

DISCOVER
Puerto Rico

DiscoverPuertoRico.com

**DISCOVER
PUERTO RICO
THE GREAT RECOVERY**

PLAYBOOK
APRIL 2021

Royal Isabela
Isabela, Puerto Rico

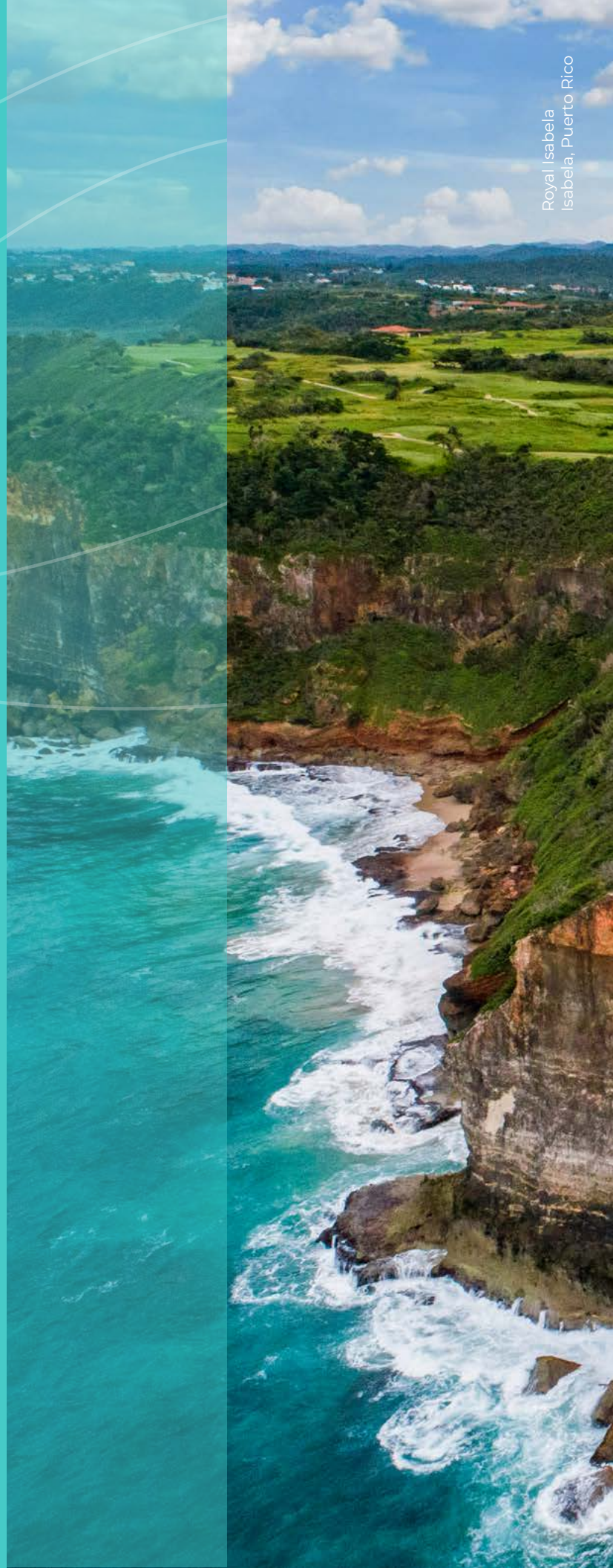




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INTRODUCTION

Growing the Island's visitor economy has been Discover Puerto Rico's mission since we emerged from the wrath of hurricanes Irma and Maria in 2017. In the years that followed, the Island faced civil unrest and earthquakes, and remains in the midst of a global pandemic. Through it all, Discover Puerto Rico has remained steadfast in our commitment to growth, supporting local businesses, and marketing our destination to the world.

The COVID-19 pandemic rocked the travel and tourism industry, shutting down virtually all business and leisure travel. To recover from the devastating impacts of COVID-19, we must continue implementing a compelling strategy, bringing travel and tourism back to our Island. Fortunately, opportunity is on the horizon, and the door to Puerto Rico's "Great Recovery" appears to be swinging open. Consumer sentiment data from Longwoods International indicates that intent to travel in the next six months has jumped to 4 in 5 American travelers, a level not seen since early 2020. Moreover, according to Destination Analysts, more than half of Americans claim to be open to destination messaging.

While Discover Puerto Rico has developed successful recovery plans in the past, this one is different. While other destinations' strategies consisted of going dark or, at best, providing lists of takeout restaurants for locals and virtual Zoom backgrounds, Discover Puerto Rico's strategy paired these reactionary tactics with responsible, but aggressive, actions to generate awareness and desire for the destination through a variety of earned, owned and paid tactics that evolved steadily over the past 12 months based on the changing conditions. These efforts are already demonstrating their impacts in the data showing Puerto Rico outpacing both Caribbean and mainland destinations.

Representing both short and long-term objectives, the Great Recovery Plan is built to be nimble, sustainable and measurable. Beyond simply restoring visitor spending to pre-pandemic levels, we need to go further, growing and evolving our visitor base. This growth must be inclusionary, and because Puerto Rico has suffered significant setbacks prior to the pandemic, we also need to recover quicker than our competitors. These are lofty goals, but by working collaboratively with Island leaders, our Industry partners and residents, the Great Recovery is within our grasp.

There are those who have said there is no "playbook" for our current situation. That simply isn't true. Discover Puerto Rico has created one, and we're making this recovery a reality.



OUR PROACTIVE APPROACH

As soon as COVID-19 transmissions and occupancy losses started to become a reality, we immediately and proactively respond to the situation. Unlike some neighboring destinations and mainland DMOs, everything we did in 2020 was not only proactive, but anchored in a “recovery mindset.” This ensured that we made sound strategic decisions amid an ever-changing landscape that would benefit us over the long term.

At the onset, our direction was straightforward – position the destination as leading by example, with a model of transparency, accountability and timeliness of information. We clarified any potential inaccuracies with travelers, media, meeting planners and travel advisers urgently. Our marketing tactics included:

- Adapting and enacting a preplanned “airborne illness” scenario from our robust crisis playbook to take preventative action ahead of time.
- Developing and continuously updating media and group statements, traveler FAQ, the Industry Portal, Industry communications and other materials.
- Sending frequent and consistent Industry email blasts to inform on the latest measures in place, revised messaging, and actions the DMO was taking to accurately represent the situation on the Island.
- Updating travel advisory and traveler FAQ in real time on the website with essential information for travelers.
- Pausing paid media while strict travel restrictions were in place but remaining active on social media and via earned media with an appropriately revised tone.
- Pivoting to digital engagements with meeting planners and travel advisers.

As the global situation escalated, we responsibly evolved our messaging and activations to acknowledge the circumstances, while ensuring that Puerto Rico was top of mind. The goal was to position Puerto Rico as a leader in containment and the forthcoming recovery through swift action and the implementation of strict guidelines and mandates for locals and current visitors on the Island. Our tactics included:

- Subscribing to and monitoring top-line perception testing in the U.S. to guide planning.
- Activating proactive newsworthy messaging and content ideas that encouraged travelers to dream about, plan, and (at the right time) book travel to our Island.
- Robust earned media relations positioning Puerto Rico as an emerging leader in recovery.
- Updating media and group statements, traveler FAQ, Industry communications, and other materials.
- Sending Industry email blasts to inform on the latest measures in place and corresponding messaging.
- Updating website travel advisory and traveler FAQ.
- Maintaining low levels of SEM for those actively seeking information.
- Staying active on social with proper tone and promoting posts where appropriate.
- Working with the Puerto Rico Economic Recovery Taskforce, the Department of Economic Development, Aerostar, the Puerto Rico Tourism Company and the Department of Health to synergize plans.
- Monitoring changing needs directly with hotel partners.
- Establishing guidelines and targets for group and leisure promotions.

NAVIGATING A NEW LANDSCAPE

The proactive “recovery mindset” we adopted and implemented in 2020 was key to prepare Discover Puerto Rico to lead in 2021. These quick, decisive actions conserved resources and prioritized key relationships with meeting and event planners, travel agents and strategic partners. Additionally, we developed ongoing messaging that balanced destination information with inspiration.

G E O G R A P H I C I M P A C T S

The impact of COVID-19 has been seen around the world. With every country facing varying circumstances and deploying different responses to the containment of the virus, every country’s tourism prospects are unique. A year after the virus was declared a pandemic, there are countries open for business, as well as those that are effectively shuttered. This hodgepodge of travel restrictions plays in Puerto Rico’s favor, as potential travelers (especially American citizens) are looking for travel destinations with easy-to-understand policies.

C A R I B B E A N I M P A C T S

Similar to the global situation, the Caribbean has deployed a mishmash of strategies. From barring U.S. travelers, to requiring pretravel protocols, most travelers find the rules onerous and, thus, the destinations are seen as not worthy of consideration. Add to this that roughly 60% of Americans do not possess a passport. For these consumers, only the U.S. Virgin Islands and Puerto Rico are viable options for a Caribbean experience.



“There will not be a U.S. economic recovery without a travel recovery...Discover Puerto Rico is critically important to driving this future demand and safely restarting travel. Together with their local travel and hospitality partners, DPR is on the forefront of travel recovery efforts that will restore thousands of jobs for the island’s workforce.”

Roger Dow / US Travel Association

Playa Negra
Vieques, Puerto Rico

U.S. IMPACTS

While travel and gathering restrictions vary from state to state, Americans are generally free to travel within the country. Urban destinations across the country (especially those where meetings, conventions and sports events are a primary source of visitation) are expected to struggle well into 2022. Destinations that appeal more to leisure travelers are expected to see their recovery begin in the second half of 2021, but not return to pre-COVID-19 levels for, at best, another year, assuming COVID-19 numbers continue to fall and vaccinations continue to increase. Beach and resort destinations that saw strong visitation in 2020 will likely maintain that pace going forward.

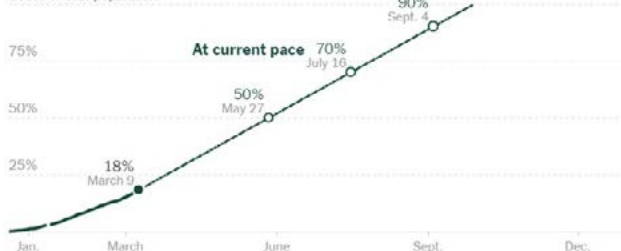
The U.S. vaccination rate is 2.15 million doses per day, on average, and roughly 1 in 5 Americans has received their first vaccine shot. If the country maintains its current pace of vaccinating people, about half of the total population would be at least partially vaccinated around late May and by early fall 2021, we will achieve herd immunity – assuming supply pledges are met and vaccines are eventually available to children.

When a given share of the U.S. population might be at least partially vaccinated

The current vaccination rate is based on the average daily increase in newly vaccinated people over the past week. This includes people given the single-dose Johnson & Johnson vaccine and the first shot of the two-dose series made by Moderna or Pfizer-BioNTech.

7-day average: 1.33 million newly vaccinated people

100% of U.S. population



Source: Centers for Disease Control and Prevention | Note: Data from Dec. 20 to Jan. 12 are for all doses administered. Data for Jan. 13 is unavailable. Projections could change if additional vaccines are authorized.

U.S. TRAVELER SENTIMENT

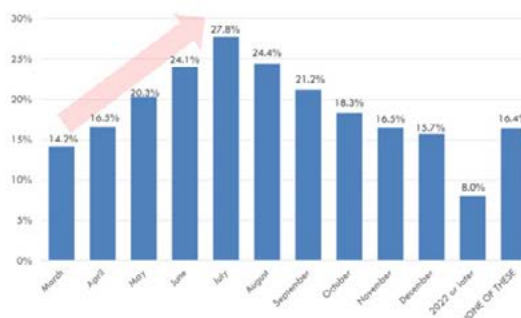
In the U.S., travel attitudes are looking up as Americans continue feeling safer and more excited about travel. The average rating of more than two dozen travel and leisure activities tracked as “unsafe” has fallen to 40.0%, a decline from 57.8% at the start of 2021. Additionally, optimism is at an all-time pandemic high and a record 71.1% dreamt and/or planned travel, with 15% saying they made a booking – consisting largely of hotels and airline tickets. About 84% of American travelers have trips at least tentatively planned and there is a growing percentage (20.3%) reporting planned trips for May.

While there has been a lot of positive news, it’s important to be cautiously optimistic. With new strains of the COVID-19 virus spreading, people’s eagerness to “forget about the pandemic,” and states lifting restrictions before herd immunity takes effect, we aren’t in the clear just yet.

MONTHS OF EXPECTED LEISURE TRIPS IN 2021

Question: Even if only tentatively scheduled, in which months do you currently plan to take any leisure trips? (Select all that apply)

(Base: Waves 52 data. All respondents, 1,209 completed surveys. Data collected March 3-7, 2021)



Source: Destination Analysts

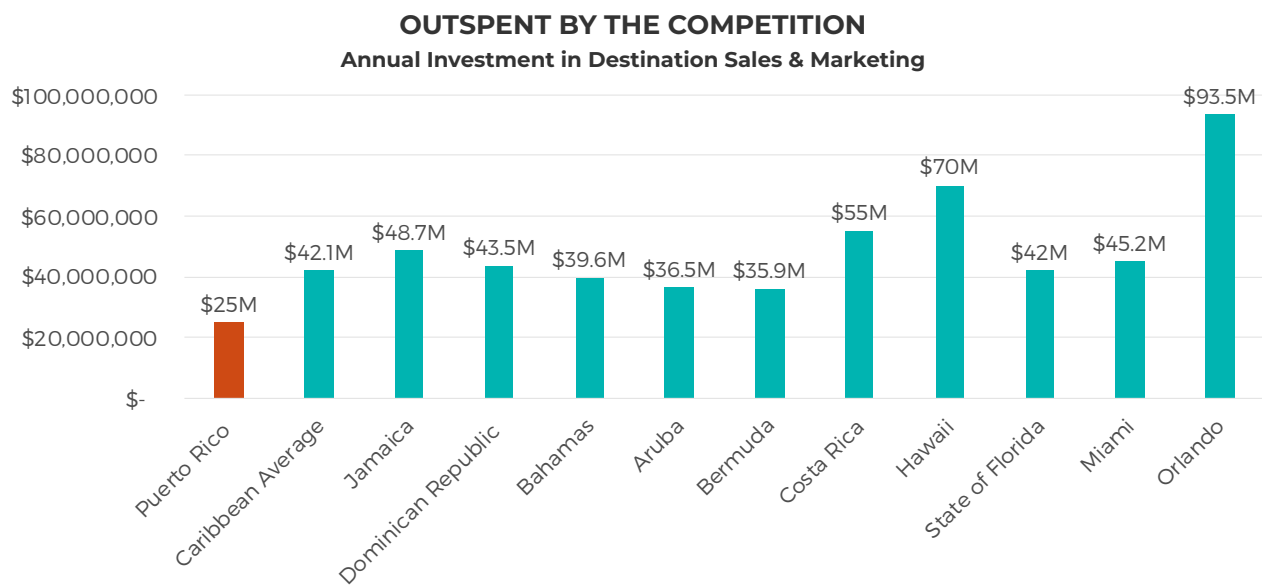
PUERTO RICO IMPACT

Given Puerto Rico's unique position as an Island destination reliant on air and cruise visitors, the territory was impacted more quickly and severely than most of the rest of the U.S. Additionally, we were the first state or territory to issue lockdowns due to COVID-19, with many of the measures more severe than implemented elsewhere, including strict stay-at-home orders and closures that included outdoor recreation.

Because of specific challenges facing Puerto Rico, compared to other destinations, it was critical the DMO react decisively. As the ramifications of an extended pandemic became clear, Discover Puerto Rico reduced operating expenses, reduced compensation, implemented furloughs, and froze business travel and hiring. For those employees who remained, we reassigned duties and responsibilities to maintain a high degree of responsiveness and service.

These proactive measures were undertaken to enable recovery when the time was right. However, now reentering the marketplace, Discover Puerto Rico is operating with only 25% of the funding that we had a year ago. Likewise, the business development fund (used to incentivize group business) has not been funded at all, posing a major impediment to recovering the Island's meetings and incentive business.

While we are using federal funds to supplement our budget in the short-term, those funds won't last into the next fiscal year. For there to be a true recovery, the Puerto Rican Government must make Discover Puerto Rico's funding a priority as we continue to be outspent by regional players and competitive DMOs. Despite all early indicators giving Puerto Rico the regional advantage, underspending relative to competitors could forfeit our lead.



Sources:

Bermuda: https://www.gov.bm/sites/default/files/Budget_Statement_Web.pdf

Hawaii: <https://www.hawaii-tourism-authority.org/media/4052/2019-annual-report-to-the-hawaii-state-legislature.pdf>

Hawaii Inventory: <https://www.bizjournals.com/pacific/news/2019/01/31/number-of-hotel-units-in-hawaii-declined-in-2018.html>



Bahamas Tourism budget excluding Transfers: <http://bahamas.gov.bs/wps/wcm/connect/eb098b49-e3fa-4c55-b589-bbd70a4b3e78/Midyear+Budget+2020+Final.pdf?MOD=AJPERES>

<http://www.hotelnewsnow.com/Articles/24110/Baha-Mar-will-change-Bahamas-tourism-landscape>

<http://www.thebahamasinvestor.com/2019/record-breaking-tourism-in-the-bahamas/>

DR Inventory: <https://www.globenewswire.com/news-release/2019/03/29/1790123/0/en/Dominican-Republic-Shares-Record-Breaking-Tourism-Numbers-and-Future-Plans.html>

Moreover, investment levels directly impact the pace of the recovery. Projections of a full recovery in 12 to 18 months depend on a \$50 million to \$60 million investment level, twice the current investment. Put another way, continued investment at the current level will prolong recovery by years.

FISCAL YEAR 2020-2021					
Pace of Recovery	Full Recovery Timeline	Investment	Economic Impact	Tax Impact	Jobs Restored
	24-30 months	\$25M	\$875M	\$100M	6,500
	18-24 months	\$35-40M	\$1.6B	\$185M	9,200
	12-18 months	\$50-60M	\$2.8B	\$325M	17,600



As 2021 unfolds, there are many positive signs of the abatement of the pandemic and the reawakening of the global economy and the business events industry. Research points to a great level of pent up demand for in-person business events, tradeshows and conferences. As planners resume proactively designing events and booking venues, they will be leaning on the expertise and knowledge of destination marketing organizations around the world for market insights, recommended safety protocols and support. With the considerable investment and ingenuity focused on reopening its beautiful and historic Island, Puerto Rico has demonstrated it is well positioned to earn events business. In recent times, Discover Puerto Rico has clearly proven that their commitment to the safety and wellness of visitors has been placed at the forefront of all their efforts.

Paul Van Deventer / Meeting Professionals International

Survival Beach
Aguadilla, Puerto Rico

RECOVERY BY SEGMENT

PRODUCT MANAGEMENT

Even as we plan to overcome the challenges ahead, we are limited by past problems that have yet to be addressed. We will continue to identify destination assets that require renovation and reopening to reclaim previous record visitation levels, and advocate for the Puerto Rican Government to move aggressively to assist these assets.

ASSET RECOVERY

While the lodging product continues to evolve in response to consumer demand, the mix of rentals and hotels is still influenced by the damage to lodging inventory caused by hurricanes and earthquakes of the past.

The damage done by Maria is still not reconciled, and issues from room inventory and attractions not yet online to capacity restrictions limit the current recovery efforts until fully restored.

MICE RECOVERY

As travel advisor and meeting planner sentiment continues to improve based on vaccine distribution and the loosening of restrictions, we are seeing increased activity in future bookings and requests for proposal (RFP's). To boost lead volume and maintain pre pandemic conversion percentages we will prioritize our efforts to those buyers with confirmed travel dates and meeting needs most effectively.

CRUISE RECOVERY

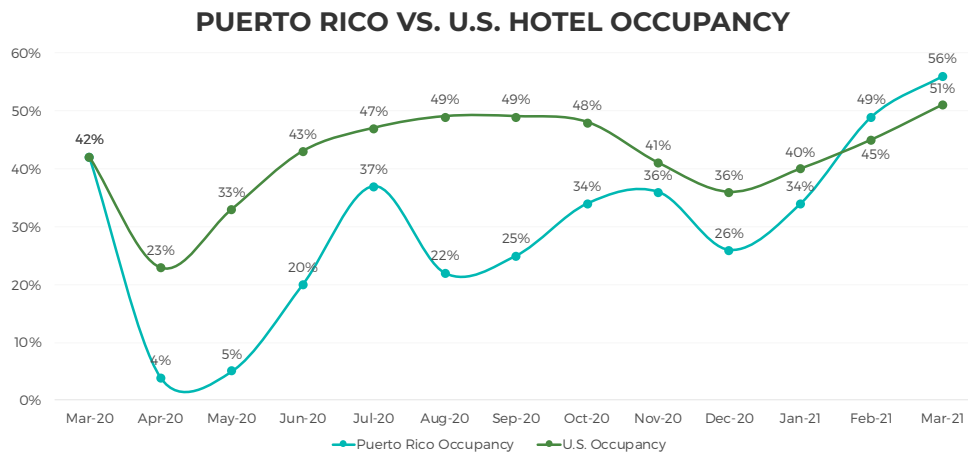
While the cruise industry has experienced consistent and robust growth over the last 10 to 15 years, with the size and number of new ships increasing each year, COVID-19 has laid waste to all cruise industry projections for 2020 and 2021. The impact has been especially harmful to the cruise industry as a result of negative media at the outset of the pandemic, which caused the CDC to issue a No Sail Order for ships sailing in U.S. territorial waters. The No Sail Order has since been replaced by a complex Conditional Sail Order that has kept the industry at a standstill.

With the U.S. temporarily out of the equation and vaccine programs providing optimism, North American cruise lines have started to focus on where they will be permitted to sail, and the Caribbean has become the obvious choice. If this positive trajectory is maintained, we are hopeful that San Juan might see home port opportunities in late 2021. We expect meaningful deployments to the Caribbean in mid to late 2022 and into 2023.

The good news is that there is tremendous demand. Sales for cruises in late 2021, 2022 and beyond are at pre-pandemic levels and, in some cases, higher. The bad news is that the industry does not predict a return to profitability until 2023.

POISED FOR RECOVERY

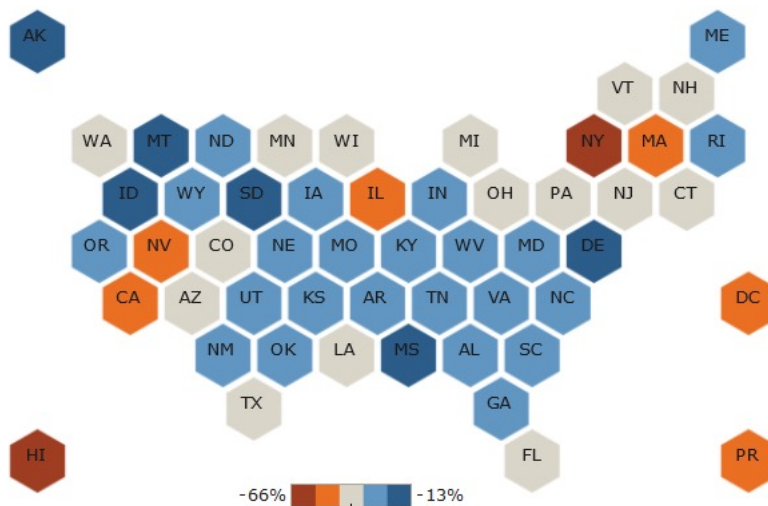
Prior to the lockdowns, Puerto Rico was experiencing record lodging demand, with strong growth throughout 2019 and in the early months of 2020. However, with strict early lockdowns, visitation plummeted – far more severely than the rest of the U.S. We saw a brief spike in the summer, with the Island open to visitors and the announcement of easing restrictions, but with the government quickly reversing course and again implementing restrictions, occupancy once again fell, never eclipsing the U.S. average in 2020.



Source: STR

The impact of the pandemic has been severe, and Puerto Rico has sustained some of the most drastic losses among U.S. destinations. The U.S. Travel Association with Tourism Economics estimates Puerto Rico has lost \$2.7 billion in travel spending, resulting in \$293 million in lost taxes. This 50% year-over-year loss is only outpaced by Hawaii and New York, with 66% and 56% year-over-year losses, respectively.

VISITOR SPENDING LOSSES BY STATE/TERRITORY



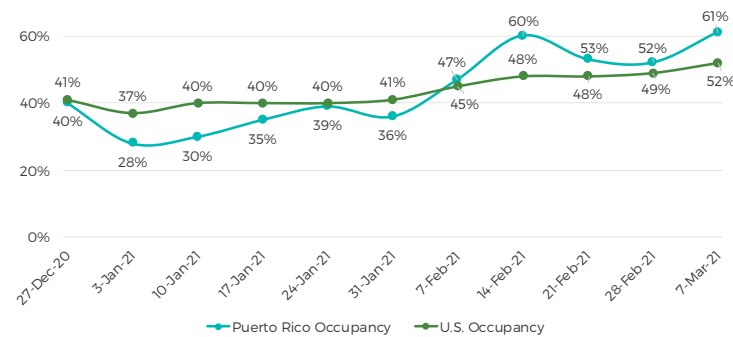
Source: U.S. Travel & Tourism Economics

EARLY RECOVERY INDICATORS

Even though Puerto Rico sustained steeper declines due to COVID-19, we are poised to see a swifter recovery than competitors. This advantage over other markets is due to the following factors: destination markets will recover quicker than urban markets due to consumer behavior and travel preferences; consumers' high desire to visit a beach destination when ready to travel again; and the largest cluster of consumers (25%) are expected to travel again in four to six months after travel restrictions are lifted.

This accelerated recovery has already begun. Since the first week of 2021, Puerto Rico has seen a 25-point increase in hotel occupancy while the rest of the U.S. has generated a more modest 11-point increase – placing us above the U.S. in occupancy.

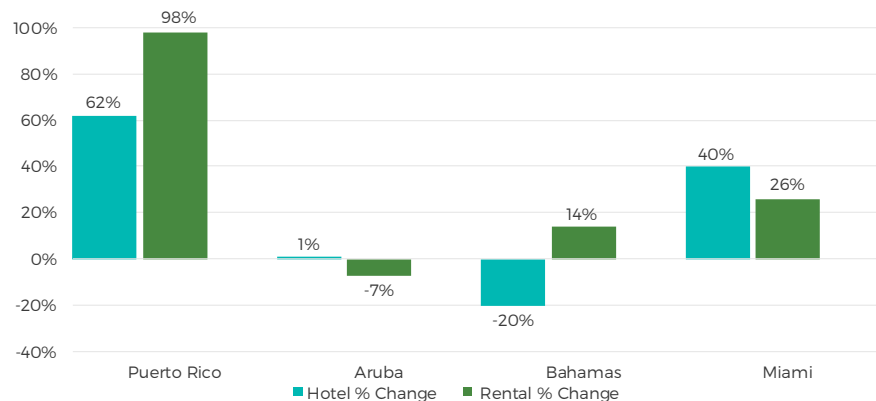
PR VS. U.S. OCCUPANCY BY WEEK



Source: STR

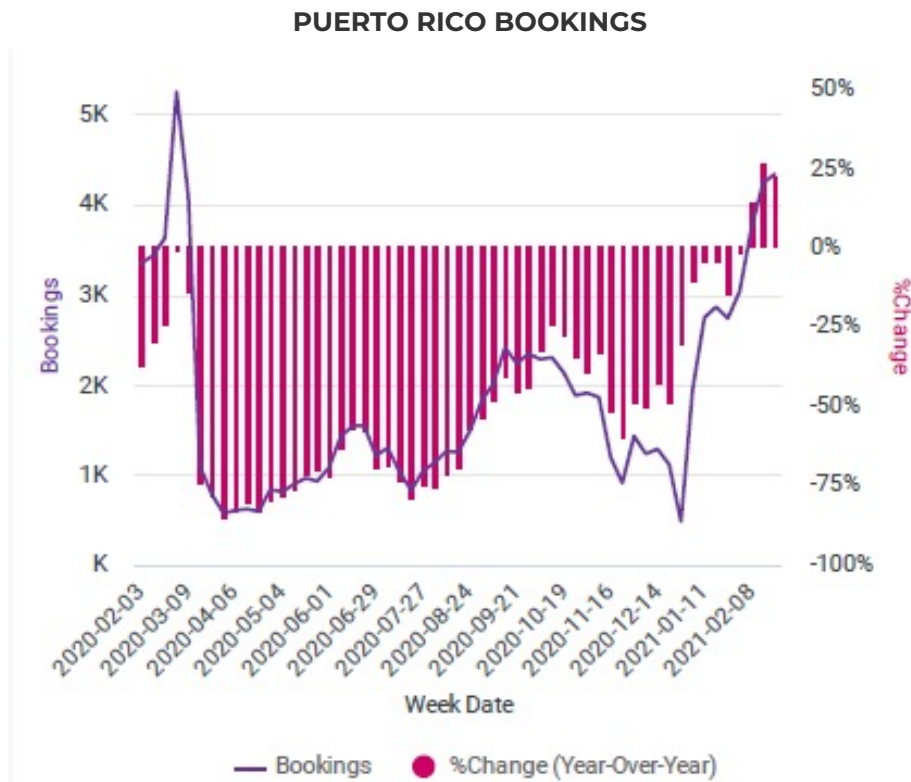
In recent years, there has been a significant shift in lodging supply and demand in Puerto Rico. Independent rentals now make up 35% of our lodging supply – comprising 29% prior to COVID-19 – and though it makes up a significantly smaller portion of supply, rental demand was only 5% lower than hotels. Both hotels and rentals will play an important role in Puerto Rico's recovery. Through the remainder of the fiscal year, hotels are only booking about a third behind pre-pandemic levels from the same time a year ago – far better than other Caribbean competitors. For the same time period, rentals are booking more than 80% above where they were in early March 2020. This impressive increase in lodging demand is unique in the industry and a strong indicator of our impending recovery.

HOTEL & RENTAL BOOKING PACE (MARCH-JUNE)



Source: TravelClick & AirDNA (as of March 21, 2021)

Additional booking data shows that since the beginning of 2021, bookings have not only skyrocketed, but are also seeing year-over-year increases. Puerto Rico bookings are up nearly 25% from a year ago. The rest of the Caribbean and Mexico continues to book 25% below a year ago, while the rest of the United States is booking 40% below the same time in 2020.



Source: Adara

As the impact from COVID-19 continues to decline and immunity levels continue to rise, we are poised for a great recovery and a great opportunity. The number of travelers over the age of 65 who have received their vaccinations and are eager to travel is growing quickly. Indications from professional meeting planners suggest that the second half of 2021 will see hybrid meetings with a hopeful return to in-person conventions in 2022 when on-site conferences can be safely staged. Additionally, cruise lines will likely be able to resume their routes in 2022; with all activity prepping the landscape for visitors who anxiously wait for the signal to travel again after a year of dreaming big.

These strong indicators of early recovery, coupled with growing consumer confidence and desire to travel, set up Puerto Rico as a destination ready to cater to a new, expanded travel market. Higher-end consumers are faring relatively well in the wake of the pandemic and are ready to travel. Puerto Rico is an exciting, low-risk option for this demographic, offerings safety and comfort, as well as the allure of an exotic destination with diverse experiences and intrigue. As we rebound, this new market will be instrumental in rebuilding our Island’s tourism sector, economic stability and setting us up for further success.

BUILDING BACK BETTER

The objective of this plan is to effectively manage the disruption lifecycle and mitigate the impact of the pandemic on tourism by continuing to steer a rapid recovery plan through the following:

REVIVE TOURISM

- Safeguard the good state of the tourism infrastructure and human capital.
- Capitalize on short-term opportunities in sight.
- Foster responsible tourism.
- Reinforce work done (advertising spend) at height of pandemic.

FOCUS ON BETTER

- Turn the crisis into an opportunity to revitalize tourism.
- Develop and implement strategies to promote responsible tourism, dispersion and diversity of product offering.
- Be ready for the next wave of recovery in efficient and sustainable ways.

Despite the devastation of the pandemic, the crisis offers an opportunity to rethink how tourism interacts with our economy, society, resources and infrastructure, building and transitioning to an even more resilient tourism economy. Beyond just recovery, we can guide our entire industry forward and achieve even greater successes than those already established by Discover Puerto Rico.

Our goal for 2021 is to help stabilize the Island's economy through tourism and drive visitor-powered employment and revenue to new records – this includes surpassing 2019 visitation numbers, increasing ADR, and attracting a more **“conscientious traveler.”**

Coming out of the pandemic, travelers want – more than anything – to reconnect with the world outside their home. We've seen travel inspiration all around us, and recently, it's been a higher-end consumer fulfilling those dreams. Many middle- and upper-class Americans have actually saved money during the pandemic, putting them in a better financial position to satisfy that ache for new travel opportunities.

These consumers are looking for more meaningful travel – not just relaxation and luxury, but cultural encounters that broaden their horizons and create unique, unforgettable experiences. Puerto Rico is a prime example of the type of destination these travelers seek, and this relationship can be mutually beneficial. This audience is not only desirable from a financial standpoint, but also will help maintain the beauty and spirit of our Island.

In the early stages of recovery, Puerto Rico was the first to implement a responsible traveler strategy, specifically focusing on those who would follow safety regulations and respect local mandates. This has allowed us to build a more sustainable tourism product beyond the pandemic and into the future by providing intentional and meaningful experiences to a more conscientious traveler who seeks to support the rich culture and history of the destination in their travel experience.

THE GREAT RECOVERY PLAN

Despite the pandemic’s devastating impact on the Island’s economy, Discover Puerto Rico has been aggressively building its intel into the mindset of future visitors, monitoring their readiness to travel and their interest in experiencing something new. This depth of research will allow us to engage our target markets with pinpoint accuracy to attract conscientious travelers.

As of spring 2021, cases continue to fall and travel advisories loosen. Puerto Rico is entering the rebound phase of our journey to recovery. Using research to guide marketing efforts, timing and drive responsible travel messaging, we will:

- Continue building on our “responsible traveler” target, adapting and evolving to grow our audience base of those visitors most likely to follow health and safety guidelines as well as demonstrate respectable behavior.
- Continue monitoring and adjusting target markets based on selection formula that prioritizes seat capacity from airlines and declining COVID cases among other factors.
- Implement a robust media and communications strategy, already developed and scalable based on available funds.
- Inject additional funds as available across the entire marketing and sales matrix to make a significant impact and broadcast Puerto Rico’s readiness for leisure and business visitors.
- Use earned media to position Puerto Rico as significantly advanced in terms of readiness compared to competitive set, based on strict containment measures.
- Implement much earlier than other destinations.

- Amplify Puerto Rico’s “readiness” in relation to past examples of resiliency and strong comebacks despite past challenges.
- Activate creative campaign that builds on consumers’ pent up demand for travel.
- Implement robust FAM plans (already established) to bring top-tier journalists, meeting planners and travel advisers to the Island to amplify our “readiness” message.
- Activate destination promotions in both leisure and group segments.
- Implement meetings media plan as budget allows, to deliver promotions to appropriate targets.

Our goal is to meet or exceed the pace of 2019 numbers by the end of the year for key metrics such as airport arrivals, dispersion, occupancy (hotel and rental), and revenue (hotel and rental); to stabilize the Island’s economy; and, in 2022, drive visitor-powered employment and set new records.

METRICS	2019 (BENCHMARK)	2020
Airport Arrivals	4,717,446	2,400,939
Dispersion	60.40%	64.20%
Demand/ Occupancy (hotel)	66%	32%
Demand/ Occupancy (rental)	50%	49%
Revenue (hotel)	\$706,143,141	\$323,012,009
Revenue (rental)	\$248,185,932	\$251,446,980
ADR (hotel)	\$210	\$177
ADR (rental)	\$179	\$193

Sources: AeroStar Airport Holdings, Arrivalist, STR & AirDNA

Tourism has the potential to be a vibrant economic engine for Puerto Rico. Over the past half decade, a series of unforeseen events has intervened to block us from our destiny as a top-tier global destination. A post-COVID-19 world will be our opportunity to seize our birthright, and Discover Puerto Rico is committed to enabling the tourism sector to not only survive this crisis, but also to rebuild and strengthen for the future.

For Puerto Rico’s economy to thrive, each of its core product deliverables needs to be robust. Tourism has the ability to not only attract visitors to the Island, but also introduce those visitors to entrepreneurial opportunities for future investment, further magnifying Discover Puerto Rico’s responsibility. Therefore, the recovery of the tourism industry is critical for all our industries to recover.

The Great Recovery Plan will help guide the tourism sector’s rebirth while ensuring sensitivity to the health, culture and quality of life of our residents.

MILESTONES OVER TIMELINES

The uncertain nature of the challenges we face requires a plan that is nimble, sustainable and measurable. Unforeseen surges in infection rates, new and more contagious variants, or any number of developments may require us to adjust efforts in real time.

The complexity of the current environment demands a completely new approach to our recovery playbook. We developed a milestone method that outlines measurable, non-timed, benchmarks that will activate triggers and guide the DMO's response activity across marketing, communication and sales channels. This method differs from our previous planning process that was focused on calendar-based activity that included seasonal travel and events.

The milestone method is focused on key travel variables, visitor volume and overall business impact to inform our strategy and next milestone phase. Additionally, it will help guide our messaging and activity across all marketing channels such as website, public relations, media, and sales. By identifying these key moments, we can gauge marketing and communication activities in a highly responsive and adaptable way.

In summary, the plan relies on key milestones that trigger asynchronous action plans and benchmarks, rather than strict sequential openings.



"Discover Puerto Rico has positioned the island for a robust recovery of its travel economy, including the work our organizations have performed on the international front over the past several years. Brand USA has worked hand in hand with Discover Puerto Rico to develop a global digital infrastructure upon which the DMO has been able to build an international consumer presence....to recapture our share of international travel."

Chris Thompson / Brand USA



RESPONSIVE SALES AND MARKETING

An important component of the milestone-based approach is the ability to adjust and react to conditions as they happen, in messaging, across audiences and channels. Key milestones (e.g. CDC guidelines, decreasing levels of infection and increasing incidence of vaccinations) will inform these shifts, such as incrementally increasing the reach and frequency of marketing through a phased approach.

R E S T O R E

We have seen positive results with messaging focused on future travel: “when the time is right ... but plan today.” The media efforts remain intentionally high-level, targeting responsible travelers while speaking to health and safety, inspiring future travel and keeping the destination top of mind. As travel restrictions ease, the message will shift to a more overt welcome and call-to-action.

As travel advisor and meeting planner sentiment continues to improve based on vaccine distribution and the loosening of restrictions, we are seeing increased activity in future bookings and requests for proposals (RFPs). During this phase, we'll monitor leisure sales segments that are actively selling Puerto Rico inventory in the Caribbean, while prioritizing accounts and individual travel advisors for personal visits and familiarization trips. Our team will prioritize meeting planner outreach based on delayed or canceled bookings, using GDS booking and hotel occupancy reports to show progress.

Meeting planner outreach will be prioritized by market segment based on lead volume and historical production to include connecting with planners who engaged with Discover Puerto Rico virtually during the period of travel restrictions, while monitoring the competitive set. Lead volume will be analyzed to identify segments and geographic markets that are responding with active RFPs.

R E B O U N D

With most travel restrictions relaxed, the message transitions to “we’re ready to welcome you back.” Media efforts will continue to support the high-level inspiration and awareness (relaxing the health and safety focus), but also include consideration and conversion elements for specific travel markets, focused on the eastern United States and targeted category behavior.

Our leisure marketing and public relations efforts will focus on key gateways based on historical production and air access, to include in-person visits, targeted FAM invites and roadshows with hotel partners when appropriate. Island FAM trips for targeted producers will increase in frequency, and hotel promotions will be distributed through all available channels. We'll be focused on performance, examining GDS volume, monitored by account and hotel reporting to establish message effectiveness and travel patterns.

For the meetings and events product, destination site inspection and FAM trips will increase in frequency, and in-market sales visits and presentations will be scheduled when appropriate. Tradeshow presence will be maintained at the most important industry events. New leads will be further prioritized by booking window and requested dates to stimulate short-term impact. We will be monitoring RFP volume weekly for market segment and geographic patterns.

R I S E

With cruise and international travel levels returning, the message evolves to showcase visitors reveling in a post-COVID-19 Puerto Rican experience. New campaigns will be developed to reflect a new consumer mindset and deliver on the full destination experience. Target markets expand to include full visitor base.

Individual and group FAM trips will continue to increase in frequency for the leisure segment, while we evaluate Coop agreements and refine by booking activity and include specific promotions, rates and packages offered by hotels and attractions. In-market roadshows and tradeshow presence will be amplified and visibility within key chapters of organizations will play a larger role. Measurement of progress will include hotel occupancy reports and internal consortia reporting along with GDS data to allow us to monitor specific initiatives and partner relationships.

For meetings and events, site inspections will continue to increase in frequency, and meeting planner testimonials will be actively elicited during island visits and distributed via our CRM and through strategic partnerships. Tradeshow involvement will include more prominent activations and roadshows will target key feeder cities. We'll examine lead volume as well as tentative and definite conversions.

R E A C H

Building on the successes of the recovery to inform marketing strategies. Grow visitor base with our conscientious travelers, continue to build on momentum and stretch goals to meet or exceed record-breaking pre-pandemic visitation.

As hotel occupancy increases and additional air routes are reengaged or newly established, our leisure efforts will emphasize shifts towards driving increased rates and filling need periods. Promotions will be updated by seasonality and niche markets (i.e., Weddings, Golf, Luxury) will be fully developed. Packaging to include experiences around the island will be marketed and distributed widely. Based on marketing activity and route development we will also begin to focus more on international segments primarily in Latin America and Europe to begin.

Educational workshops on the island, and in the different regions, will resume to introduce additional properties to the leisure distribution network and enhance relationships with existing stakeholders. We will be monitoring GDS activity, hotel occupancy and ADR reporting and growth in RFP's for niche specific activity.

As RFPs for specific meetings and event dates substantially increase, pattern management and seasonal rate strategies yield higher occupancy and ADR. FuturePace and customer-generated pace reports will allow us to gain a deeper understanding of short- and longer-term need periods. As vaccines become more widely distributed and social distancing requirements in meeting space is relaxed, existing and new contracts are reviewed to ensure the rooms to space ratios are managed effectively and profitably.

We will focus on ADR growth in season and the number of events booked into shoulder and low season dates as a good gauge of the island's progress. Pace reports play an important role in need period and longer-term planning. Ultimately the National Sales Directors will be measured against goals that were established to meet and exceed numbers both pre COVID and Pre-Hurricane Maria.

As recovery progresses, we'll resist the urge to focus on only the immediate phase, always looking to diversify the product offering, reach for goals beyond recovery, and bring about a more resilient tourism economy for the future.

BUILDING A BETTER PUERTO RICO FOR THE FUTURE

Puerto Rico is a bucket-list destination that's achievable and can fulfil the needs of a new population of travelers seeking breathtaking escapes and rich cultural experiences. With the beauty and culture of an international destination, but easily accessible in America's backyard, we are ready to rebuild, better than ever, and capitalize on the pent-up demand for travel.



"The Discover Puerto Rico team and its industry partners have successfully staged more comebacks from more challenges outside their control than any one destination should have to overcome. Over the past year, the team has done it again by driving wanderlust among its potential visitors with Puerto Rico content on TripAdvisor delivering 22% higher engagement than its competitors. They achieved this by understanding consumer sentiment, targeting audiences based on their travel signals, and developing an entirely new messaging and content strategy built for the times."

Steve Paganelli / TripAdvisor

RECOVERY PLAN ROADMAP



MILESTONES

CDC CLASSIFICATION CHANGE FOR TRAVEL RISK

CURFEW LIFTED AND INCREMENTAL LOOSENING OF RESTRICTIONS

SOCIAL DISTANCING/MASK REQUIREMENTS SOFTENED/ELIMINATED



ACTION PLANS

PUBLIC RELATIONS RESPONSE
Update key messaging, travel advisory, and other external messaging docs. Responsible travel focus remains. Continued thought-leadership. Continue limited FAMs.

WEBSITE CONTENT RESPONSE
Update travel advisory to highlight decreased risk

MEDIA TARGETING RESPONSE
Maintain safe traveler targeting

MESSAGING PIVOT
Decrease weighting of health and safety creative and messaging

PUBLIC RELATIONS RESPONSE
Update key messaging, travel advisory, and other external messaging docs. Proactively reach out to media with latest updates. Elevate solo press/influencer FAM trips.

WEBSITE CONTENT RESPONSE
Update travel advisory, review home page content to highlight experiences previously not allowed to assist industry

MEDIA TARGETING RESPONSE
Maintain safe traveler targeting

MESSAGING PIVOT
Further decrease weighting of health and safety messaging, introduce new creative highlighting experience now available

PUBLIC RELATIONS RESPONSE
Update key messaging, travel advisory, and other external messaging docs. Proactively reach out to media with updates pushing ideal destination for social distancing while remaining safe. Reignite small group FAM trips.

WEBSITE CONTENT RESPONSE
Selectively deactivate pandemic imagery, rebalance homepage content to highlight full spectrum of Puerto Rico experience drivers

MEDIA TARGETING RESPONSE
Selectively soften safe traveler targeting based on source market health grades

MESSAGING PIVOT
Pandemic-specific creative assets selectively phased out, reintroduce culture/nightlife/indoor dining assets, emphasize immediate booking



RESULTS

PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management

WEBSITE MEASUREMENTS
Travel advisory page views, organic traffic

MEASUREMENTS
Improved response, CTR

PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management

WEBSITE MEASUREMENTS
Increased organic traffic, increase in page views for previously restricted activities

MEASUREMENTS
New creative performance (CTR, CPE)

PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

WEBSITE MEASUREMENTS
Increased organic traffic, increase in page views across culture/dining/ nightlife content

MEASUREMENTS
New creative performance, Arrivalist conversion data

RECOVERY PLAN ROADMAP



MILESTONES

**MANDATORY NEGATIVE TEST
REQUIREMENT DROPPED**

**VACCINATION RATES REACH
70% (OR) ALL HEALTH & SAFETY
RESTRICTIONS LIFTED**

**GROUP EVENT RESTRICTIONS
DROPPED/SCHEDULED TO DROP**



ACTION PLANS

✓ PUBLIC RELATIONS RESPONSE
Update messaging to reflect realities on-Island. Proactively reach out to media with latest updates re-enforcing access and ease. Creative ideation/ news engine on overdrive. Influencer and other brand partnerships.

✓ WEBSITE CONTENT RESPONSE
Travel advisory retired. Use geotargeted personalization to actively announce/ reinforce elimination of requirement on home page for domestic U.S. audiences

✓ MEDIA TARGETING RESPONSE
Drop "safe traveler" targeting, return to core audience targets. Deploy broader TV/ OTT market strategy

✓ MESSAGING PIVOT
Actively promote elimination of requirement, position against international competitors, emphasize immediate bookings

✓ PUBLIC RELATIONS RESPONSE
Update key messaging, travel advisory, and other external messaging docs. Double down on pushing "travel now" messaging activations. Reignite small group FAM trips. Consider strategic productions on-Island.

✓ WEBSITE CONTENT RESPONSE
All pandemic-specific imagery deactivated

✓ MEDIA TARGETING RESPONSE
Selectively soften safe traveler targeting based on source market health grades

✓ MESSAGING PIVOT
All pandemic-specific creative assets retired, full spectrum of island experiences promoted

✓ PUBLIC RELATIONS RESPONSE
Consider Distrito as catalyst (if timing coincides) to elevate group travel. Proactive activations on-Island. Strategic partnerships for cross-collaboration on-Island. Influencer/press FAMS.

✓ WEBSITE CONTENT RESPONSE
Proactive meetings/group/wedding content pushing a "back to business" messaging

✓ MEDIA TARGETING RESPONSE
Re-start full digital media plan for group market

✓ MESSAGING PIVOT
Retire pandemic messaging, reinforce original/core value proposition



RESULTS

↗ PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

↗ WEBSITE MEASUREMENTS
Organic traffic. Pageviews and engagement with updated test requirement content.

↗ MEASUREMENTS
Increase in engagement metrics (CTR, CPE), Arrivalist conversion data

↗ PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

↗ WEBSITE MEASUREMENTS
Increased organic traffic, increase in page views across culture/dining/ nightlife content

↗ MEASUREMENTS
Increase in engagement metrics (CTR, CPE), Arrivalist conversion data

↗ PUBLIC RELATIONS OBJECTIVE
Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

↗ WEBSITE MEASUREMENTS
Organic traffic. Pageviews and engagement with "back to business" messaging

↗ MEASUREMENTS
Acceleration in filling 1- to 3-year lead pipeline

RECOVERY PLAN ROADMAP



MILESTONES

CRUISING BEGINS AGAIN

VISITOR VOLUME REACHES PRE-PANDEMIC LEVELS

INTERNATIONAL FLIGHTS REACH PRE-PANDEMIC LEVEL



ACTION PLANS

- PUBLIC RELATIONS RESPONSE**
 Creative messaging re: pre/post cruise destination. Collaborate with cruise lines on themed FAM trips.
- WEBSITE CONTENT RESPONSE**
 Reintroduce cruise-specific itinerary content
- MEDIA TARGETING RESPONSE**
 Re-engage cruise-specific media targeting
- MESSAGING PIVOT**
 Develop pre-/post-cruise creative messaging

- PUBLIC RELATIONS RESPONSE**
 Pre-pandemic earned media amplification implemented as budget allows. Mainland activations that drive destination awareness, partnerships, elevated FAMS, news engine on overdrive, etc.
- WEBSITE CONTENT RESPONSE**
 Refine content to target higher value visitors to drive ADR
- MEDIA TARGETING RESPONSE**
 Re-assess market targets, return to opportunity markets, increase emphasis on higher value visitors
- MESSAGING PIVOT**
 Increase brand awareness/affinity messaging and balance with immediate booking messaging

- PUBLIC RELATIONS RESPONSE**
 Continue strategic collaboration with Hills Balfour and Brand USA to amplify and align messaging. Strategic partnerships, elevated FAMS, news engine on overdrive, etc.
- WEBSITE CONTENT RESPONSE**
 Review and update microsite content for dedicated Puerto Rico site through Brand USA
- MEDIA TARGETING RESPONSE**
 Re-assess international markets, re-deploy co-op media efforts with Brand USA to support key flights
- MESSAGING PIVOT**
 Highlight/emphasize accessibility and core travel drivers specific to each audience



RESULTS

- PUBLIC RELATIONS OBJECTIVE**
 Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

- WEBSITE MEASUREMENTS**
 Cruise-specific content engagement

- MEASUREMENTS**
 New creative performance, Arrivalist data showing pre-/post-cruise travel activity

- PUBLIC RELATIONS OBJECTIVE**
 Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

- WEBSITE MEASUREMENTS**
 Improved site visitor quality scores, trackable spend for site visitors

- MEASUREMENTS**
 Increase in brand awareness, affinity and intent to visit, long-term ADR increases

- PUBLIC RELATIONS OBJECTIVE**
 Awareness increase, Perception/ Consideration increase, Reputation Management; Engagement

- WEBSITE MEASUREMENTS**
 Increase in international website visits, content engagements

- MEASUREMENTS**
 Increased awareness and intent

MOVING FORWARD

Our goal is to meet or exceed 2019 numbers for key metrics such as airport arrivals, dispersion, occupancy (hotel and rental), and revenue (hotel and rental); to stabilize the Island's economy; and, in 2022, drive visitor-powered employment and revenue to new records.

T R A V E L E R C O N F I D E N C E A N D D E M A N D

- Encourage and inspire industry partners to adhere to best practices in health and safety for all.
 - Adopt safety protocols and communicate early.
 - Marketing messaging to stress health and safety.
 - Showcase examples of customers enjoying business and destination safely and responsibly.
-

D E S T I N A T I O N A S S E T R E C O V E R Y

- Continue to identify destination assets that require renovation to reclaim record visitation levels.
 - Advocate for the Puerto Rico Tourism Company to move aggressively to assist these assets.
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R E S P O N S I V E S A L E S A N D M A R K E T I N G

- Marketing actions triggered by key milestones (e.g., decreasing levels of infection and increasing incidence of vaccinations), incrementally increasing the reach and frequency of marketing through a phased approach.
 - **RESTORE:** "When the time is right ... but plan today." High level messaging (health and safety, inspiration, keeping the destination top of mind).
 - **REBOUND:** "We're ready to welcome you back." Continue high-level inspiration and awareness, add consideration and conversion elements for specific markets.
 - **RISE:** Message evolves to showcase visitors reveling in a post-COVID-19 Puerto Rican experience. New campaigns developed; target markets expand to full visitor base.
 - **REACH:** Grow visitor base with our conscientious travelers, continue to build, to meet or exceed record-breaking pre-pandemic visitation.