus on industry research:** A recent study, released in the Fall 2007 by the International Association of Auditorium Managers (IAAM) and Destination Marketing Association International (DMAI), demonstrates the need for the industry as a whole to change how sales, marketing and Convention Center managers work together to deliver results.
 - Continue to focus on relationship building with meeting planners
 - Focus on a balanced business mix
 - Focus on re-branding, redefining the organization and destination through key differentiators: our local and our service model

Market Business Mix

- Market business mix diversity is key
 - ▣ Association focus
 - ▣ SMERF
 - ▣ Short term business, corporate business

- ▣ The decline in travel across multiple segments will necessitate Team San Jose to shift our business mix for FY 09-10.

- ▣ The organization will look to increase Association and State Association bookings over normal target levels.

Team San Jose Model

□ History

- ▣ Board and corporation merger March 2009

□ Innovation as a trend, key to destination development

□ Model designed around the customer and their needs

□ Saving clients time and money, focus on partnerships, beginning to end approach that includes all services

Marketing, PR, attendance building

Housing, registration, parking

Partnership with City of San Jose

Green services

Visitor information

Food and Beverage

San Jose: looking toward the future

- Potential Convention Center expansion
 - ▣ Hotel and community support
- Northern CA's ability to sell the region
 - ▣ Gateway to other destinations, attractions
- Strategic plan and positioning for economic return
 - Build foundation for the future
 - Industry lags behind 6 months

DMAI as a career opportunity

- ❑ Student memberships, networking and conference opportunities
- ❑ 2009-10 Destination Marketing Association International Chairman of the Board
- ❑ Benefits: networking, industry openings, education and accreditation program
- ❑ Building a foundation for the future
- ❑ Strategic areas include: Advocacy, Green Initiatives, Technology Initiatives, Social Responsibility

Career Options

□ Leaders in the industry can begin and grow in so many different fields:

□ Event Management

□ Sales

□ Marketing

Food and Beverage

Visitor Services

Communications

Conclusion

- Economic uncertainty, creates opportunities to redefine the industry
- Trends are looking positive for growth this coming year,
 - ▣ Slow recovery will necessitate more focus on leader development
- Leadership and professional development will be key to moving the industry forward