

DISCOVER

*Puerto Rico*

2019

2020

ANNUAL REPORT





# TABLE OF CONTENTS

- 4** LETTER FROM THE CEO
- 5** MISSION & VISION
- 6** VALUES
- 7** DISCOVER PUERTO RICO BY THE NUMBERS
- 9** GOVERNANCE
- 16** FINANCE & ADMINISTRATION
- 22** 2019-2020 ANNUAL RECAP
- 23** STRATEGIC OBJECTIVES
- 30** RESEARCH OVERVIEW
- 32** MARKETING OVERVIEW
- 40** SALES & DESTINATION SUPPORT SERVICES
- 49** LOCAL COMMUNICATIONS AND ENGAGEMENT OVERVIEW
- 52** LOOKING AHEAD
- 58** APPENDIX



# LETTER FROM THE CEO

## BRAD DEAN

Dear Friends,

Looking back over the past 12 months, I can confidently state it has been a year filled with immense challenge and abundant progress. Massive political protests, tropical storms, seismic activity and the COVID-19 pandemic have all affected our tourism Industry. Yet despite this, we enjoyed many accomplishments and reached several major milestones, including increased visitor demand, tourism revenues and meeting/convention sales.

As we review the progress made in the second year of your DMO, Discover Puerto Rico, I am very proud to report that together, we are accomplishing great things! Despite investing significantly less than many of our competitors, we have delivered a high return-on-investment and significant improvements to our destination brand health. This contributed to record growth in tourism economic impact, tax collections and employment seen throughout 2019.

As we entered 2020, the future of tourism looked bright, with advance bookings and airline capacity all pointing to substantial increases. Unfortunately, seismic activity, a global pandemic and an economic recession have temporarily disrupted our progress. Nevertheless, Puerto Rico remains a premier tourism destination and we remain committed to growing tourism to new heights.

The resiliency of our island has been tested again and again, and now we prepare to write yet another amazing comeback story. We stand in awe of our local heroes who have recently performed so admirably in helping those in need: from first responders and law enforcement who assisted many during seismic activity, to healthcare officials who are winning the battle against COVID-19, and educators who adapted quickly to teach our children despite schools being closed. We also admire our Industry partners who have endured great hardship and now prepare to rise above unprecedented challenges one more time.

Our talented team at Discover Puerto Rico is determined to work with our partners in the public and private sectors to lead the post COVID-19 tourism recovery, and to be a shining example of efficiency and inclusivity in the coming years. Daily, we strive to nurture a culture that is strategic, innovative and opportunistic. While we've enjoyed many successes in the past year, we look to the future with enthusiastic optimism. We are on a mission to transform the island's visitor economy, accelerate our economic recovery, and position Puerto Rico as a global destination, where all travelers are welcomed, appreciated and invited to enjoy world-class experiences.

Tourism has never been more important to the economic health of our island. Together, we will again rise above adversity by putting the transformative power of travel at work for the people of Puerto Rico.

¡Adelante!



Brad Dean  
Chief Executive Officer  
Discover Puerto Rico



# MISSION

**BRING PROSPERITY TO PUERTO RICO BY COLLABORATIVELY POSITIONING OUR DIVERSE AND UNIQUE ISLAND AS A PREMIER DESTINATION FOR LEISURE, BUSINESS AND EVENTS.**

# VISION

**BECOME A TRANSFORMATIONAL, RESULTS-ORIENTED AND INNOVATIVE DESTINATION MARKETING ORGANIZATION, POWERING SUSTAINABLE ECONOMIC GROWTH.**

## VALUES

### INCLUSIVITY

We are firmly committed to inclusivity in our work and our marketing. **We respect all people from all walks of life** and believe that diversity is essential for the success of our organization, our industry, our island and our society.

### AGILE

We are **quick to respond** to the needs of our stakeholders and customers, and to changes in our industry and island.

### COLLABORATIVE

We work closely with public & private sector partners at the local, regional and national levels to identify common objectives and **achieve progress, together.**

### INNOVATIVE

We **seek continuous improvement** in all we do, both individually and collectively.

### RESULTS-ORIENTED

We seek to **positively impact** our island, local businesses and the quality of life of our island's residents.

### TRANSPARENT

We seek to provide our community and stakeholders with **easy access to relevant information** to evaluate our resource allocation, strategies research, results, procedures and decision-making. Our industry portal, [DiscoverPuertoRico.com/industry](https://www.discoverpuertorico.com/industry), includes 1,700+ documents, including contracts, RFPs, meeting minutes, financial statements, budgets, research, analysis and presentations.

### LEARNING & LEADING

We are **committed to ongoing education** and training to enable us to achieve our strategic objectives and lead our industry.

### HONESTY, INTEGRITY & PROFESSIONALISM

We are professionals serving professionals, and we seek to **earn others' respect.**

### WINNING

We are success-oriented and **never stop striving** to help Puerto Rico succeed.



# DISCOVER PUERTO RICO

## BY THE NUMBERS

### WE'RE ALL ABOUT RESULTS

Building upon the organization's impressive first year of results, we again delivered strong performance in all areas, despite several unprecedented challenges.

3,284,007

Web sessions hosted

4,800

Businesses/organizations promoted via DiscoverPuertoRico.com

78

Municipalities represented with customized content on DiscoverPuertoRico.com

104,819,326

Social media impressions (Facebook, Instagram and Twitter)

252,552

Room nights/future MICE sales leads

14,000

Curated images

125+

Hours of footage

\$189,796,545

Leisure travel revenues directly attributable to advertising

150+

Short and medium length promotional videos and documentaries

43

Meeting Planners hosted for FAMs

\$91.8M

Meetings and convention sales contracted

\$55.5M

Lodging tax revenue generated\*

124

Planners hosted for site visits

254

In-person/virtual trade shows, presentations/webinar/networking events and sales missions

\$144M

Positive publicity earned media value

17,769

Travel Advisors enrolled in Certification Program

200+

Local engagement meetings, roundtables and events

\*Reflects collections per PRTC Room Tax certification for FY 2019-2020.



# GOVERNANCE

## BOARD OF DIRECTORS

As required by Act 17, the operations and finances of Discover Puerto Rico are overseen by a Board of Directors. This board serves in a fiduciary capacity and meets regularly throughout the year to review the organization's plans, progress and financial status. The Board of Directors is made up of a diverse array of leadership, representing the private sector, public sector and non-profit organizations.

### JON BORSCHOW

**Chairman**  
Foundation for Puerto Rico

### MIGUEL VEGA

HI Development PR

### JOSÉ (PECO) SUÁREZ

**Vice Chairman**  
IHE Hotels

### TOMÁS RAMÍREZ

Combate Beach Resort

### ALBERTO ESCUDERO

**Treasurer**  
Retail Professional

### NOELIA GARCÍA

Puerto Rico Convention District Authority

### JOANNE FERGUSON-TWISTE

**Secretary**  
Travel Services, Inc.

### OSCAR SANTAMARÍA

Law Affairs, Law Firm

### JORGE HERNÁNDEZ

Aerostar

### CARLA CAMPOS

Puerto Rico Tourism Company

### SECRETARY MANUEL LABOY

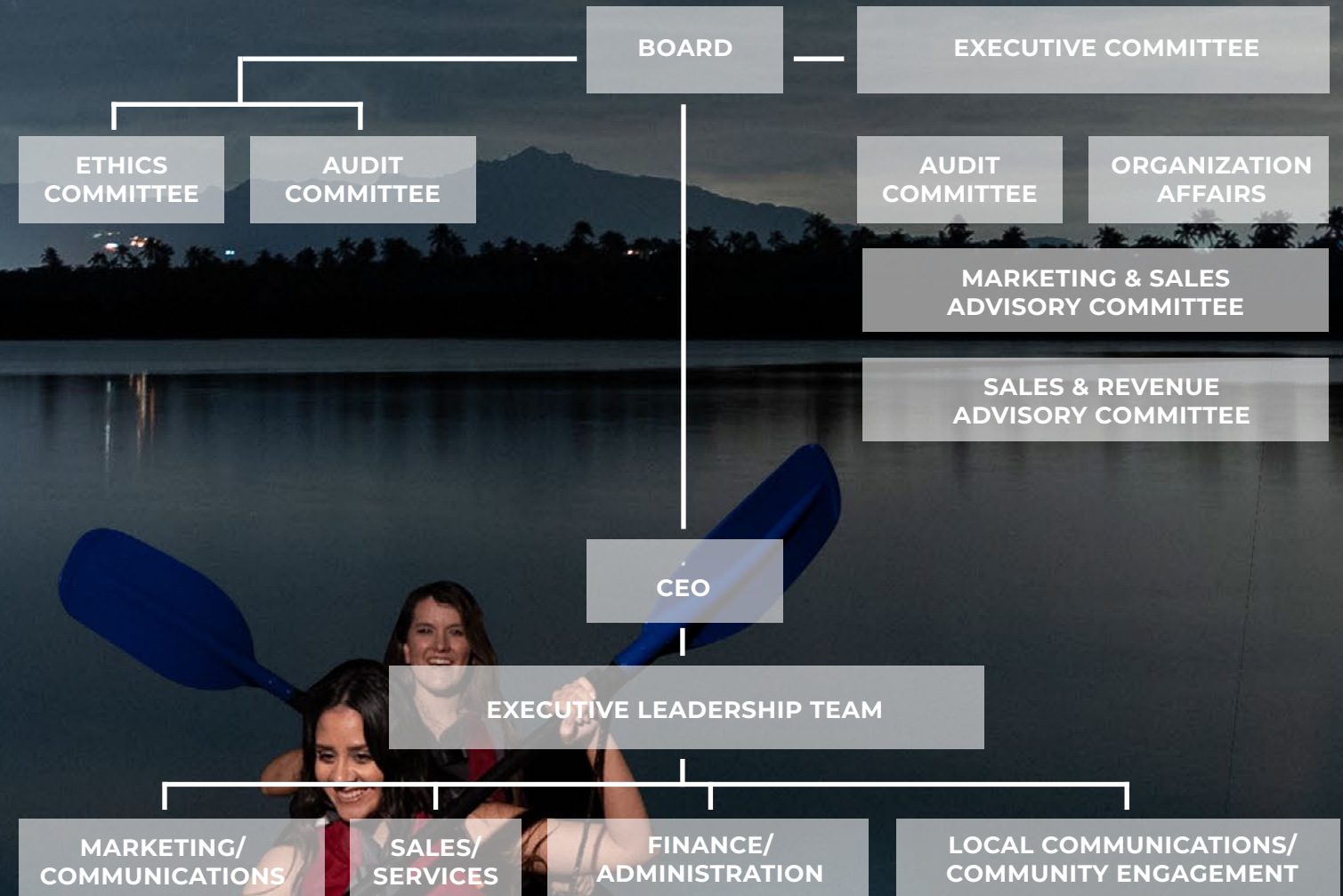
Department of Economic Development & Commerce

### FEDERICO STUBBE JR.

PRISA Group

# ORGANIZATIONAL STRUCTURE

The organization's governance is overseen by the Board of Directors, utilizing various committees and task forces staffed by professionals with specific expertise. The organization's staff are led by the Chief Executive Officer, who reports to the Board of Directors, and an Executive Leadership Team.





# STRATEGIC ADVISORY BOARD

Formed in accordance with Act 17, this group is made up of industry experts and thought leaders who review Discover Puerto Rico's progress, and offer insights and suggestions related to strategy and innovation.

## ADAM SACKS

**President, Tourism Economics**  
An Oxford Economics Company

## ALBERT HERRERA

**Senior VP Global Product**  
Virtuoso

## AMANDA HILLS

**President**  
Hills-Balfour

## CARLOS MUÑOZ

**Campaign Mgr Public Policy & Communications**  
Airbnb

## CHRISTOPHER THOMPSON

**President & CEO**  
Brand USA

## DARREN TEMPLE

**Chief Operating Officer**  
Meeting Professionals International (MPI)

## DAVID BURGESS

**President & CEO**  
Miles Partnership

## DAVID DUBOIS

**President & CEO**  
International Association of Exhibitions and Events (IAEE)

## DAVID PECKINPAUGH

**President**  
Maritz Global Events

## DENISE GODREAU

**Chief Brand and Innovation Officer**  
Orange Lake Resorts - Holiday Inn Club Vacations

## DIANA PLAZAS

**Vice President, Owner & Franchise Relations +  
Brand, Marketing & Digital**  
Marriott International

## DON WELSH

**President & CEO**  
Destinations International

## FERNANDO LUIS

**Senior Commercial Director/Caribbean  
& Latin America**  
Hilton

## JORGE JORGE

**President**  
Toro Verde Adventure Park

## MANUEL PIETRANTONI

**Attorney**  
Pietrantonio Mendez & Alvarez LLC

## MARIELA SÁNCHEZ

**General Manager, Specialty Sales Development**  
Delta Airlines

## MICHAEL PAYNE

**President**  
Smith Bucklin

## MICHELE PAIGE

**President**  
Florida Caribbean Cruise Association

## MIKE DOYLE

**President & CEO**  
Ketchum

## RACHID MOLINARY

**Senior Strategist Digital Marketing**  
Banco Popular of Puerto Rico

## RAFAT ALI

**CEO and Co-Founder**  
Skift

## RICHARD HARPER

**Executive Vice President**  
HelmsBriscoe

## RICHARD REASONS

**President**  
Simpleview

## ROGER DOW

**President & CEO**  
US Travel Association

## SHERRIF KARAMAT

**President & CEO**  
Professional Convention Management Association (PCMA)

## STEPHEN MCGILLIVRAY

**CMO & Communications Officer**  
Travel Leaders Group

## STEVEN PAGANELLI

**Head of Destination Marketing, Americas**  
Tripadvisor

## SUSAN ROBERTSON

**President & CEO**  
American Society of Association Executives (ASAE)

## ZANE KERBY

**President & CEO**  
American Society of Travel Advisors (ASTA)



# CUSTOMER ADVISORY BOARD

Discover Puerto Rico also collaborates with existing customers that convene on a regular basis to provide dynamic perspectives and innovative advice on industry trends, business priorities, and strategic direction.

## ALISHA WHITE

Chief Marketing Officer  
AMC Institute

## ANDRE CHOLEWINSKI

Senior Director of Meetings and  
Business Partnerships  
American Association of Colleges of Pharmacy

## BRAD HECHT

Vice President, Travel  
Motivation Excellence

## BRIAN HUNT

Vice President of Sales  
Unbridled

## CHADWICK HOUWMAN

Executive Vice President/Partner  
Prestige

## CINDY HAGE

Sourcing and Proposal Design Manager  
BCD Meetings & Events

## DAHLTON BENNINGTON

Director of Meetings & Incentives  
Profound Planning

## DAVE CALDWELL

Senior Vice President  
Maritz

## DYHALMA TORRES

Associate Regional VP  
HelmsBriscoe

## FIONA NEIMAN

Senior Convention & Meeting Planner  
The Episcopal Church

## GLENN DARLINGTON

Senior Vice President  
Creative Group

## JOANIE PHILLIPS

Director, Travel & Events Planning  
One10

## JOHN RUBSAMEN

Director of Meetings and Events  
Americans for the Arts

## JOSH BROWN

President  
Josh Brown Company

## JULIE KRUEGER

Sourcing & Contracting Manager, CMP  
Land O'Lakes

## KARI VRBA

Chief Commercial Officer  
Motivaction

## LUZA BOHOQUEZ

Senior Manager Global Events Marketing  
Blackboard

## MARK BONDY

Owner  
Viktor Meetings & Incentives

## MICHAEL REGO

Vice President, Sales  
Elevate

## PATTY KARSTEN

Vice President, Industry Relations  
BI Worldwide

## SANDRA DANIEL

Engagement, Incentive Strategist/Founder  
FIRE Light Group

## WAYNE ROBINSON

Assistant Vice President  
FM Global

Wyndham Grand Rio Mar Puerto Rico Golf  
& Beach Resort  
Río Grande, Puerto Rico



An aerial photograph of two whales breaching the surface of the ocean. The water is a deep, vibrant blue-green color, and the whales are dark, sleek shapes cutting through the water, leaving white splashes and ripples behind them. The scene is captured from a high angle, looking down at the animals as they move across the water's surface.

# FINANCE

# ADMINISTRATION



## 2019-2020 STATEMENT OF FINANCIAL POSITION

ASSETS	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$7,749,397
Accounts receivable	5,413,451
Prepaid expenses	621,447
<b>Total Current Assets</b>	<b>13,784,295</b>
<b>INVESTMENTS</b>	<b>229,395</b>
<b>PROPERTY AND EQUIPMENT, net</b>	<b>323,841</b>
<b>TOTAL ASSETS</b>	<b>\$14,337,531</b>
LIABILITIES	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$1,625,816
Accrued expenses	321,774
Deferred revenue	13,875
Obligations under SBA <sup>(1)</sup>	824,400
Obligations under capital lease	4,225
Commitments to definite groups	1,027,560
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,817,650</b>
<b>NON-CURRENT LIABILITIES</b>	
Commitments to definite groups	1,791,211
<b>TOTAL LIABILITIES</b>	<b>\$5,608,861</b>
NET ASSETS	
Board designated - contingency fund	\$1,000,000
Donor restricted net assets	283,077
Undesignated net assets	7,445,592
<b>TOTAL NET ASSETS</b>	<b>\$8,728,669</b>

### NOTES

<sup>(1)</sup> Reflects funds received from the Paycheck Protection Program which is an SBA loan that helps businesses keep their workforce employed during the COVID-19 crisis. We anticipate the loan will be forgiven since we are in compliance with SBA requirements.

## 2019-2020 STATEMENT OF ACTIVITIES

REVENUES	
Room tax revenues	\$25,000,000
Other revenues	423,659
<b>TOTAL REVENUES</b>	<b>\$25,423,659</b>
MARKETING & RELATED EXPENSES	
Sales - MICE <sup>(1)</sup> & leisure	\$3,592,678
Advertising/promotion	7,388,352
Publicity	3,988,079
Creative development	170,641
Research	596,220
Community/industry engagement	176,527
	<b>\$15,912,497</b>
PAYROLL & RELATED BENEFITS	
	<b>\$4,890,571</b>
ADMINISTRATION/OPERATING EXPENSES	
	<b>\$1,204,325</b>
<b>TOTAL EXPENSES<sup>(2)</sup></b>	<b>\$22,007,393</b>
<b>INCREASE IN NET ASSETS</b>	<b>\$3,416,266</b>

### NOTES

<sup>(1)</sup> MICE - type of tourism specialized in meetings, incentives, conferences and exhibitions.  
<sup>(2)</sup> Reduced spending due to COVID-19 crisis. Funds will be strategically disbursed once tourism resumes.

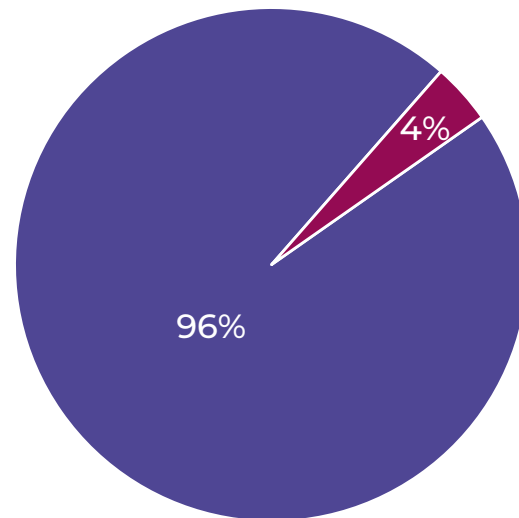


# FUND DISTRIBUTION

## PAST PROFILE OF RESOURCE ALLOCATION | FY 2018-2019 FINANCIALS\*

Discover Puerto Rico seeks to be an efficient organization, prioritizing results through effective sales and marketing, while limiting the resources used for operations, overhead and administrative costs. Note that this allocation, validated through the annual audit process, categorizes all expenditures, including employee compensation and contract services, in either Administrative or Programming. Programming includes sales, marketing, communications and creative development.

ALLOCATION OF EXPENSES BY FUNCTION | FY 18-19

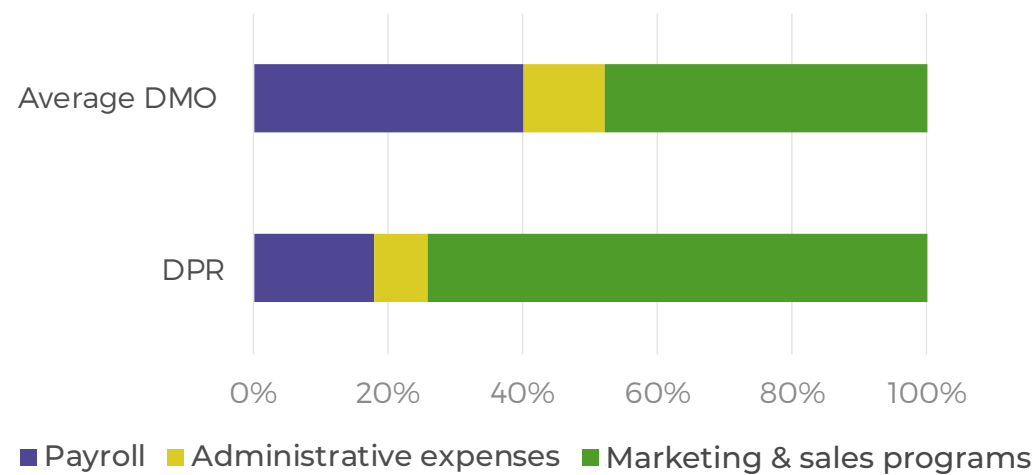


■ Marketing, Sales, Promotion ■ General & Administrative

Source: Annual Audit

## DISCOVER PUERTO RICO VS OTHER DMOS

Recognizing our budget limitations, Discover Puerto Rico has established itself as a lean, efficient organization. To maximize our impact, we allocate a smaller portion of our budget to Salaries and Administrative expenditures, enabling us to invest a larger portion of our budget in marketing, sales and publicity, in contrast with other DMOs.



\*Based on the Destinations International platform for Destination Organization Performance Reporting (2019 data).  
Fiscal Year 2020-2021 Budget - Appendix III

# TECHNOLOGY & TALENT MANAGEMENT

## TECHNOLOGY

Discover Puerto Rico seeks to be a **leader in the utilization of technology** to spur innovation, enhance results and ensure efficient use of resources. We utilize a CRM database with extensive reporting and analysis capabilities, produced by Simpleview, an industry leader in CRM applications. Recognized as the **top destination marketing website for all states and regions by the U.S. Travel Association (ESO 2019)**, DiscoverPuertoRico.com is mobile-enabled, and is programmed using Drupal.

**Thorough security measures** are employed, such as AD user accounts with passwords, NTFS, O365 MFA, DNS Filtering, Centralized AV protection, RealTime Monitoring for SPAM and Cyber Security Training for end users.

The marketing programs are complemented by **industry best-in-class providers like ADARA and Arrivalist**, which provide real-time measures of consumer activity and ad effectiveness. When responding to measures put in place to counter the impact of COVID-19 on tourism marketing, Discover Puerto Rico employed various tools, including **virtual vacations, virtual sales, virtual destination tours via Google Earth, industry and client webinars and web-based training sessions.**

## TALENT MANAGEMENT

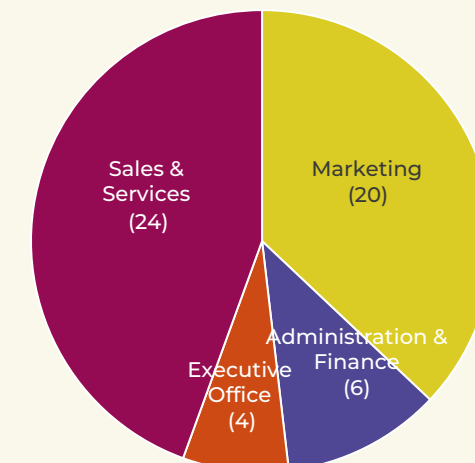
Discover Puerto Rico employs a talented group of professionals to lead its sales, marketing, communications and support functions.

- **78% of employees are Puerto Rican**
- **81% are women**
- **76% of our management team are women**

Our staff has been recognized with various awards and designations, including **Certified Destination Management Executive, Certified Meeting Planner, Destinations International 30 Under 30, HSMIA Top 25 Marketing & Sales Minds, U.S. Travel Association Destination Council Emerging Leaders, and Destinations International Destination Leadership Award.**

We employ high-impact, low-cost training and development to ensure our staff is prepared to achieve excellent results, including **Covey Leadership Training and LinkedIn Learning.**

STAFF | 54 EMPLOYEES





A painting of a woman with dark hair, wearing a ruffled, off-the-shoulder dress in shades of pink and grey. She is reclining on a dark, ornate chair with intricate carvings. Her eyes are closed, and she has a serene expression. She holds a thin red string in her hands, which loops across the frame. The background is a plain, light-colored wall.

2019  
2020

ANNUAL  
RECAP



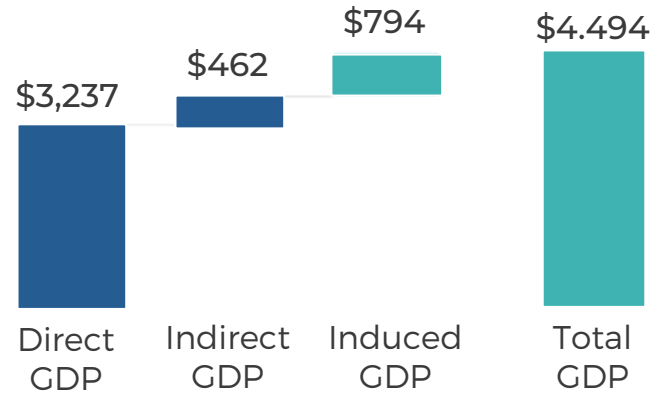
# STRATEGIC OBJECTIVES

## 1. ECONOMIC GROWTH

Discover Puerto Rico positively impacts the economy of Puerto Rico by increasing the number of visitors, as well as their length of stay, average daily spend and visitation throughout the destination. We measure our success by monitoring key industry metrics, such as:

### • TOURISM CONTRIBUTION TO ISLAND GDP

SUMMARY GDP IMPACTS (\$ MILLIONS)



Source: Tourism Economics 2019 Economic Impact Study

### • GDP (VALUE ADDED) IMPACTS BY INDUSTRY

	"Direct GDP (value added)"	"Indirect GDP (value added)"	"Induced GDP (value added)"	"Total GDP (value added)"
<b>Total, all industries (\$ millions)</b>	<b>\$3,237</b>	<b>\$462</b>	<b>\$794</b>	<b>\$4,494</b>
<b>BY INDUSTRY (\$ MILLIONS)</b>				
Agriculture, fishing, mining	\$0.0	\$5.8	\$4.9	\$10.7
Construction and utilities	\$0.0	\$8.1	\$4.0	\$12.1
Manufacturing	\$0.0	\$41.4	\$48.0	\$89.4
Wholesale trade	\$0.0	\$39.8	\$35.2	\$74.9
Air transport	\$711.7	\$1.4	\$2.3	\$715.4
Other transport	\$226.4	\$36.3	\$5.9	\$268.7
Retail trade	\$159.7	\$7.1	\$123.4	\$290.2
Gasoline stations	\$33.5	\$1.4	\$6.4	\$41.3
Communications	\$0.0	\$34.4	\$38.0	\$72.4
Finance, insurance and real estate	\$0.0	\$96.4	\$251.9	\$348.3
Business services	\$0.0	\$150.1	\$50.3	\$200.4
Education and health care	\$0.0	\$0.5	\$142.3	\$142.8
Recreation and entertainment	\$198.3	\$1.9	\$5.7	\$205.9
Lodging	\$925.0	\$7.5	\$12.2	\$944.7
Food & beverage	\$982.2	\$13.1	\$51.8	\$1,047.2
Personal services	\$0.0	\$0.0	\$9.6	\$9.6
Government	\$0.0	\$17.0	\$2.6	\$19.6

Source: Tourism Economics 2019 Economic Impact Study

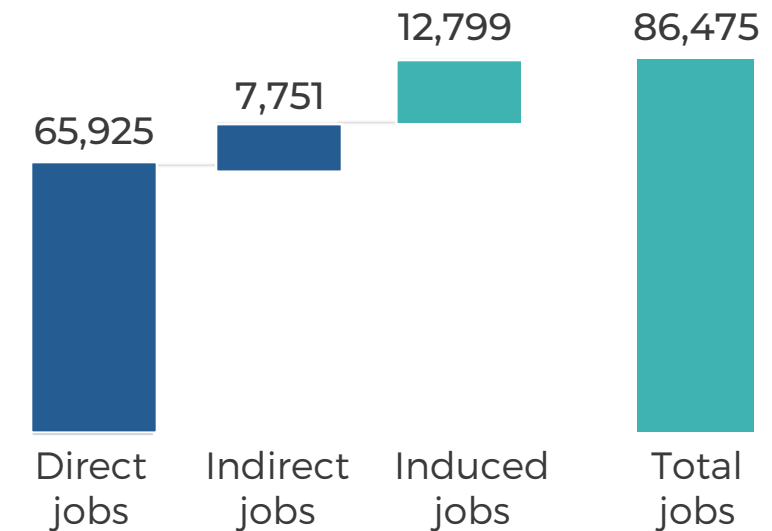
### • TOURISM CONTRIBUTION TO ISLAND TAX BASE

	"Direct taxes"	"Indirect & induced taxes"	"Total taxes"
<b>State &amp; local taxes</b>	<b>\$643.7</b>	<b>\$118.3</b>	<b>\$761.9</b>
Sales	\$277.7	\$58.2	\$335.9
Accommodations tax	\$76.2	\$0.0	\$76.2
Personal income	\$304.4	\$43.4	\$347.8
Corporate	\$3.8	\$3.9	\$7.7
Social Security	\$3.3	\$0.8	\$4.1
Property	\$6.0	\$2.3	\$8.3
Other taxes and fees	\$48.5	\$9.6	\$58.0

Source: Tourism Economics 2019 Economic Impact Study

### • TOURISM EMPLOYMENT

SUMMARY EMPLOYMENT IMPACTS (NUMBER OF JOBS)



Source: Tourism Economics 2019 Economic Impact Study

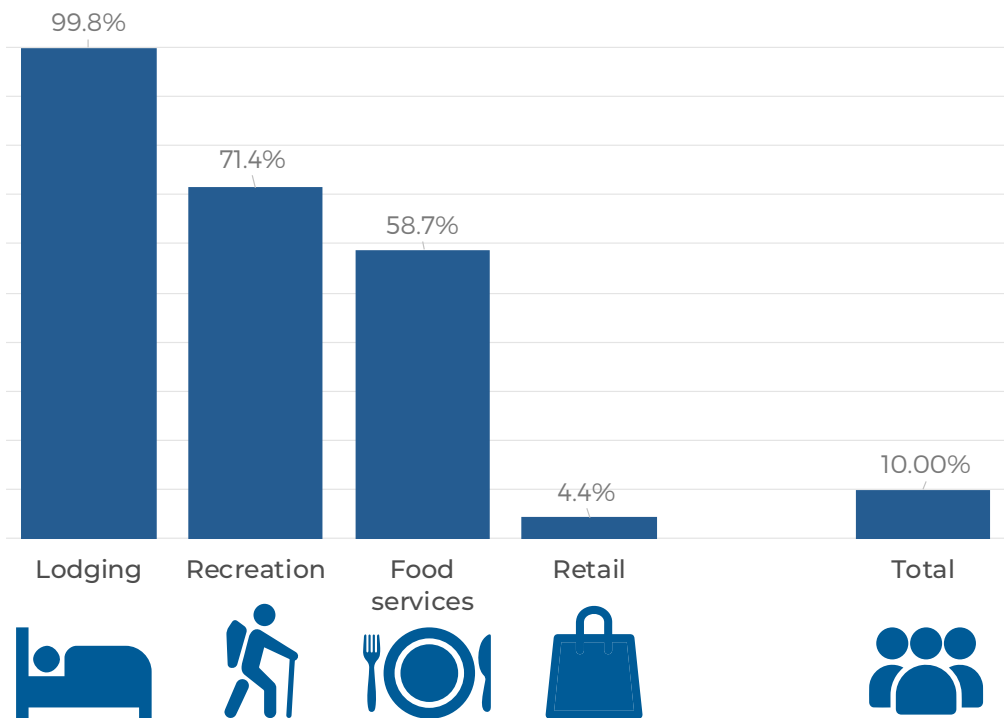


• **EMPLOYMENT RANKING IN PUERTO RICO, BY INDUSTRY**

RANK	BLS INDUSTRY	INDUSTRY	2018 BLS EMPLOYMENT
1	44-45	Retail trade	122,584
2	62	Health care and social assistance	80,457
3	56	Administrative and waste services	77,589
4	31	Manufacturing	71,959
<b>5</b>		<b>Tourism</b>	<b>65,925</b>
6	54	Professional and technical services	31,491
7	42	Wholesale trade	29,185
8	61	Educational services	28,647
9	52	Finance and insurance	28,486
10	72	Accommodation and food services	26,419
11	23	Construction	26,265
12	51	Information	16,642
13	48-49	Transportation and warehousing	16,161
14	55	Management of companies and enterprises	15,193
15	81	Other services, except public administration	14,222
16	53	Real estate and rental and leasing	13,372
17	11	Agriculture, forestry, fishing and hunting	9,697
18	71	Arts, entertainment, and recreation	3,650



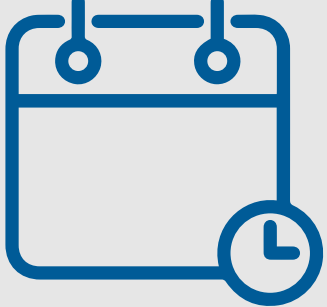



Source: Tourism Economics 2019 Economic Impact Study  
\*Net of direct tourism-generated employment

• **TOTAL EMPLOYMENT INTENSITY BY INDUSTRY**



Source: Tourism Economics 2019 Economic Impact Study  
Note: Total employment share includes direct, indirect, and induced impacts. All other industry shares are direct employment only.

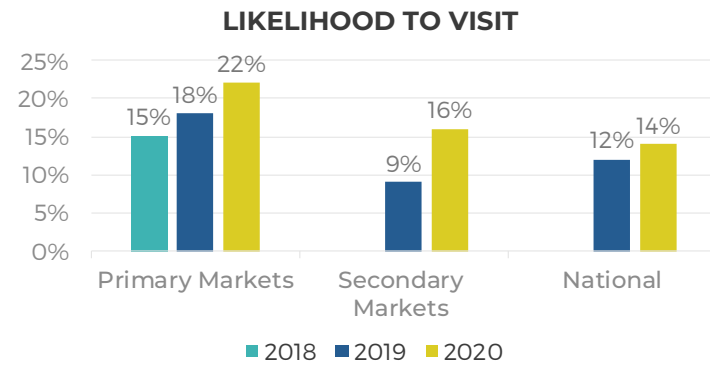
We also measure our impact by monitoring key organizational metrics, such as:

 <p><b>ECONOMIC IMPACT OF ADVERTISING</b></p> <p><b>\$189,796,545</b></p> <p>Source: ADARA &amp; methodology developed by Tourism Economics.</p>	 <p><b>RETURN ON INVESTMENT</b></p> <p><b>\$52:1</b></p> <p>Source: ADARA &amp; methodology developed by Tourism Economics.</p>	 <p><b>ADVERTISING IMPACT ON LENGTH OF STAY</b></p> <p><b>+22.3%</b></p> <p>Visitors exposed to Discover Puerto Rico's paid media stayed 22.3% longer than those unexposed. The average length of stay for unexposed visitors was 3 days, 22 hours compared to 4 days, 19 hours for exposed visitors.</p> <p>Source: Arrivalist.</p>
 <p><b>MEETING &amp; CONVENTION SALES</b></p> <p><b>\$91,800,700</b></p> <p>Source: Contracted sales during FY 2019 - 2020 &amp; Destinations International Impact Calculator.</p>	 <p><b>FUTURE MICE SALES PIPELINE</b></p> <p><b>\$217,200,000</b></p> <p>Source: Simpleview qualified leads &amp; Destinations International Impact Calculator.</p>	 <p><b>POSITIVE PUBLICITY CREATED</b></p> <p><b>\$144,392,670</b></p> <p>Source: Meltwater Tracking System &amp; standard industry earned media value calculation.</p>

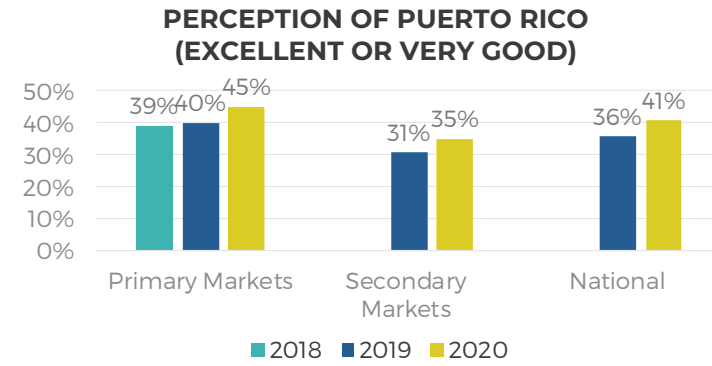


## 2. BRAND HEALTH

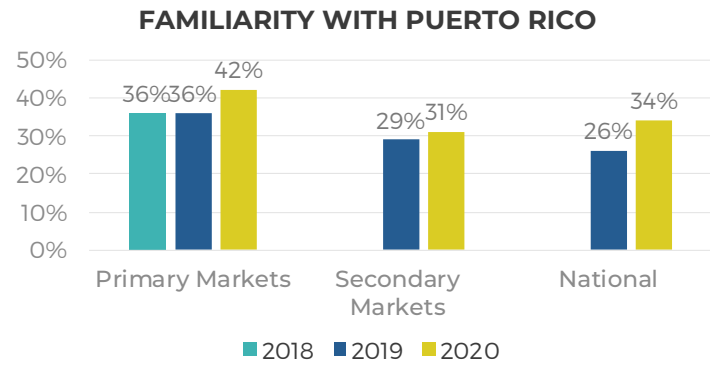
Discover Puerto Rico enhances and protects the brand health of Puerto Rico through highly effective marketing targeting key consumer segments, as well as generating positive earned media coverage. This is measured using several industry-standard metrics, such as:



Source: Strategic Marketing & Research Insights, LLC 2020 Brand Health Research



Source: Strategic Marketing & Research Insights, LLC 2020 Brand Health Research

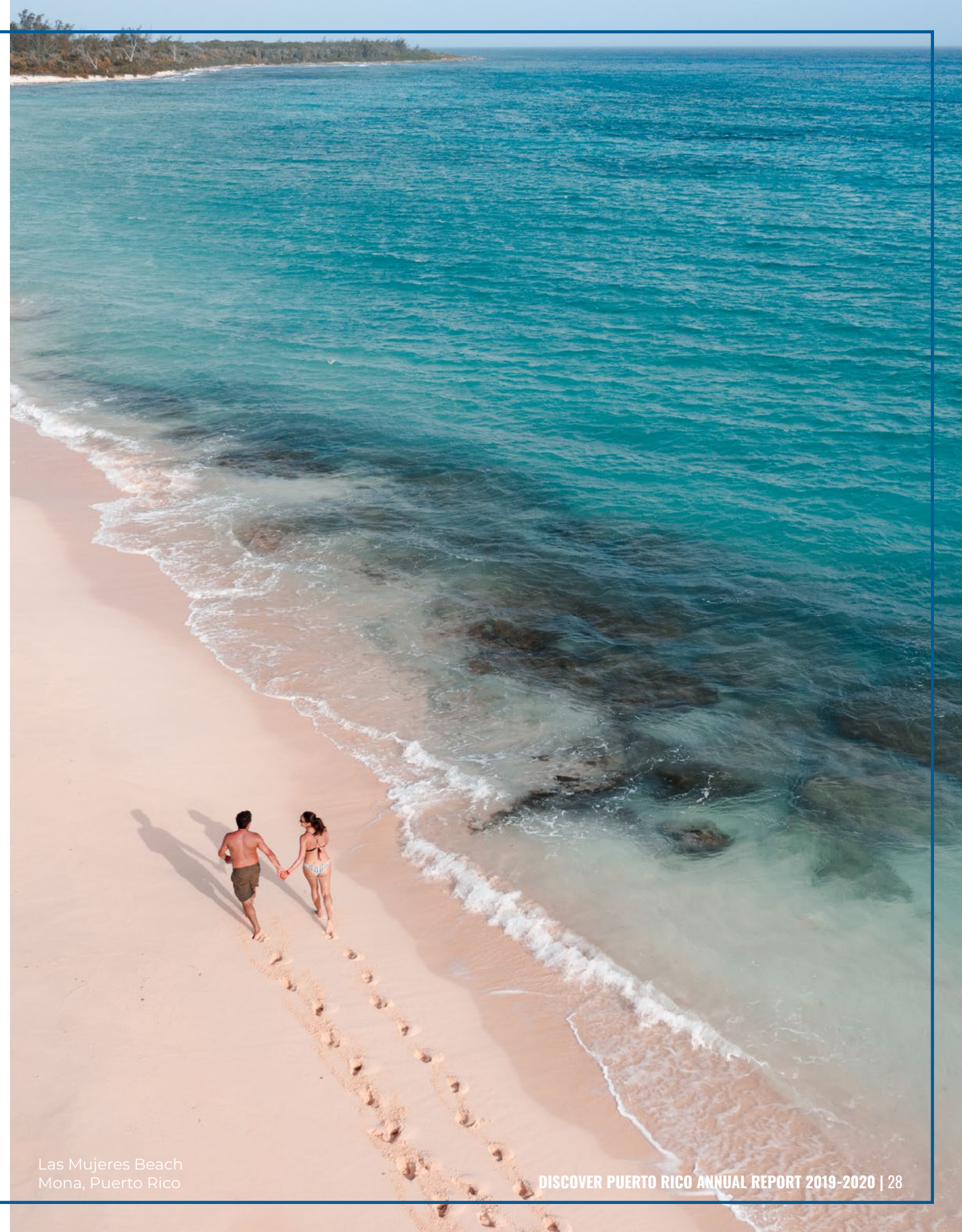


Source: Strategic Marketing & Research Insights, LLC 2020 Brand Health Research

## 3. ORGANIZATIONAL EXCELLENCE

Discover Puerto Rico operates at a high level of efficiency and effectiveness. This is measured by comparing resource allocation (to similar organizations), industry best practices and industry accreditation.

- **96% of total budget dedicated to marketing, sales & communications**
- **Administration & overhead costs below industry averages**
- **Candidate for full accreditation by Destinations International 2020**
- **Represented on several key boards and committees, including U.S. Travel Association, Destinations International, U.S. Travel and Tourism Advisory Board, Meeting Planners International, Society of Human Resources Managers, Brand USA.**





# RESEARCH

Discover Puerto Rico has made a commitment to the acquisition and dissemination of the most reliable data available to the tourism industry. To that end, Discover Puerto Rico works with the world's leading providers of data to destination marketing organizations. Given the importance of the lodging industry in the overall economic impact of tourism, significant importance is placed on hotel and independent rental data. Discover Puerto Rico not only monitors occupancy and demand but also available supply, revenue and competitive position. Discover Puerto Rico relies on the industry leaders Smith Travel Research (STR) and AirDNA for these metrics.



For forecasting and media targeting purposes, Discover Puerto Rico monitors weekly hotel and rental bookings through TravelClick and AirDNA as well as flight availability from Airline Data, Inc. Airline Data, Inc, not only provides future seat capacity but also arrivals, fares and load factors.



To track marketing performance, Discover Puerto Rico relies on the most advanced technology available in the industry. Data partners Adara and Arrivalist are able to tie hotel and flight bookings as well as arrivals to paid media efforts through digital tracking of consumer behavior and movement.



Discover Puerto Rico works with a number of research firms specializing in destination marketing. During COVID-19, Destination Analysts became a trusted partner with weekly updates on consumer sentiment surrounding travel as well as issues specific to Puerto Rico. Strategic Marketing & Research Insights, LLC provides Discover Puerto Rico with an annual evaluation of brand health, evaluating changes in interest in and perceptions of Puerto Rico. Longwoods International, the industry leader in evaluating how destination marketing impacts other sectors beyond tourism, provides Discover Puerto Rico with an understanding of how paid media influences perceptions on the island as a place to live, work and travel.



Discover Puerto Rico relies on the world's leading travel and tourism economists to provide an understanding of the island's total visitors, tourism spending, tax revenues and employment. These important measures drive the economic engine of tourism on the island.



Finally, in Discover Puerto Rico's efforts to be as transparent as possible, these metrics and many more are available to industry partners via a business intelligence platform. Data collected is disseminated through the platform Domo.





# MARKETING



## MARKETING

2019-2020 was an unprecedented year for Puerto Rico in many ways, dramatically impacting tourism and forever changing the destination landscape. From political manifestations, hurricane threats, and earthquakes, to the ongoing implications of the Coronavirus, Discover Puerto Rico has navigated continued crisis and mitigated risk to safeguard the future of tourism on the Island.

Despite challenges, Puerto Rico remains laden with potential in the tourism sector. With a wealth of tourism product, hospitality that is exceptionally warm and welcoming, ease of access, and a competitive advantage as an unincorporated territory of the United States, the Island is well positioned on many fronts for tourism to lead the much-needed economic recovery.

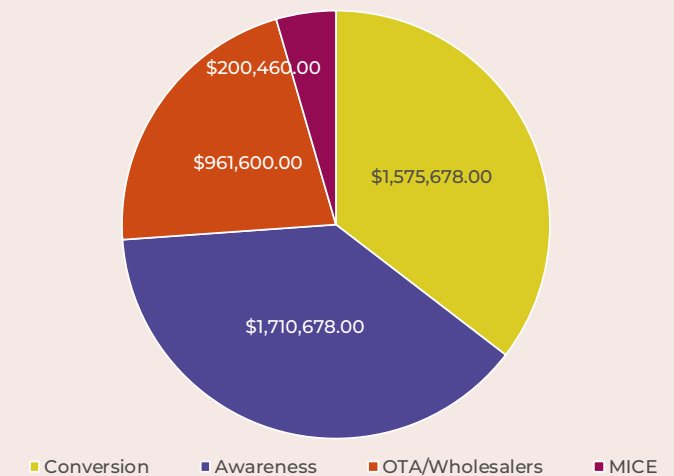
Ongoing research shows that Discover Puerto Rico's repositioning of the Island's brand is taking root. The DMO's marketing and messaging approach highlighting every corner of the Island and exposing consumers to tourism product and experiences that goes beyond the beaches, is growing interest in and demand for Puerto Rico, that is. Amid ongoing challenges and changes, the tourism brand positioning platform provides strong continuity and differentiation that will be critical to the next chapter in Puerto Rico's comeback story.

The Island's official tourism website, DiscoverPuertoRico.com is central to driving tourism demand for Puerto Rico. New development on DiscoverPuertoRico.com continued in FY19-20, including the expansion of vacation rental business listings and the launch of the deals and discounts functionality, allowing accommodations, attractions, tours and DMCs to provide special offers to consumers.

In response to COVID-19, a virtual content hub was created to inspire travelers with relevant content, giving potential visitors access to the Island from their homes. These new content features gained more than 25,000 pageviews, with an average session duration of nearly five minutes.

With more than 3.8 million sessions and 6.5 million pageviews during the fiscal year, the robust content strategy on the website, including the addition of 66 new editorial pieces and 14 new landing pages is providing strong results. Organic traffic to the site accounted for nearly 40% of total site traffic, followed by paid search.

MEDIA EXPENDITURES





# COMMUNICATIONS

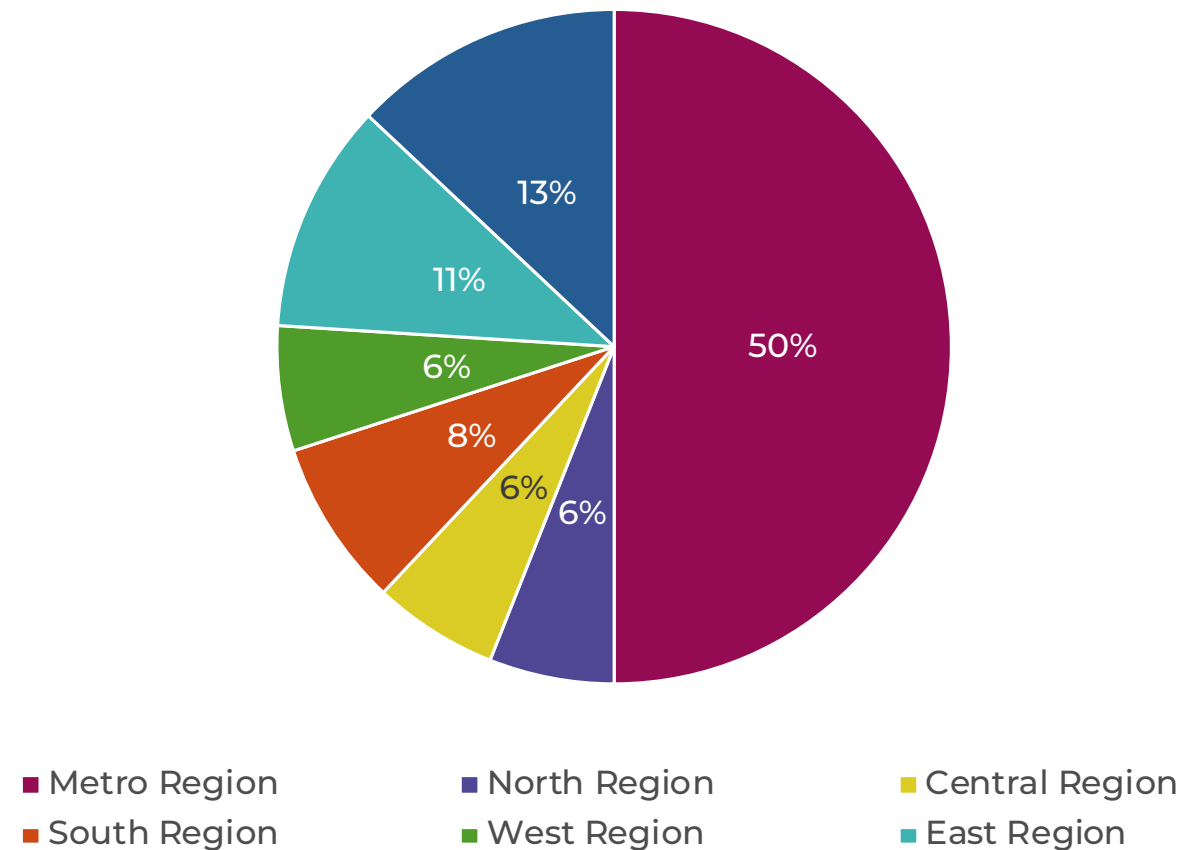
Throughout the year, public relations efforts have been critical to enhance destination appeal and combat unprecedented events.

Discover Puerto Rico delivered a record-breaking level of earned media in 2019 and was poised to continue this momentum into 2020. Discover Puerto Rico reacted quickly to contain the negative publicity caused by seismic activity, and positive results were seen immediately. As the global pandemic became a major health concern, Discover Puerto Rico shifted its public relations efforts – from pitching lifestyle stories to implementing a comprehensive recovery plan designed to accelerate the economic recovery, which was already established in the organization’s robust crisis playbook.

Throughout each crisis, we highlighted the destination’s efforts to ensure traveler/planner confidence and position Puerto Rico as leading the Island’s recovery more quickly.

Critical to the mission of Discover Puerto Rico is promoting the entire Island. As part of our media relations efforts, we highlighted each region’s unique and diverse offerings, exceptional experiences, service and hospitality. Given the nature of how the destination is covered in the media, the metro area skewed higher in comparison to the rest of the regions given San Juan is typically included in most articles as reporters provide a holistic view to their readers.

REGIONALIZED COVERAGE



At the end of the fiscal year, Discover Puerto Rico secured **10 billion** earned media impressions, representing an ad value of **\$144M**. Following is a brief summary of some of the major efforts used to generate significant earned media coverage in 2019 – 2020.

## VIRTUAL VACATIONS

As the Centers for Disease Control (CDC), World Health Organization (WHO) and other organizations applied restrictions discouraging travel due to the COVID-19 global pandemic, travel came to an abrupt halt. Given the vital contribution the tourism industry brings to Puerto Rico’s economy, Discover Puerto Rico recognized it was critical to keep the destination prominently in sight and top-of-mind with potential travelers.

We utilized a “don’t visit now” message acknowledging our responsibility to help flatten the curve. This was balanced by providing grounded travelers an abundance of opportunities to explore Puerto Rico from home, seeking to inspire future travel. Puerto Rico became the first U.S. destination to launch the concept of a virtual vacation, promoting virtual travel with immersive cultural experiences including salsa classes, bomba dance performances, cocktail and cooking demonstrations, coffee-making lessons from a traditional hacienda (plantation), and more. Utilizing platforms such as Instagram Live, Facebook and Zoom, audiences were transported across the world to a “vacation escape” – enjoying new experiences every weekend for two months.

The escapes enticed interactive travelers, but it was soon evident they craved even more. Taking a step further to make them feel like they were physically on the Island, Puerto Rico became the first destination to offer live guided tours utilizing Google Earth, on Facebook Live. Partnering with a local tour guide, we gave audiences the opportunity to interact and ask questions during a live virtual journey and tour. In addition to seeing Puerto Rico’s vibrancy, virtual visitors learned about the Island’s natural wonders, off-the-beaten-path experiences and cultural offerings from the comfort of their homes – even enticing teachers and school children to join.

These virtual live guided tours – alongside a newly developed collection of sensory videos featuring the Island’s natural sounds – created a “pinch me, I think I’m actually here” Island experience. As part of the second phase of virtual offerings, potential visitors were also provided with postcard templates to digitally insert themselves into, and post, as they imagined themselves in Puerto Rico.

From the launch of the first virtual experience in March 2020 to date, Puerto Rico’s virtual vacations garnered a total of 1.4 billion impressions, equating to more than \$21 million in ad value. Earned media relations efforts resulted in 480+ placements in top lifestyle, travel, trade and consumer publications including The New York Times, National Geographic, Forbes, and BuzzFeed, among others. The standout creativity was recognized by leading industry publications as a best practice in destination marketing during the pandemic including Skift, PRWeek and PR News.





## PROACTIVE NEWS ENGINE

Through proactive pitches and by leveraging key moments in time, Discover Puerto Rico created a steady drumbeat of positive news coverage in lifestyle, travel, MICE and travel trade publications. We activated a robust news engine to maintain strong awareness and future consideration of Puerto Rico as a desirable travel destination. From the Island's delicious cuisine to rich history and culture, we tied earned media efforts to the focus areas that make Puerto Rico a unique destination, while pitching the Island as the ideal place to spend the holidays like Labor Day and winter break.

In addition to planned publicity efforts, we responded proactively to several unprecedented events, including the political unrest (Summer 2019), tropical storms (Fall 2019), seismic activity (January 2020), and the COVID-19 global pandemic (March 2020). By sharing the latest destination updates and proactively communicating organizational efforts, we kept media, travelers, meeting planners and influencers abreast of the latest updates to instill confidence and showcase the destination's readiness and resilience.

**USA TODAY 10Best**

**Best Caribbean Rum Maker**  
#3: Ron Del Barrilito

**Best Caribbean Golf Course**  
#1: East Course at Dorado Beach  
#2: St. Regis Bahia Beach Course  
#10: Links at Royal Isabela

**Best Restaurant in the Caribbean**  
#5: Marmalade  
#6: 1919 Restaurant

**Best Caribbean Beach Bar**  
#5: The Beach House

**TRAVEL WEEKLY**  
**Puerto Rico Campaign: The Best Way to Support Is To Visit**  
"Now, more than ever, hotels, small business owners, restaurants, artisans and tour operators, among other tourism partners, welcome visitors with open arms, which in turn will spur the local economy." — Leah Chandler, CMO of Discover Puerto Rico

**GOLF MAGAZINE**  
**The 19th Hole Episode 112: Discover Golf in Puerto Rico!**  
"It's the return of the PGA Tour and the amazing golf experiences available every day [in Puerto Rico]."

**elite daily**  
**10 Romantic Trips for Couples in Their 20s That You Shouldn't Sleep On**  
"The perk of a spot like Old San Juan, Puerto Rico is that — amongst the greenery and colorful atmosphere — there's a lot of culture to learn about and soak up, too."

**recommend**  
**Puerto Rico Open for Business**  
"Drawing inspiration from Puerto Rico's resilient spirit, the new creative focuses on the Island's diverse offerings, and communicates that by traveling, visitors are fueling local communities."

**Points Guy**  
points and miles guide to Puerto Rico

**TRAVEL WEEKLY**  
Puerto Rico campaign: the best way to support is to visit [travelweekly.com/Caribbean-Travel](https://www.travelweekly.com/Caribbean-Travel) via @TWTravelNews

**recommend**  
Puerto Rico on your radar? Discover Puerto Rico is open for business. The destination is open for business. @travelweekly

**Points Guy**  
How to get to Puerto Rico using points and miles. While Puerto Rico has recently endured several natural disasters, the island has remained resilient. @thepointsguy

**Points Guy**  
Which course in the Caribbean? Any guesses? winners announced today! @10Best @usastodaytravel Hole-in-one for #PuertoRico @CTPuertoRico @PuertoRicoPUR @CHTAFeeds #golf #travel #tourism @TravelPUR

**Points Guy**  
Vote: Best Caribbean Golf Course 2020: 10Best Readers' Choice Travel... voting for the Best Caribbean Golf Course is open! Cast your vote daily to help vote the 2021 10Best Readers' Choice Award for Best Caribbean Golf Course. @10Best

## FAM TRIPS AND ONE-OFF OPPORTUNITIES

In an effort to ensure media and influencers experienced the destination first-hand, Discover Puerto Rico hosted more than 40 reporters/influencers across nine FAM trips and media one-offs to all areas of the Island, including Ponce, Dorado and Cabo Rojo. The resulting coverage from media and influencer FAM trips and one-offs resulted in more than 223.9M impressions, totaling \$1.2M in ad value. Note, most FAM trips and customized media/influencer visits were interrupted January – June 2020 due to ongoing seismic activity and the global pandemic.



## AMPLIFICATION OF TRADE CONFERENCES/EVENTS

Maximizing Discover Puerto Rico's presence at major travel and meeting and events is key to building and maintaining a strong presence within the industry and key outlets. From hosting press conferences to scheduling one-on-one interviews with top tier media at each event, Discover Puerto Rico positioned the organization and the destination as a thought leader and trendsetter within the travel industry. In 2019-20 we participated in premier national and international travel conferences and trade shows including ASAE, Virtuoso Travel Week, ASTA, IMEX, PCMA Convening Leaders, IPW and CHTA among others. Earned media relations amplified the presence at each event.



## ACCOLADES

Through our earned media efforts, the destination maintained momentum as it closed 2019 receiving more than **20 media accolades** including:

**"WHERE TO GO IN 2020"** - AFAR

**"THE BEST HOTELS IN SAN JUAN (PUERTO RICO) FOR BUSINESS TRAVELERS, 2020"** -CEO World Magazine

**"10 OF THE BEST CARIBBEAN ISLANDS TO VISIT"** -CNN Travel

**"THE BEST ISLANDS FOR BEACHES: 2019 READERS' CHOICE AWARDS"** -Conde Nast Traveler

**"THE 36 BEST EVER PLACES TO TRAVEL IN 2020"** -Cosmopolitan

**"US TRAVEL: 25 BEST PLACES TO VISIT IN 2020"** -Forbes

**"5 HOTTEST PLACES TO TRAVEL IN 2020 FOR YOUR BEST VACATIONS"** -Forbes

**"THE 20 BEST PLACES TO TRAVEL IN 2020"** -Harper's Bazaar

**"50 AWESOME SOLO TRAVEL DESTINATIONS TO VISIT IN 2020"** -HuffPost

**"10 PLACES IN THE US YOU NEED TO VISIT IN 2020"** -Insider

**"NEXT STOP: THE 10 US CITIES TO VISIT IN 2020"** -Insider

**"15 WARM-WEATHER WINTER VACATIONS TO ESCAPE THE COLD"** -Men's Journal

**"10 UP-AND-COMING DESTINATIONS TO KNOW FOR 2020"** -MSN

**"THE 20 BEST CARIBBEAN BEACHES"** -MSN

**"THE 30 BEST PLACES TO VISIT IN 2020"** -MSN

**"THE TOP 50 TRAVEL DESTINATIONS IN THE WORLD"** -MSN

**"7 WINTER DESTINATIONS IN LGBTQ-FRIENDLY COUNTRIES"** -NBC News

**"THE 10 BEST SPRING BREAK DESTINATIONS FOR 2020"** -PopSugar

**"TOP 10 TRENDING DESTINATIONS FOR 2020"** -Refinery29

**"TOP TRAVEL DESTINATIONS FOR 2020"** -The Street

**"WHERE TO GO IN 2020: THE BEST PLACES TO TRAVEL THIS YEAR"** -TripSavvy

**"TRAVEL WRITERS AND INFLUENCERS' FAVORITE DESTINATIONS FOR WINTER"** -UPROXX

**"50 AMAZING HONEYMOON IDEAS"** -US News and World Report

## AWARDS

### NY Festivals Awards

- Public Relations: Crisis & Issue Management
- Public Relations: Travel/Leisure

### Cannes

- Silver Lion - Media Relations

### Big Apple Awards

- Media Relations
- Issues Management

### ESTO - The Mercury Awards

- Best PR Campaign
- Best Website

### Stella Awards

- Best CVB/DMO

### Magellan Awards

- Destination Marketing – Campaign – Advertising/Marketing

### The Drum Awards

- Reputation management and Crisis PR

### Global SABRE Awards

- Top 40 Campaigns
- #3 Overall

### HSMAI Awards

- Gold – Crisis Communications/Recovery Communication
- SILVER – Community Service/Social Responsibility

### WTM Awards

- Best Destination Campaign – Gold
- Best PR Campaign – Silver

### 2019 ONLINE TRAVEL AGENCY CAMPAIGNS

### Expedia Partner Awards

- Campaign of the Year



A photograph of a waterfall in a tropical forest. The water is white and foamy as it falls over dark, mossy rocks. The surrounding area is filled with green foliage, including ferns and large trees. The scene is captured from a low angle, looking up at the waterfall.

# SALES

# DESTINATION SUPPORT SERVICES



# SALES AND SERVICES

The Sales and Services team carried forward with the momentum created in the previous fiscal year to accomplish extraordinary results, building upon the active group sales pipeline that had increased 111% since the organization's opening. The group sales team was fully deployed in the marketplace with an aggressive series of best-in-class road show events in key US markets and high-profile attendance at the industry's most important tradeshows. At the same time, Discover Puerto Rico redefined its role as the off-island sales team for the Convention Center and established one of the most comprehensive and influential Customer Advisory Boards in the industry. Our leisure sales team strengthened key relationships with known producers of travel to Puerto Rico, delivering substantial increases in GDS sales performance. We also attracted many new advocates for the island, growing participation in the Puerto Rico Travel Expert Program by 16%. Throughout the COVID-19 crisis that led to massive layoffs and furloughs of both on-property and branded national sales organizations, the Discover Puerto Rico Sales and Services team has expanded its reach by engaging with meeting planners and travel advisors to keep the destination top-of-mind.

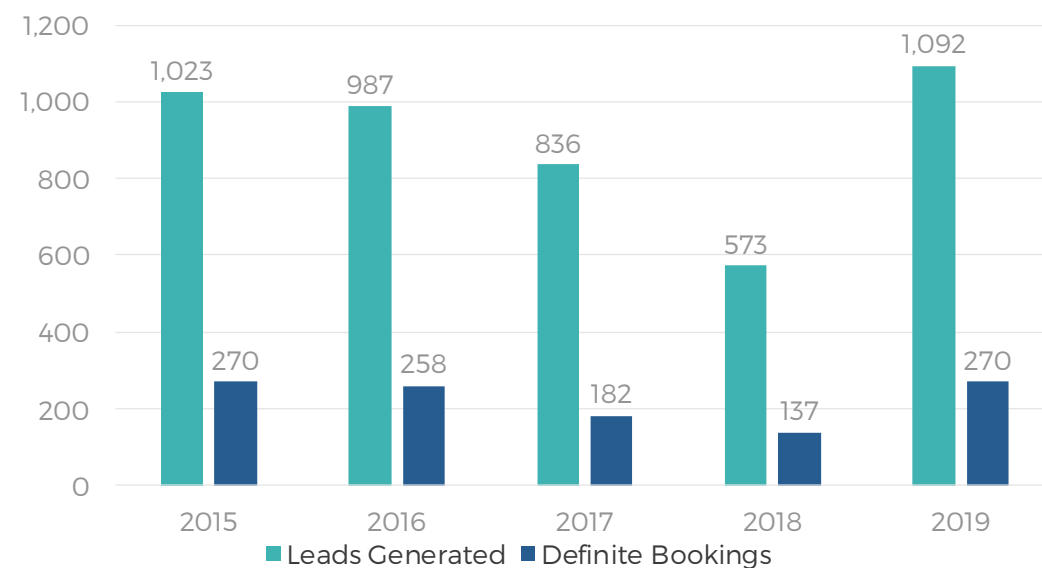
## KEY ACCOMPLISHMENTS

- From July 2019 through December 2019, (prior to January earthquakes and COVID-19 restrictions) definite bookings were up by 153% over the same period in 2018.
- New leads for the calendar year of 2019 exceeded leads created in 2018 by 58% and surpassed the last best year of 2015.
- Despite the devastating effects of the earthquakes, protests and COVID-19 on overall lead volume, the sales team ended the 2019/2020 fiscal year with a 7% increase in definite bookings over the previous year.
- From January through June of 2020 the monthly graduation rate of Puerto Rico Travel experts was 16% higher than the previous year.
- The Destination Services team executed 57 site inspections with an extraordinary conversion rate of 76%.
- The Destination Services team produced over 600 referrals to 116 partner suppliers for ancillary business developed during the site inspection process.

DONE	JULY 2019 - JUNE 2020	JULY 2018 - JUNE 2019	VARIANCE
Definite Bookings	206	192	+7%*
Booked Room Nights	106,745	109,275	-2%*
Definite Booking Conversion	25%	29%	-14%*
New Leads Generated	783	913	-14%*
Room Nights Poten	471,913	616,824	-24%*

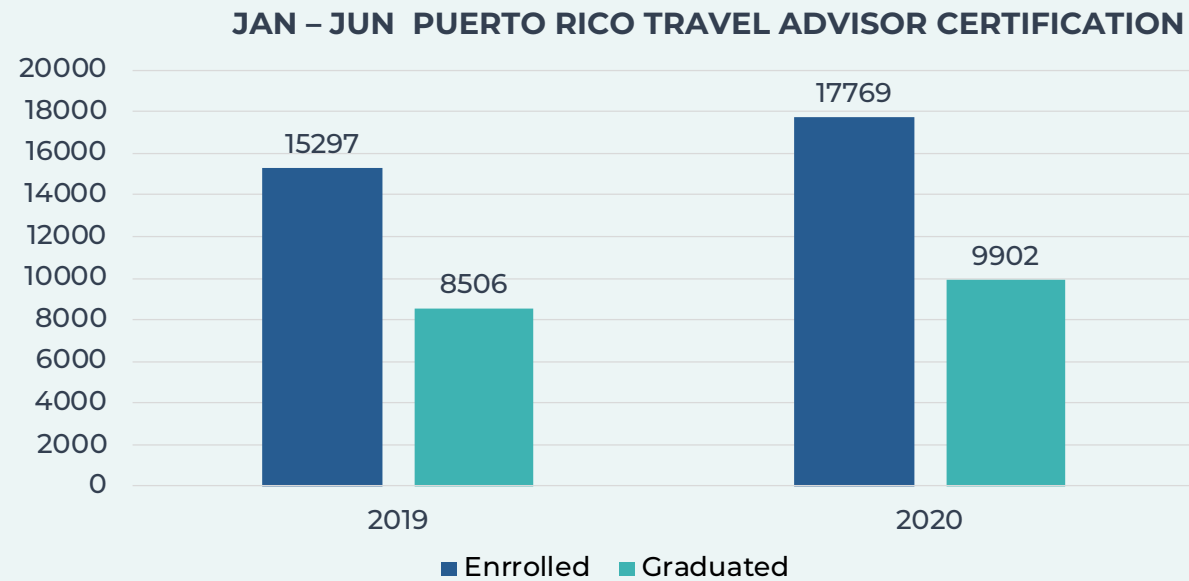
**\*Prior to earthquakes and COVID-19, (July-December 2019), Puerto Rico was headed to a record-breaking year with a significant increase in all measures (in comparison to July-December 2018). Definite Bookings +153%, Booked Room Nights +134%, Definite Booking Conversion +4%, New leads Generated +58% and Room Nights Potential +46%.**

LEADS GENERATED & DEFINITE BOOKINGS | JAN - DEC





## TRAVEL ADVISORS EDUCATION



Monthly graduation rate is **+16%** vs prior year

### RESEARCH-BASED CUSTOMER ACQUISITION STRATEGIES

We applied advanced research and analytics measures to monitor meeting planner and travel advisor perception and behavior surveys to guide our messaging and understand developing trends. By utilizing strategic lead evaluation, monitoring ever-changing need periods and aligning with our industry partners, we have targeted the right customers at the right time, which has helped us maintain a conversion rate of 25%, well above pre-Discover Puerto Rico levels.

### STRATEGIC MARKETING

We partnered with key organizations in the meetings industry that enable us to utilize progressive B2B marketing and deliver highly-targeted messaging, especially during crises periods. Each partnership is tailored to our priorities and the specific strengths of our partners. These strategic partnerships include Meeting Professionals International (MPI), American Society of Association Executives (ASAE), Professional Convention Managers Association (PCMA), Association Forum, International Association of Exhibitions and Events (IAEE), Conference Direct, HelmsBriscoe, HPN and Society of Incentive Travel Executives (SITE).

### ENGAGEMENT

FY 2019/2020 was a year of high engagement, both in-person and virtually. Through the first half of the year we utilized in-person trade shows and road shows in key markets throughout the county. In March 2020, when the pandemic set in, we quickly built an effective strategy to engage with our customers that we would normally see at live events with our Coffee Care Packages, Virtual Yoga and a series of webinars to numerous associations, third-party intermediaries and regional chapters of strategic partners like MPI, HelmsBriscoe, Conference Direct and many others. In July of 2020 we launched virtual site visits and virtual FAMs for both the MICE and leisure market segments.

## IN 2019-2020, THE SALES TEAM HAS ACTIVELY PARTICIPATED IN DOZENS OF TRADE SHOWS, INCLUDING:

- Cvent ConnectMeetings
- Caribbean Meeting & Incentive Travel Exchange
- SYTA Annual Conference
- ASAE Annual Meeting & Exposition
- Virtuoso Travel Week Global
- Canadian Meetings and Event Expo 2019
- MPI Sunshine Education Summit 2019
- ASTA Global Convention
- Connect Marketplace
- Brand USA Travel Week
- IMEX AmericaMeetings
- ASAE Five-Star Weekend
- Delta Vacations Unviersity
- The Incentive Research Foundation
- Connect Thrive 2019
- HPN Global Partner Conference
- Connect Medical/Tech
- SITE Classic
- Insight Fall Series
- Destination Caribbean 2019
- Destination Southeast 2019
- AWTA (Alliance of Westchester Travel Agencies)
- Elevate the Journey - Travel Leaders
- WTM London - Brand USA World Travel Market
- PRHTA Buyers & Suppliers Showcase 2019
- TEAMS Conference 2019
- Meetings Today Live Event South
- Ocean X-Charge MICE Conference
- Signature Travel Network Conference 2019
- IAEE Expo!
- Regional SportAccord Pan America
- AMEX Inter[action] 2019
- Holiday Showcase
- PCMA Convening Leaders 2020
- CHTA Marketplace 2020
- FITUR 2020
- SYTA Summit 2020
- NY Times Travel Show - LGBTQ Pavilion
- Destination Showcase 2020
- Global Pharmaceutical and Meetings



### **INCENTIVE TRAVEL**

As the luxury offering in Puerto Rico continues to expand, the destination is well-positioned to attract luxury and incentive travel. Our highly-targeted incentive sales strategies, supplemented by guidance from our Customer Advisory Board, have generated increased sales activity in FY 2019-20 and are designed to capture post COVID-19 incentive travel as this segment recovers.

### **EXCELLENCE IN SERVICE**

Our Destination Services team remains a key part of the sales process by delivering best-in-class experiences that infuse cultural experiences into a customized planning process. And we have adapted to the post COVID-19 environment by developing virtual site inspection platforms as well as live site inspection protocols that showcase the best of what we offer with a focus on safety and security.

### **LEISURE SALES**

The Leisure Sales team has aggressively pursued optimizing key distribution channels through a series of high-impact measures, which include:

- Deployed a four-person team to ensure optimal emphasis on high-producing accounts and/or growth opportunities.
- Expanded focus on key B2B relationships, including wholesalers and consortia with an emphasis on incremental revenues and brand extension.
- High-impact partnerships designed to boost Leisure Sales, including American Society of Travel Advisors (ASTA), Cruise Line Industry Association (CLIA) and Brand USA.
- Led several road shows in collaboration with industry partners to reach travel agencies, airline call centers and other high-potential producers in key markets, such as Texas, Florida, New York and Chicago.



Los Morrillos Lighthouse  
Cabo Rojo, Puerto Rico



# LOCAL COMMUNICATIONS

A photograph of a woman in a white, long-sleeved, ruffled dress dancing in front of a band of men playing conga drums at night. The scene is outdoors, likely in a public square or street, with buildings in the background. The lighting is warm, suggesting dusk or night. The woman is in the foreground, seen from the back, with her arms raised. The band consists of several men sitting on the ground, playing conga drums. The overall atmosphere is festive and cultural.

# ENGAGEMENT



# LOCAL COMMUNICATIONS AND ENGAGEMENT

Discover Puerto Rico continuously engages our local industry stakeholders and the community in general, to keep them informed of our efforts and progress.

**IN FY 2019-2020, OUR ENGAGEMENT TOOLS AND STRATEGIES INCLUDED:**

**HOSTED INDUSTRY MEETINGS AND EVENTS**

- 8 industry roundtables
- 5 trade association presentations
- Arts & culture roundtable
- 22 public presentations
- 175+ stakeholder meetings
- 5 industry updates
- 12 municipal presentations
- 54+ legislative outreach meetings
- 400+ stakeholder outreach contacts during earthquakes and COVID-19
- 8 press conferences
- 28 press releases
- 75+ local media interviews
- \$6.93 million ad equivalency value of local media coverage
- 960 editorial mentions



**EDUCATION AND TRAINING**

Discover Puerto Rico has held multiple in-person and virtual educational sessions designed to train local businesses on important topics that can positively impact their marketing and sales strategies. A variety of topics have been covered including social media, LGBTQ segments, our website, partnerships, using Google My Business Listings, and communicating during a crisis.







# LOOKING AHEAD



# LOOKING AHEAD

2020 will undoubtedly be a year we will never forget. At the outset, this year offered tremendous promise and potential, with increased booking rates, MICE sales and airline capacity pointing to record performance. Unfortunately, seismic activity and COVID-19 have disrupted the progress underway and significantly affected our economic growth. Yet despite this disappointing start to 2020, we remain confident, committed and determined to rebound from this setback. The same reasons travel grew at a record pace in 2019 are still present today. We must now rely upon the strength, resiliency and collaborative spirit of Puerto Rico, combined with the resourceful, impactful marketing of Discover Puerto Rico to write yet another amazing comeback story.

## IMPACT OF COVID-19

Current projections suggest that the COVID-19 pandemic will have 3x the impact Hurricanes Irma and Maria had on our tourism industry. Many experts suggest the national tourism economy may not fully recover for 2-3 years. And, research confirms that traveler habits, preferences and decision-making are changing quickly, and this will likely continue for the foreseeable future.

**DISCOVER PUERTO RICO WILL CONTINUOUSLY REVIEW AND APPLY ONGOING RESEARCH AND ANALYSIS TO ENSURE WE, AND OUR PARTNERS, STAY AHEAD OF TRENDS AND RESPOND TO THE NEEDS OF OUR CUSTOMERS.**

## ADAPTING TO NEW HEALTH & SAFETY PROTOCOLS AND PROCESSES

Our local industry, like its counterparts around the world, have implemented many new protocols, processes and standards to adapt to this new environment. Our government and local airport have implemented new entry requirements. Expectations of travelers, meeting planners, events rightsholders, travel advisors and other key travel partners are constantly changing. This is causing much disruption throughout our industry.

**DISCOVER PUERTO RICO WILL CONTINUE TO MONITOR AND ADAPT TO THE FLUID NATURE OF TRAVEL IN THIS CURRENT COVID-19 INFLUENCED ENVIRONMENT. WHILE TECHNOLOGICAL INNOVATIONS AND PROSPECTS FOR A COVID-19 VACCINATION ARE PROMISING, WE RECOGNIZE THAT WE MUST CONTINUOUSLY STRIVE TO BE A LEADER IN OUR INDUSTRY. WE BELIEVE THAT LIKE OTHER CRISES, THERE WILL BE WINNERS AND LOSERS. WE ARE DETERMINED TO MAKE CERTAIN THAT DISCOVER PUERTO RICO, OUR INDUSTRY PARTNERS AND OUR DESTINATION BRAND PREVAIL.**

## AIRLINE & CRUISE LINE CAPACITY

COVID-19 has significantly impacted airlines and cruise lines. Puerto Rico's primary airport in San Juan has maintained operations throughout the pandemic and most airlines have maintained reduced schedules. Commercial airports in Aguadilla and Ponce were temporarily closed but have resumed operations. All major carriers have confirmed schedules to Puerto Rico in the second half of 2020, presenting the opportunity to accelerate the economic recovery of tourism. Cruise line capacity is affected by anticipated reductions in demand and restrictions on operations by regulatory bodies.

**DISCOVER PUERTO RICO IS PREPARED TO WORK CLOSELY WITH AIRLINES AND CRUISE LINES TO OPTIMIZE RESULTS FOR THE DESTINATION AND ITS PARTNERS.**

## DESTINATION DEVELOPMENT

Construction on major projects, such as El Distrito and the Four Seasons Cayo Largo Resort, were temporarily disrupted. However, construction was one of the first industries to reopen during Phase 1 of the COVID-19 recovery process. Developers appear to be unfettered by concerns related to COVID-19 and, rather, encouraged by the future prospects for tourism in Puerto Rico. Likewise, the Puerto Rico Government has successfully obtained an Order by the U.S. Department of Transportation to relax certain restriction related to air transportation to the island, both for cargo and passenger service, which potentially creates possibilities to expand and enhance air traffic to Puerto Rico.

**DISCOVER PUERTO RICO WILL CONTINUE TO WORK WITH PUBLIC AND PRIVATE SECTOR PARTNERS TO PROACTIVELY PROMOTE THE UPSIDE ECONOMIC POTENTIAL OF TOURISM IN PUERTO RICO, AND SUPPORT THEM WITH RELEVANT, TIMELY RESEARCH AND ANALYSIS.**



## ADVERTISING

We rely upon primary and secondary research, along with industry best practices, to guide our investment decisions related to advertising. All advertising creative will be developed in accordance with our brand guidelines. Research, trend analysis and airline capacity will inform the target markets, consumer segments and traveler personas. As the resources currently available for advertising limits our expenditures to levels well below our competition, we will continue to prioritize advertising strategies and tactics to optimize our impact. Digital advertising, search engine optimization, social media promotion and broadcast advertising will likely be the top priorities.

### **DISCOVER PUERTO RICO WILL RELY UPON RESEARCH AND INDUSTRY BEST PRACTICES TO ALLOCATE FUNDS WITH THE GOAL OF MAXIMIZING ECONOMIC IMPACT AND OPTIMIZING BRAND HEALTH.**

## PUBLICITY

We regularly deploy resources to attract positive publicity for the island and its tourism industry. The earned media value of these efforts is significant and enhances the paid advertising message. We will prioritize travel trade media, mainstream media and influencers to optimize positive publicity related to post COVID-19 travel. Targeted efforts to attract positive publicity in key markets or market segments will be employed, subject to resource limitations.

### **DISCOVER PUERTO RICO WILL SEEK POSITIVE PUBLICITY THAT HIGHLIGHTS THE ISLAND'S COMPETITIVE ADVANTAGES AND COMPLEMENTS THE ADVERTISING AND SALES EFFORTS UNDERWAY.**

## SALES

We rely upon a variety of measures and tactics to optimize the destination's performance in key leisure distribution channels, including Online Travel Agencies (OTA), Wholesalers and Travel Advisors. Recognizing these channels will be essential to our recovery plans, our sales programs will be designed to maximize the return on investment and align closely with our advertising strategies, all the while promoting value-added promotions by our local partners.

Meeting, Convention and Incentive Group Travel (MICE) has been severely impacted by COVID-19. The outlook for group travel suggests that group gatherings in the near term will be reduced in size and likely require an online component to allow for participation by those who cannot (or choose not to) travel. Nevertheless, we do anticipate MICE travel to begin to rebound in 2021. Changes in industry standards and budget limitations will require we rely heavily upon digital sales and delivery, but sales missions, familiarization trips and industry activations will still be necessary in some instances.

### **DISCOVER PUERTO RICO WILL ADAPT TO CHANGING TRENDS AND EXPECTATIONS IN GROUP TRAVEL AND LEISURE TRAVEL PROMOTION, SEEKING TO IDENTIFY COMPETITIVE ADVANTAGES AND ULTRA-EFFICIENT, IMPACTFUL METHODS AND RESULTS.**

## LOCAL COMMUNICATIONS AND ENGAGEMENT

Discover Puerto Rico seeks to be recognized by local residents and businesses as a key element of successful economic development and an impactful, transparent investor of resources. While the Destination Marketing Organization (DMO) concept is new to Puerto Rico, much progress has been made in educating our island community about its DMO. The results in our first two years are unprecedented and substantiated by volumes of independent research. Discover Puerto Rico will seek continuous improvement in its operations and remains committed to transparently communicating our strategies, tactics and results to local stakeholders.

Staying connected and informing stakeholders of our vision, mission and specific initiatives is key to achieving cross-sector alignment and helping drive the economy collaboratively through tourism. During this past year, we have worked diligently on broadening our reach out of the Metro Area and our local media coverage has been more frequent and more positive. Our earned media value in the local media for Fiscal Year 2019-2020 reached **\$6.9M**.

### **DISCOVER PUERTO RICO WILL CONTINUALLY ENGAGE LOCAL STAKEHOLDERS TO ENSURE OUR ISLAND IS WELL-INFORMED OF OUR EFFORTS TO GROW THE LOCAL ECONOMY, HELP LOCAL BUSINESSES AND APPROPRIATELY POSITION OUR ISLAND AS A PREMIER LEISURE AND BUSINESS DESTINATION.**



# APPENDIX





# APPENDIX I

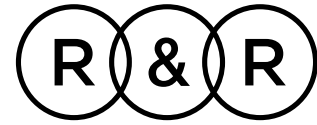
Increasing the visitor economy is an arduous undertaking that requires collaboration from passionate professionals in the public, private and nonprofit sectors. Our sincere and heartfelt gratitude goes out to the following partners for their unwavering commitment and valued support:



GOBIERNO DE PUERTO RICO  
Departamento de Desarrollo Económico y Comercio







# APPENDIX II

These committees meet regularly to offer insights, feedback and suggestions related to our marketing and sales strategies.

## MARKETING AND SALES ADVISORY COMMITTEE

**JOANNE FERGUSON-TWISTE**

Discover Puerto Rico Board of Directors

**JON BORSCHOW**

Discover Puerto Rico Board of Directors

**JOSÉ (PECO) SUÁREZ**

Discover Puerto Rico Board of Directors

**ALMA BAIR**

Independent Rentals

**ARMANDO VILAS-PICA**

Developers

**CARLA CAMPOS**

Puerto Rico Tourism Company

**CARLOS RUIZ**

Arts & Culture

**CLARISA JIMÉNEZ**

Puerto Rico Hotel & Tourism Association

**GADIEL LEBRÓN**

Gastronomy

**GRACIELA ELETA**

Foundation for Puerto Rico

**IRIS AYALA**

Retail

**JOAQUÍN CRUZ**

MICE Property

**KIMBERLY LEWIN**

Marriott

**LETTY RIVERO**

Hilton

**MARGARET COLÓN**

Puerto Rico Convention Center

**MIGUEL VEGA**

Casinos

**MIREM UBARRI**

El San Juan Hotel

**NANCY MATOS**

Destination Management Company

**NOELIA GARCÍA**

Puerto Rico Convention District Authority

**PETER HOPGOOD**

Hotel Owners/Developers

**TERESTELLA GONZÁLEZ**

Research/Academia

**WESLEY CULLEN**

Attractions

**XAVIER RAMÍREZ**

Small Lodging Property



## SALES & REVENUE ADVISORY COMMITTEE

### ADA MABEL RIVERA

Director of Sales Verdanza Hotel

### ANGELO PÉREZ

Sheraton Old San Juan

### ARMANDO EMANUELLI

Sheraton Old San Juan

### BARBARA VÉLEZ

Hyatt House & Hyatt Place

### BARBARA VÉLEZ

Rums of Puerto Rico

### CAROLINE QUINTANA

Verdanza Hotel San Juan

### CARLOS RONCALLO

Caribe Hilton & Condado Plaza Hilton

### CINDY ALDEA

AC San Juan

### DREW MILLER

San Juan Marriott & Sheraton Convention Center

### ERNESTO VELAZQUEZ

Wyndham Rio Mar

### EVY GARCÍA

Wyndham Grand Rio Mar Puerto Rico Golf & Beach Resort

### GABRIEL CARDENAS

El Distrito

### JEANNETTE AVILÉS

Sheraton Puerto Rico Hotel & Casino

### JOAQUÍN CRUZ

San Juan Marriott Resort & Stellaris Casino

### JULIE MILLER

St. Regis

### LIANA ONDINA

Verdanza Hotel

### LORENZO PEDONE

Intercontinental San Juan

### LUZ GONZÁLEZ

La Concha A Renaissance Resort

### MARGARET COLÓN

Puerto Rico Convention Center

### MARGARITA CASABLANCA

Hyatt Regency Grand Reserve

### MELISSA PUEYO

Bacardi

### MILITZA ORAMA

Condado Vanderbilt

### MYRIAM FLORES

AC San Juan

### NATALIA LUNA

Courtyard by Marriott Isla Verde

### NEREIDA AMADOR

Hyatt Regency Grand Reserve

### NILKA GARAY

Intercontinental San Juan

### PETER D. HOPGOOD

International Hospitality Enterprises

### PIER LECOMPTE

Hilton

### RAQUEL ROSA

Renaissance La Concha

### ROSALINDA RODRÍGUEZ

Intercontinental San Juan

### SHEILA MURIEL

Courtyard Marriott Isla Verde

### SHIRLEY ROSA

Aloft

### SYLVIA RIVERA

Toro Verde

### WILDA MELÉNDEZ

Embassy Suites Isla Verde and Dorado



## **BOARD OF DIRECTORS COMMITTEES | EXECUTIVE COMMITTEE**

### **JON BORSCHOW**

Chair & Chairman of the Board

### **JOSÉ (PECO) SUÁREZ**

Vice Chairman of the Board

### **ALBERTO ESCUDERO**

Treasurer of the Board

### **JOANNE FERGUSON-TWISTE**

Secretary of the Board

### **MIGUEL VEGA**

### **SECRETARY MANUEL LABOY**

### **TOMÁS RAMÍREZ**

## **BOARD OF DIRECTORS COMMITTEES | AUDIT COMMITTEE**

### **MIGUEL VEGA**

Chair

### **TOMÁS RAMÍREZ**

### **JORGE HERNÁNDEZ**

### **SECRETARY MANUEL LABOY**

## **BOARD OF DIRECTORS COMMITTEES | FINANCE COMMITTEE**

### **ALBERTO ESCUDERO**

Chair & Treasurer of the Board

### **CARLA CAMPOS**

### **JOANNE FERGUSON-TWISTE**

Secretary of the Board

## **BOARD OF DIRECTORS COMMITTEES | ORGANIZATIONAL DEVELOPMENT AND EFFECTIVENESS COMMITTEE**

### **JOSÉ SUAREZ**

Chair & Vice Chairman of the Board

### **JORGE HERNÁNDEZ**

### **JOANNE FERGUSON-TWISTE**

Secretary of the Board

### **TOMÁS RAMÍREZ**

### **SECRETARY MANUEL LABOY**

## **BOARD OF DIRECTORS COMMITTEES | ETHICS AND GOVERNANCE COMMITTEE**

### **TOMÁS RAMÍREZ**

Chair

### **JOANNE FERGUSON-TWISTE**

Secretary of the Board

### **NOELIA GARCÍA**



# APPENDIX III

<b>Revenues</b>
<i>Public Funds</i>
Room Tax Revenues
CDBG-DR
<i>Private Funds</i>
Coop /Event Participaton
Donated Services & Other
<b>Payroll &amp; related benefits</b>
<b>Administrative/Operating Expenses</b>
Facilities Expense
Legal/consulting/audit
Depreciation
Recruiting and relocation expenses
Office Supplies/Misc. equipment
Licenses/Telephone/Internet
Line of credit interest
Other
<b>Sales/Marketing/Promotion</b>
CDBG Promotional Investment
Trade Shows/Conferences/Events
Group Sales and Services
Advertising & Leisure Sales, Promo
Local Industry/Community Events
Public Relations
Creative Development/Collateral
Research
Other promotional expenses
<b>Total Expenses</b>
<b>Net</b>

FY 2020-2021 Budget		
Operational Fund	CDBG-DR Funds (T1) *	Consolidated
\$ 25,000,000	\$ 7,840,000	\$ 25,000,000
		7,840,000
		-
271,000		271,000
112,000		112,000
		-
<b>\$ 25,383,000</b>	<b>\$ 7,840,000</b>	<b>\$ 33,223,000</b>
<b>\$ 6,125,000</b>		<b>\$ 6,125,000</b>
240,000		240,000
204,800		204,800
205,000		205,000
5,000		5,000
42,600		42,600
220,000		220,000
132,300		132,300
259,400		259,400
<b>1,309,100</b>	<b>-</b>	<b>1,309,100</b>
	7,840,000	7,840,000
2,717,220		2,717,220
732,400		732,400
9,499,280		9,499,280
200,000		200,000
3,000,000		3,000,000
600,000		600,000
750,000		750,000
450,000		450,000
<b>\$ 17,948,900</b>	<b>\$ 7,840,000</b>	<b>\$ 25,788,900</b>
<b>\$ 25,383,000</b>	<b>\$ 7,840,000</b>	<b>\$ 33,223,000</b>
\$ -	\$ -	\$ -

\* Restricted use funds

# APPENDIX IV

## DESTINATION MANAGEMENT ACCREDITATION PROGRAM (“DMAP”)

The globally recognized Destination Marketing Accreditation Program (DMAP) serves as a visible industry distinction that defines quality and performance standards in destination marketing and management. Achieving DMAP accreditation positions the DMO as a valued and respected organization in the community, as only 250 DMOs worldwide are accredited. Accreditation requires meeting an extensive set of requirements, abiding by a code of conduct and demonstrating destination marketing expertise.

We at Discover Puerto Rico are committed to excellence, and since the beginning we set the foundation to become accredited as soon as we meet the eligibility requirements. Becoming an accredited DMO is not only a requirement of our governing Law (Law 17 of 2017) but a natural step aligned with our vision and values.

The following chart outlines the domains that the accreditation program evaluates:

Accreditation Domains	Standards
Governance	12
Strategic Plan	3
Advocacy/Industry Engagement	3
Finance	7
Human Resources	12
Management & Facilities	7
Technology	5
Research	2
Brand Management	5
Marketing	6
Communications	6
Sales	13
Visitor Services	4
Membership/Partnerships	5
Destination Development	1
Volunteer Relations/Management	1
<b>Total Mandatory Requirements</b>	<b>92</b>
Aspirational (voluntary)	20
<b>Total Standards</b>	<b>112</b>

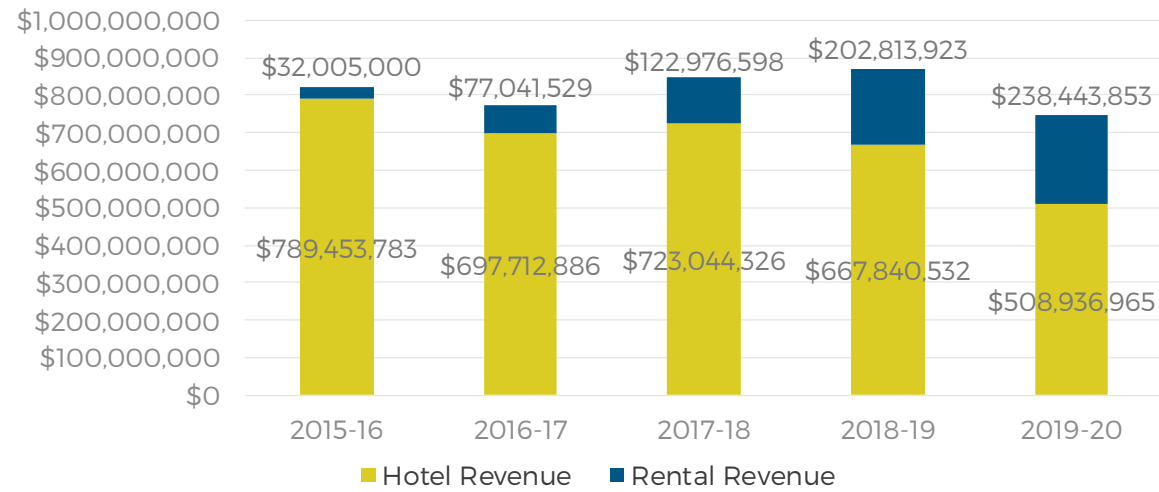
Discover Puerto Rico has submitted consideration for full accreditation package and expects final notification by December 2020. In the initial application, Discover Puerto Rico demonstrated compliance with 100% of all mandatory requirements that are applicable to our organization and also met or exceeded the requirements for nine aspirational (i.e. voluntary) categories.



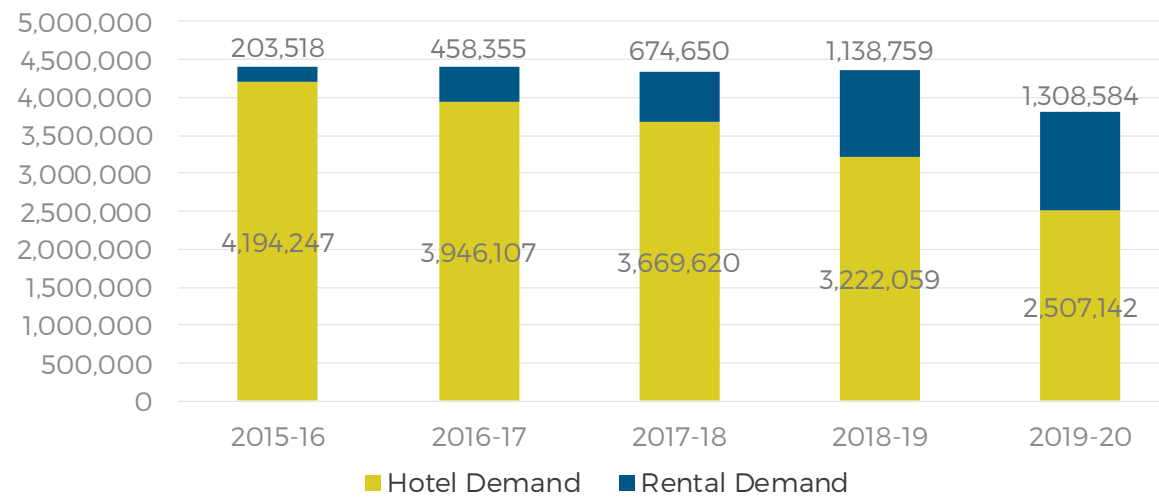
# APPENDIX V

## MARKET PERFORMANCE

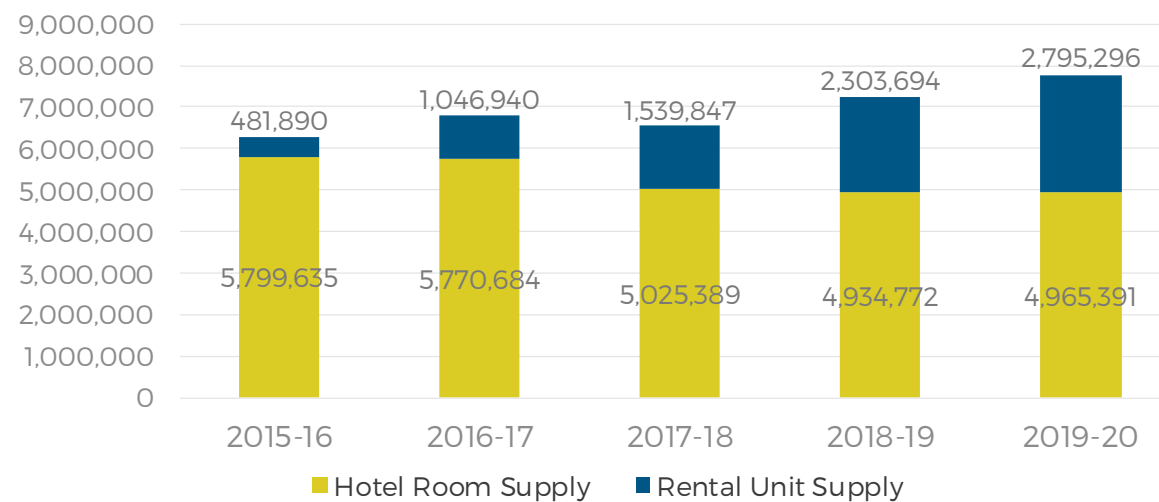
### LODGING REVENUE



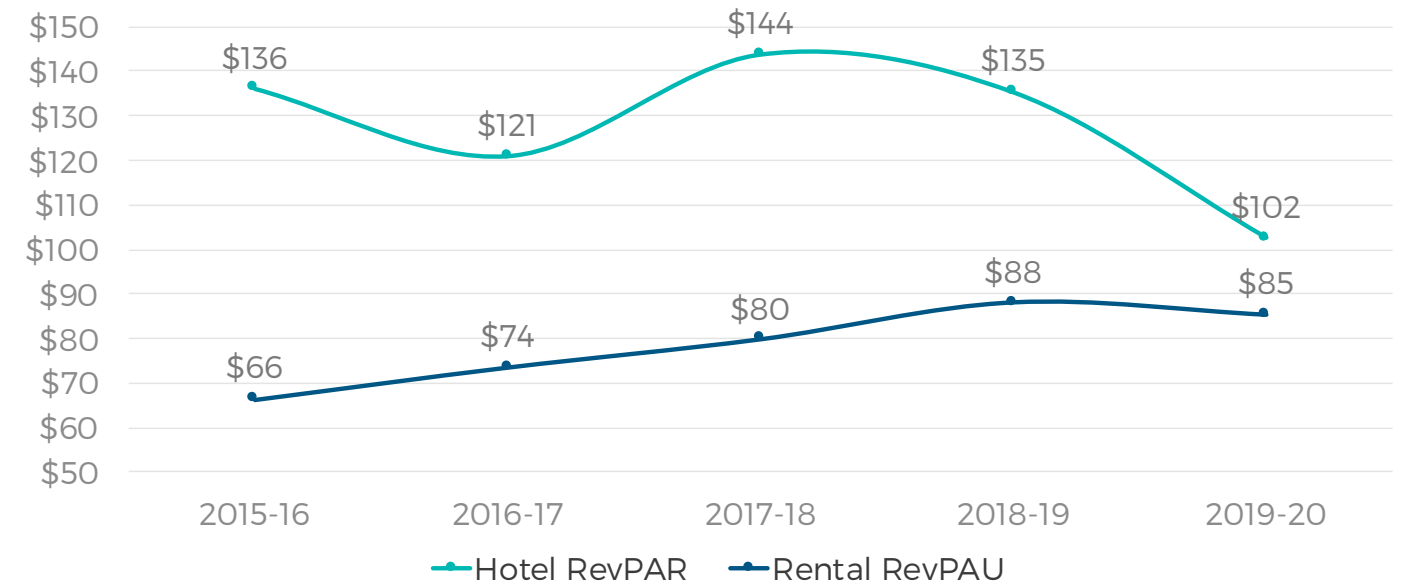
### LODGING DEMAND



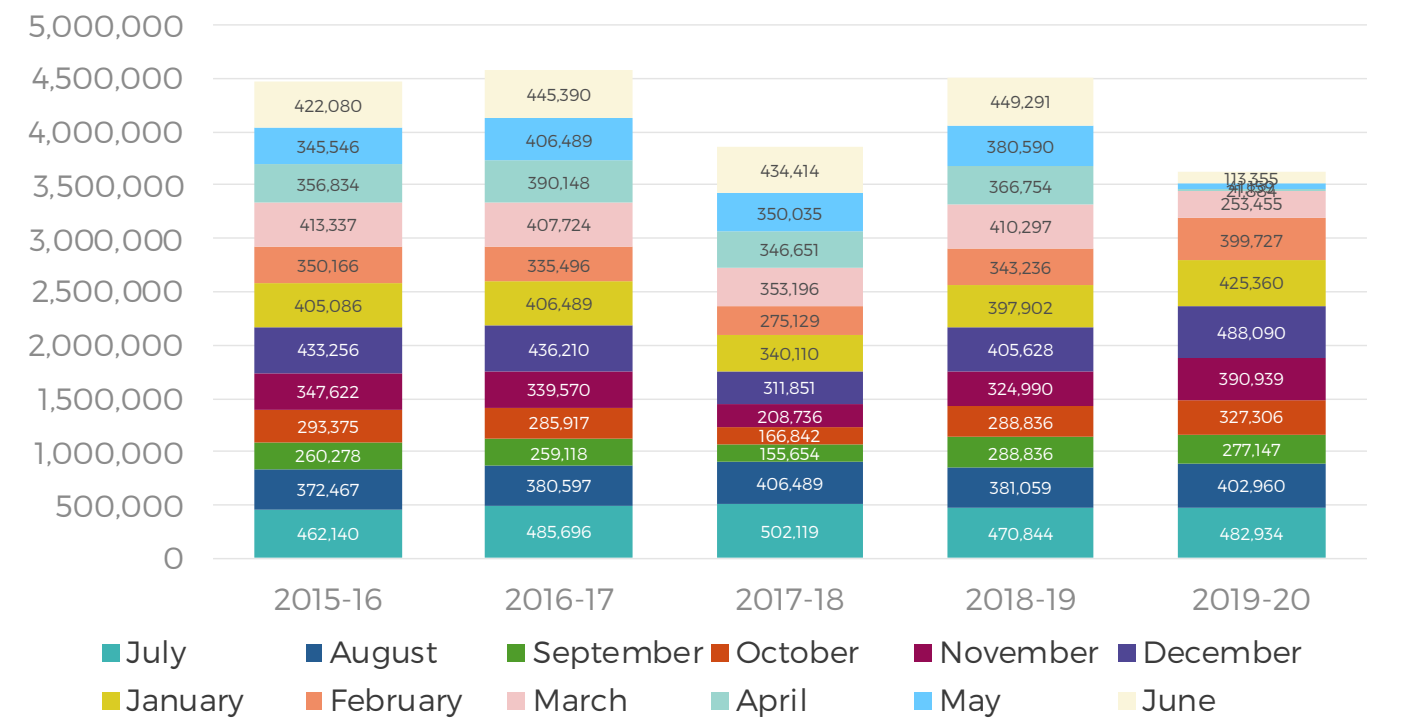
### LODGING SUPPLY



### LODGING REVENUE PER AVAILABLE ROOM/UNIT



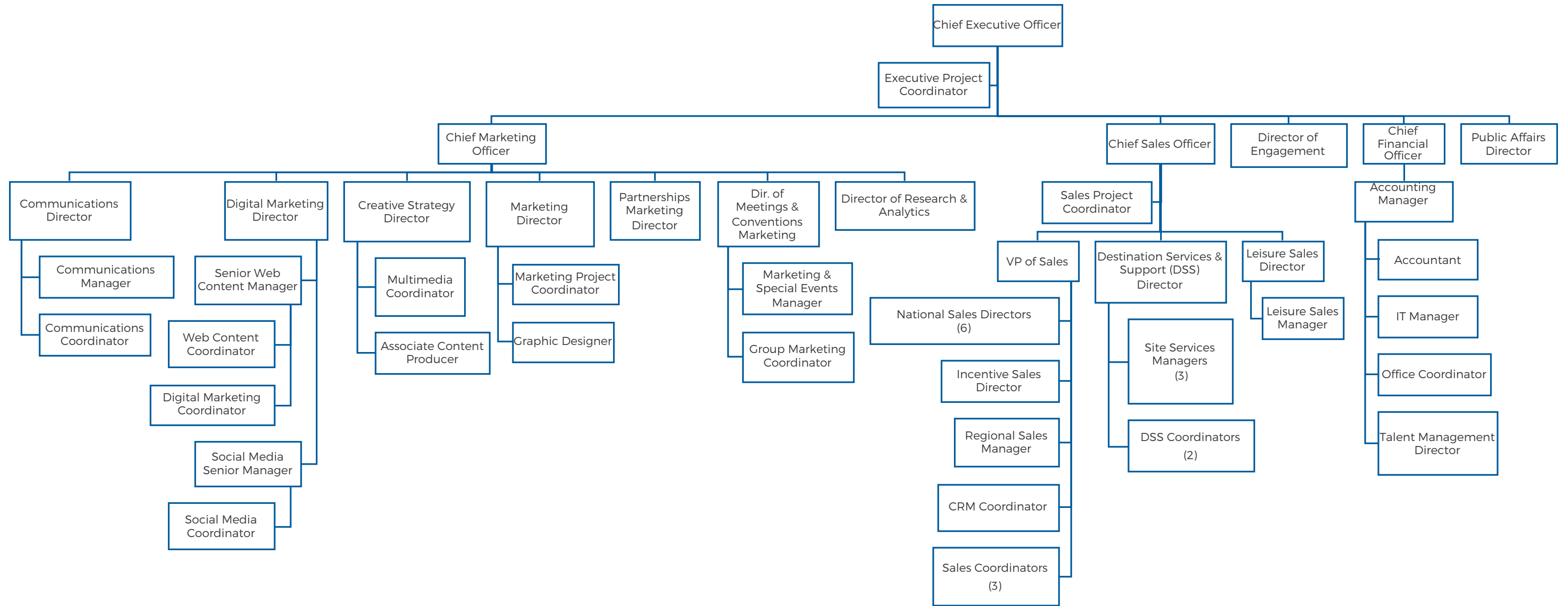
### SJU ARRIVALS





# APPENDIX VI

## ORGANIZATIONAL STRUCTURE





# TESTIMONIALS



"THE DMO HAS FORMULATED AND COMMUNICATED A CONSISTENT MESSAGE TO OUR POTENTIAL VISITORS, WHICH IS PARAMOUNT WHEN DEVELOPING AN EFFECTIVE MARKETING STRATEGY FOR A THRIVING DESTINATION. FURTHERMORE, ITS STRUCTURE PROMOTES THE SUCCESSFUL INTEGRATION OF ALL COMPONENTS OF PUERTO RICO'S VISITOR ECONOMY."

**JORGE HERNÁNDEZ**  
CEO OF AEROSTAR AIRPORT HOLDINGS, LLC



"FOR YEARS AS AN INDUSTRY WE HAVE BEEN PROMOTERS AND HAVE SUPPORTED THE CREATION OF A DMO. HAVING AN ORGANIZATION LIKE DISCOVER PUERTO RICO THAT IS DEDICATED TO MARKETING THE DESTINATION OUTSIDE OF PUERTO RICO WAS CRITICAL TO GIVE THE NECESSARY CONTINUITY TO THE PROMOTION AND MARKETING, AND TO MAINTAIN SYNERGY IN THE MESSAGE TO THE DIFFERENT MARKETS. IN THE SHORT, MEDIUM AND LONG TERM, IT IS THE RIGHT DECISION AND THEY HAVE OUR SUPPORT."

**CLARISA JIMÉNEZ**  
PRESIDENT AND EXECUTIVE DIRECTOR OF THE  
PUERTO RICO HOTEL AND TOURISM ASSOCIATION



"DISCOVER PUERTO RICO WAS SUCCESSFUL IN EXECUTING A SUCCESSFUL OUTREACH CAMPAIGN WITH LEADING PRIVATE SECTOR ORGANIZATIONS, WHILE AT THE SAME TIME PROVIDING AN EFFECTIVE PLATFORM FOR TOURISM SECTOR PARTICIPANTS TO BE SHOWCASED ON THEIR PORTAL AND SOCIAL MEDIA. THEIR MOVE TO REACH BEYOND THE TRADITIONAL MAINLAND US MARKETS TO INTERNATIONAL ONES WAS ALSO A BIG STEP TO DIVERSIFY THE SOURCE OF VISITORS AND CREATE A GLOBAL PRESENCE FOR PUERTO RICO'S TOURISM INDUSTRY."

**JOSÉ E. LEDESMA**  
PRESIDENT OF THE PUERTO RICO CHAMBER OF  
COMMERCE 2019-2020





DISCOVER  
*Puerto Rico*