San Juan Islands Visitors Bureau

March 12, 2024

Updates to County Council

Our Mission for 21+ Years (since 1999)

- **Economic Development via Tourism/Hospitality**:
  Our Mission Statement - *"To enhance the economic prosperity of San Juan County by promoting the San Juan Islands as a preferred, year-round travel destination, while respecting and sustaining the Islands' unique and diverse ecosystems, environments, lifestyles, and cultures."*

- **Member Marketing, Support & Advocacy**: *We're essentially the trade association for the Islands' vital and vibrant tourism industry, managing its marketing, stewardship messaging, and advocacy.*

- **Destination Management via Messaging**: Over the last 21 years we've evolved into a destination marketing and management organization (DMMO) as we continue to focus on sustainable, responsible, stewardship-minded tourism.

WE FOCUS ON 4 PILLARS OF DESTINATION MARKETING & MANAGEMENT

Our quality of life and tourism economy depend on our beautiful environment. Our four pillars focus on working to strike a balance between sustaining a vibrant economy, protecting resident quality of life, preserving our fragile lands and waters, and creating memorable visitor experiences. We believe focusing on these four pillars is key to helping the Islands move forward responsibly into the future in regards to tourism.

ECONOMY

Brand and market our destination & tourism experiences to enhance our economy in ways that balance its vibrancy and long-term, year-round sustainability

VISITOR EXPERIENCE

Promote unique and memorable Island experiences while educating visitors about Islanders' stewardship and sustainability values



ENVIRONMENT

Educate visitors about the Islands' sustainable and regenerative tourism principles, and how we can live, work and play in harmony with nature

RESIDENT QUALITY OF LIFE

Strive to protect our Islands' sense of place by helping to mitigate impacts of tourism by focusing on promoting shoulder seasons and stewardship messaging within our marketing

Who We Are: Board of Directors

- President: **Anna Maria de Freitas**, Harrison House, Tucker House, Coho Restaurant, SJI
- Vice President: **Lydia Miller**, Pebble Cove Farm, Orcas Island
- Treasurer/Secretary: **Anthony Rovente**, Edenwild Boutique Inn, Lopez Island
- **Laura Saccio**, Earthbox Inn & Spa and Bird Rock Hotel, SJI
- **Jeff Friedman**, Maya's Legacy Whale Watching/PWWA Rep, SJI
- **Amanda Zimlich**, Otter's Pond B&B, Orcas Island
- **Kendra Smith**, SJC Dept. of Environmental Stewardship/Terrestrial Managers, 3 years
- **Andrea Huss**, Lopez Island Chamber of Commerce
- **Carey Eskridge**, Orcas Island Chamber of Commerce
- **Becki Day**, San Juan Island Chamber of Commerce
- **EDC**, TBD

Who We Are: 4 staff, each with 2 jobs when compared to larger DMMOs:

- **Deborah Hoskinson**, Executive & Marketing Director
- **Amy Nesler**, Communications & Stewardship Manager
- **Anna Erickson**, Digital Marketing & Outreach Manager
- **Annesa Knowles**, Visitor & Membership Services Manager

Situational Analysis



Situational Analysis

Tourism's Role in SJ County per 'Tourism Economics'

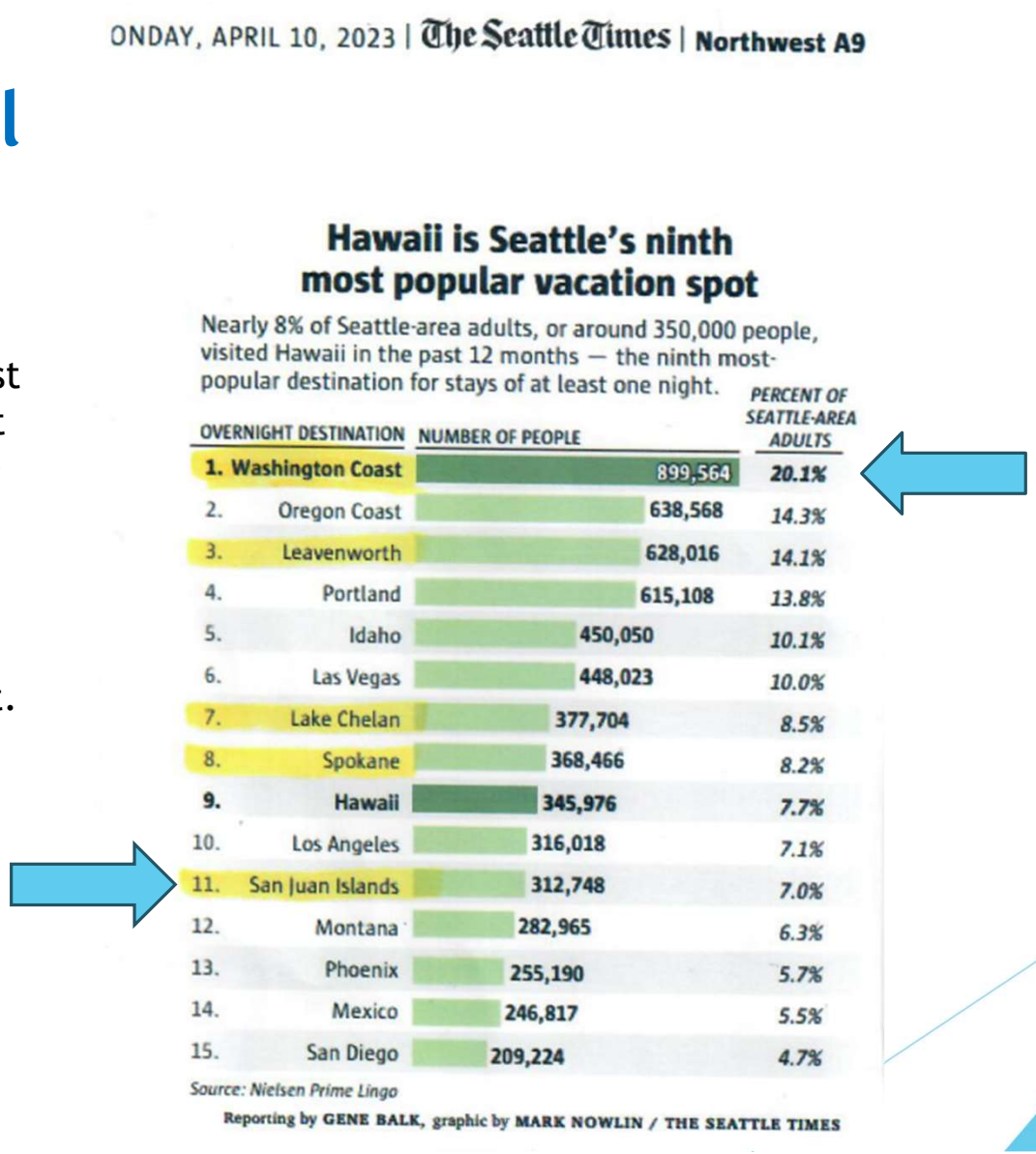
- ***A (the) top economic driver for SJC (and 4th largest industry in WA State)***
- **2022 SJC Economic Impact -- Visitors Spent: *(2023 data coming in May)***
  - $148.9 million on lodging
  - $52.4 million on food & beverage
  - $31.2 million on recreation
  - $33.4 million on retail
  - $23.8 million on transportation
  - ***$289.7 million total direct sales***
  - ***$28.7 million total state & local tax revenues***
  - ***$2,777 tax savings per household (highest in WA)***
- *FYI, overnight hotel guests spend twice as much as visitors staying with family & friends, and 1.5x more than vacation rental guests*

Source: Tourism Economics via State of WA Tourism

Situational Analysis

The San Juan Islands are Seattle's 11th most popular vacation spot -- probably a surprise to many of you -- attracting only 1/3rd as many Seattleites who choose to visit the Washington Coast.

Washingtonians accounted for 73% of our visitors in 2023.



ONDAY, APRIL 10, 2023 | The Seattle Times | Northwest A9

Hawaii is Seattle's ninth most popular vacation spot

Nearly 8% of Seattle-area adults, or around 350,000 people, visited Hawaii in the past 12 months — the ninth most-popular destination for stays of at least one night.

	OVERNIGHT DESTINATION	NUMBER OF PEOPLE	PERCENT OF SEATTLE-AREA ADULTS
1.	**Washington Coast**	**899,564**	**20.1%**
2.	Oregon Coast	638,568	14.3%
3.	Leavenworth	628,016	14.1%
4.	Portland	615,108	13.8%
5.	Idaho	450,050	10.1%
6.	Las Vegas	448,023	10.0%
7.	Lake Chelan	377,704	8.5%
8.	Spokane	368,466	8.2%
9.	**Hawaii**	**345,976**	**7.7%**
10.	Los Angeles	316,018	7.1%
11.	San Juan Islands	312,748	7.0%
12.	Montana	282,965	6.3%
13.	Phoenix	255,190	5.7%
14.	Mexico	246,817	5.5%
15.	San Diego	209,224	4.7%

Source: Nielsen Prime Lingo

Reporting by GENE BALK, graphic by MARK NOWLIN / THE SEATTLE TIMES

Situational Analysis
(2023)

Where were San Juan Islands visitors from?

We've heard that Whidbey Island tourism was up last year, likely due to ferries, but haven't confirmed data yet.

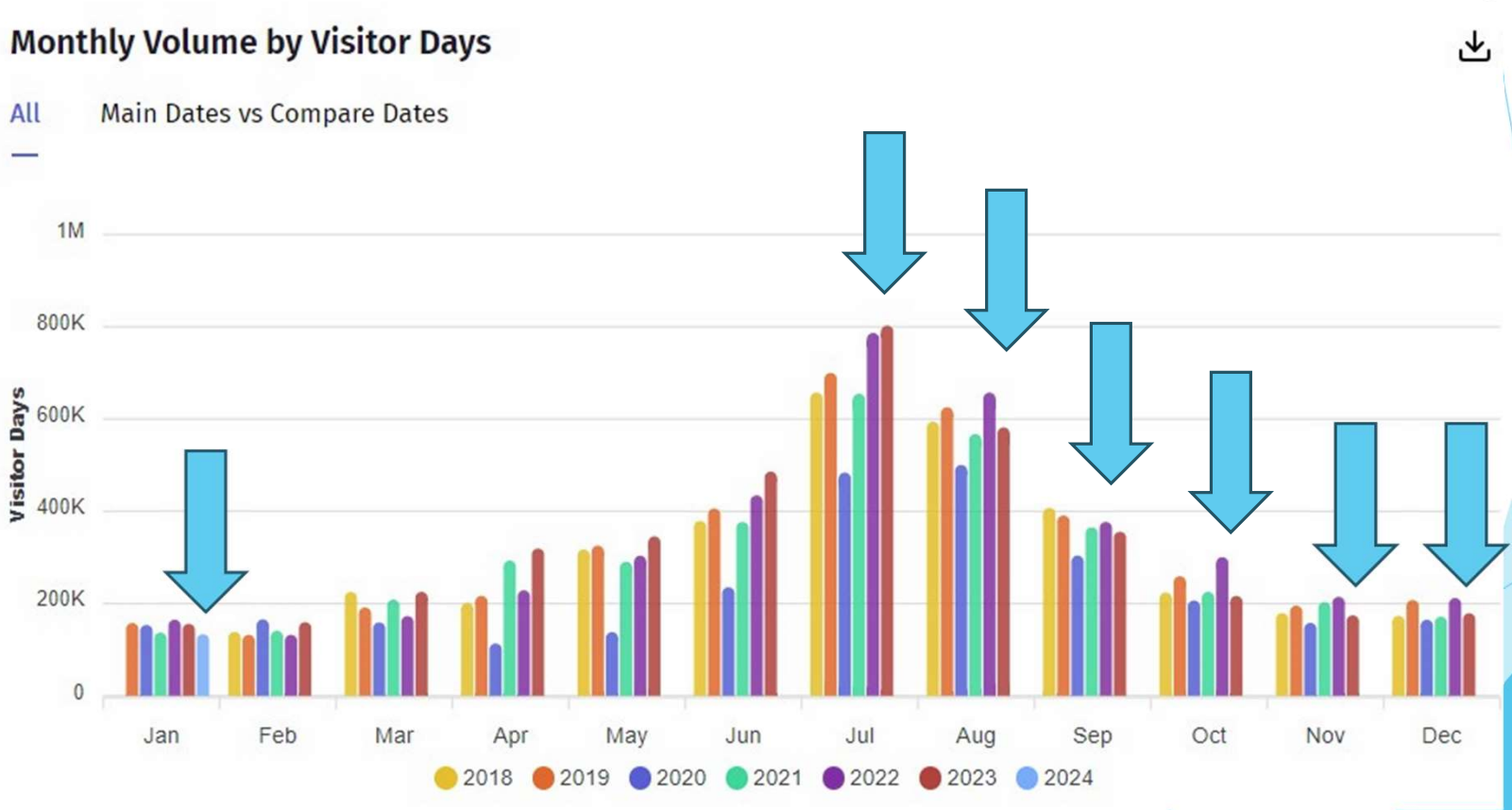
Top States

State	Share of Trips 1/1/2023 - 12/31/2023	Change in Share of Trips vs 1/1/2022 - 12/31/2022	% Change in Trips vs 1/1/2022 - 12/31/2022
Washingt...	73.31%	— 4.8	↘ 2%
Oregon	5.43%	— 0.1	↗ 2.7%
California	4.89%	+ 0.5	↗ 17%
Texas	2.3%	+ 0.8	↗ 55.9%
Arizona	1.51%	+ 0.3	↗ 32.1%
Idaho	1.42%	— 0.1	↘ 0.2%
Florida	1.33%	+ 0.4	↗ 50.1%
Colorado	1.07%	+ 0.2	↗ 26.5%
Utah	0.78%	+ 0.2	↗ 43.1%

Datafy data is collected via cell phones & credit cards

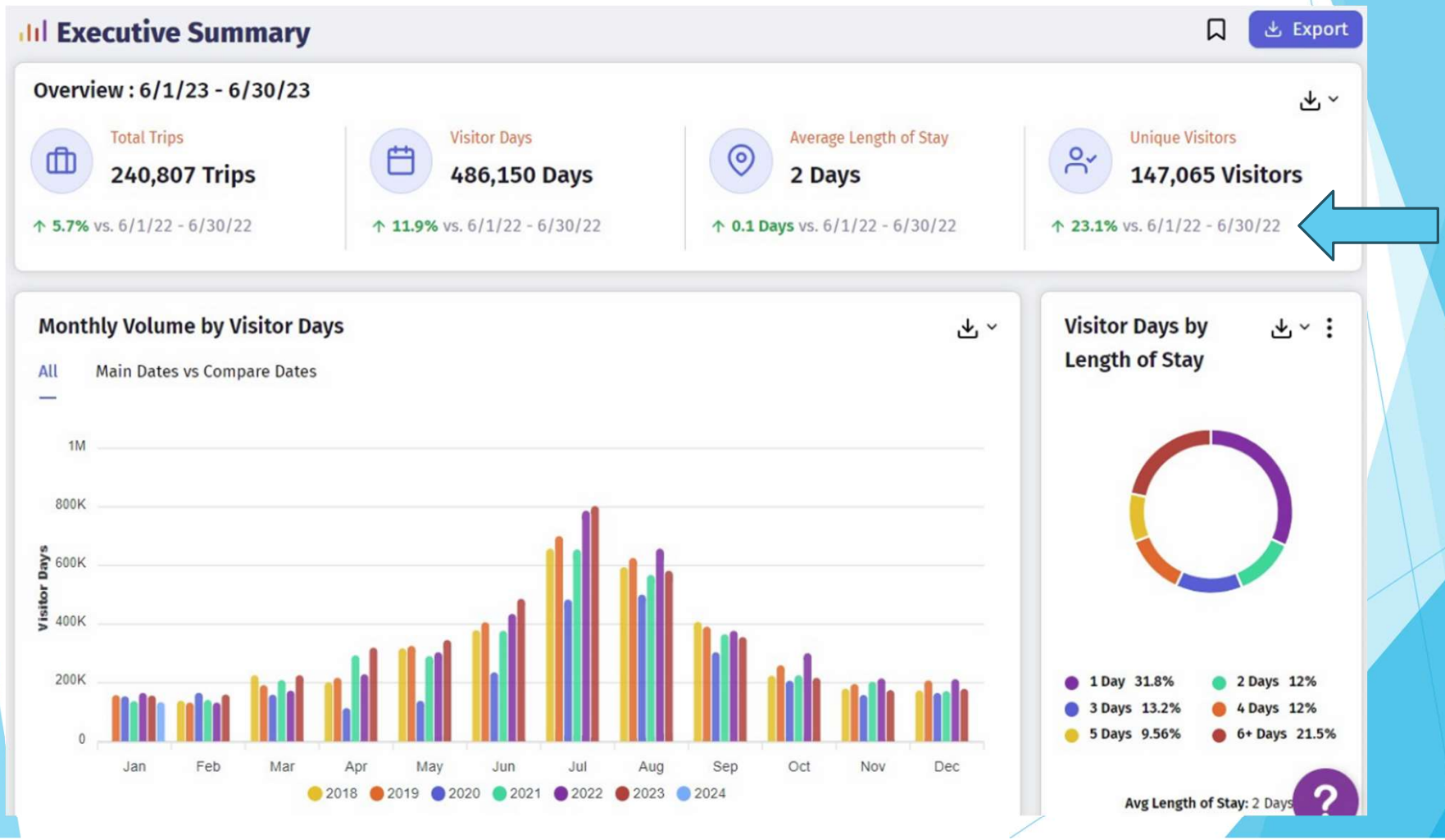
Situational Analysis

Upward trend thru July (barely) then down August-December
Likely due to negative ferry news...

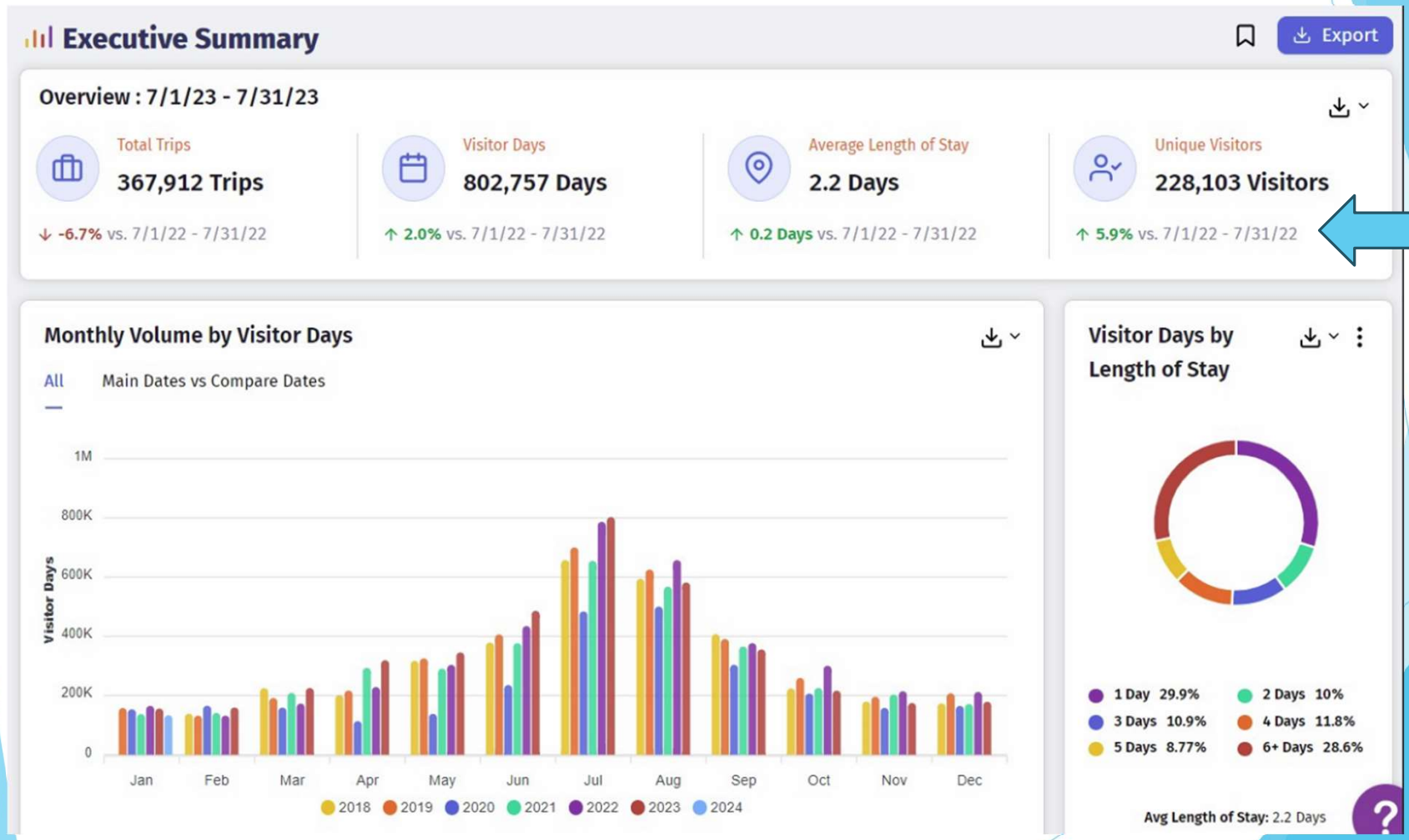


Datafy data is collected via cell phones & credit cards

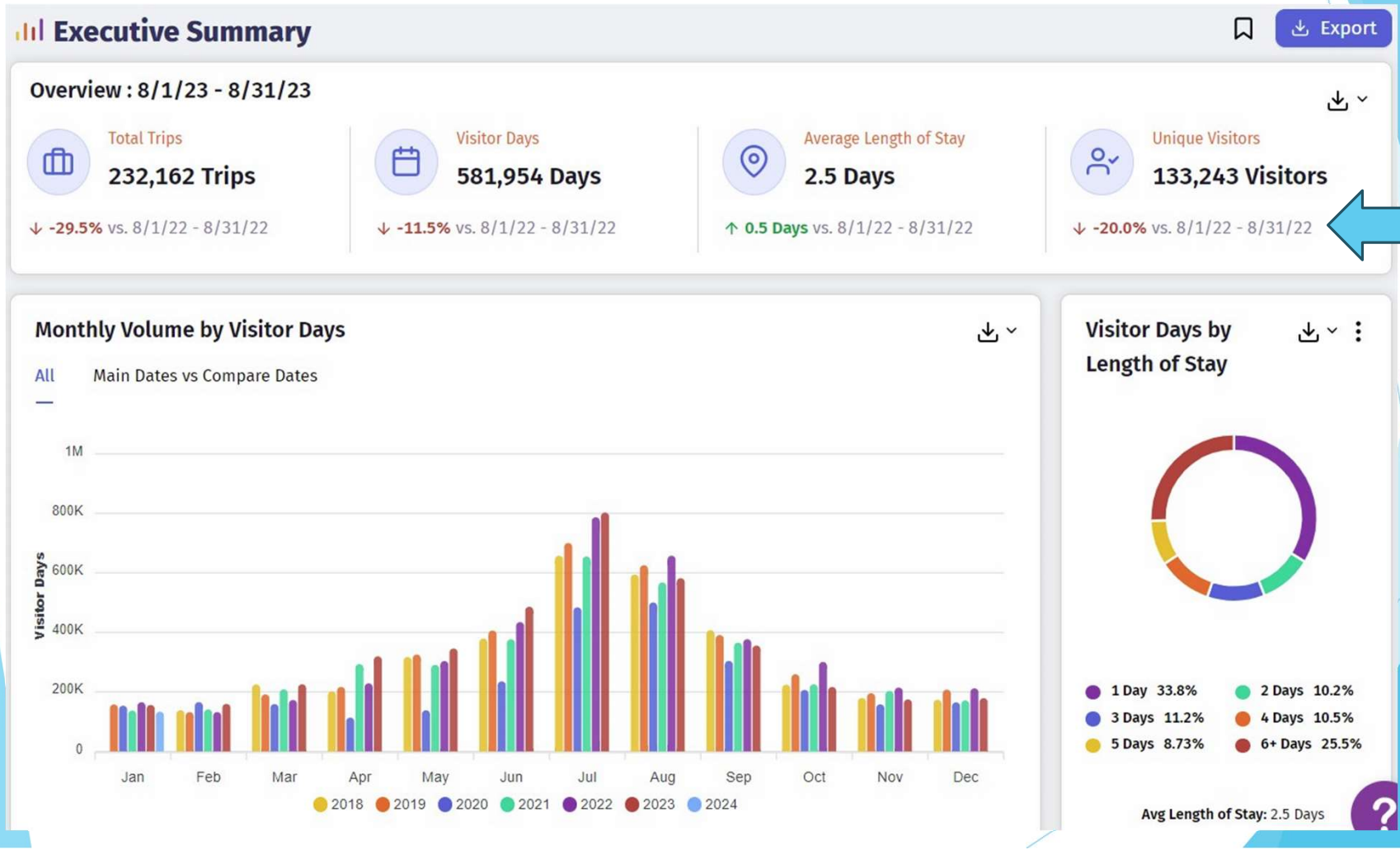
Situational Analysis: June



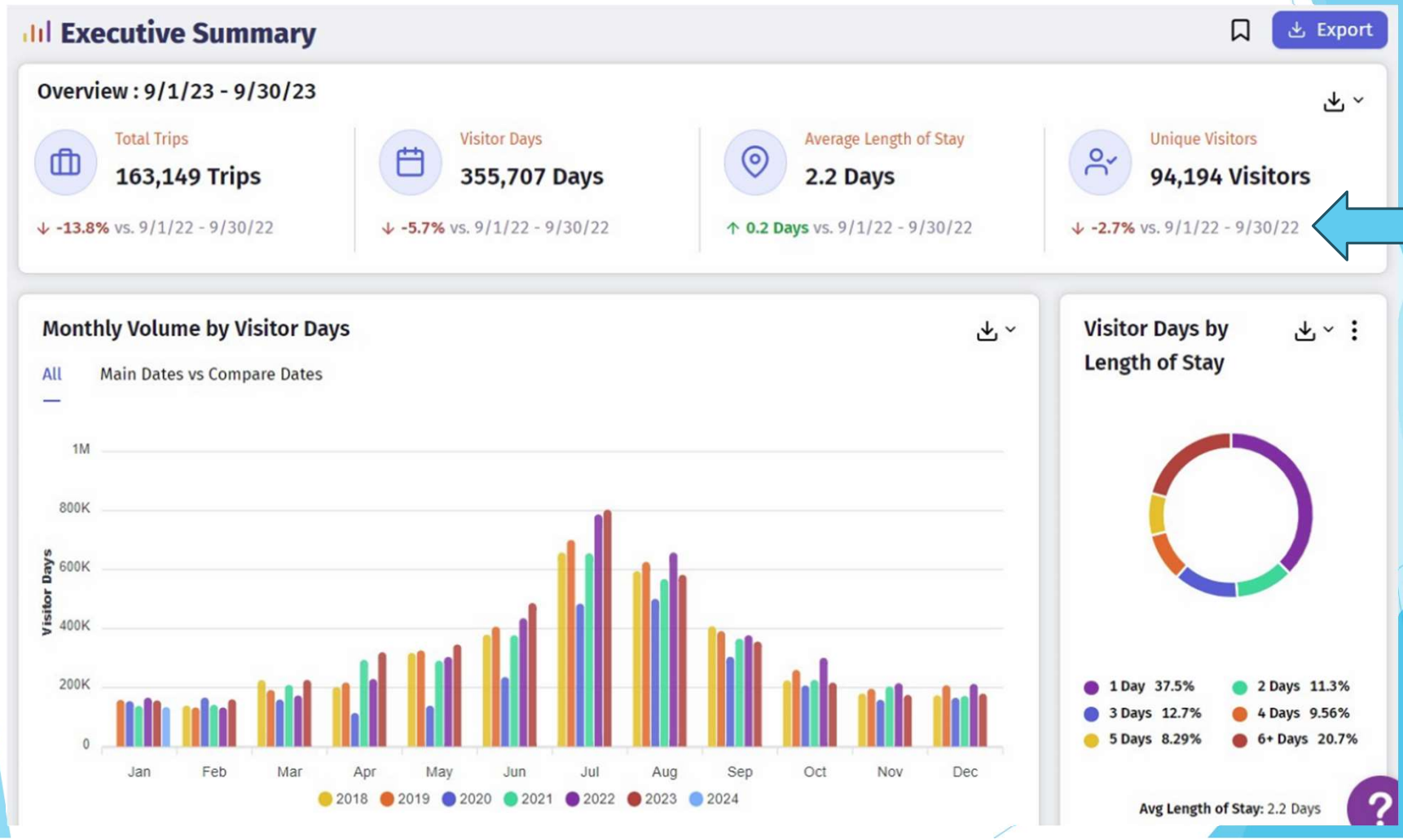
Situational Analysis: July



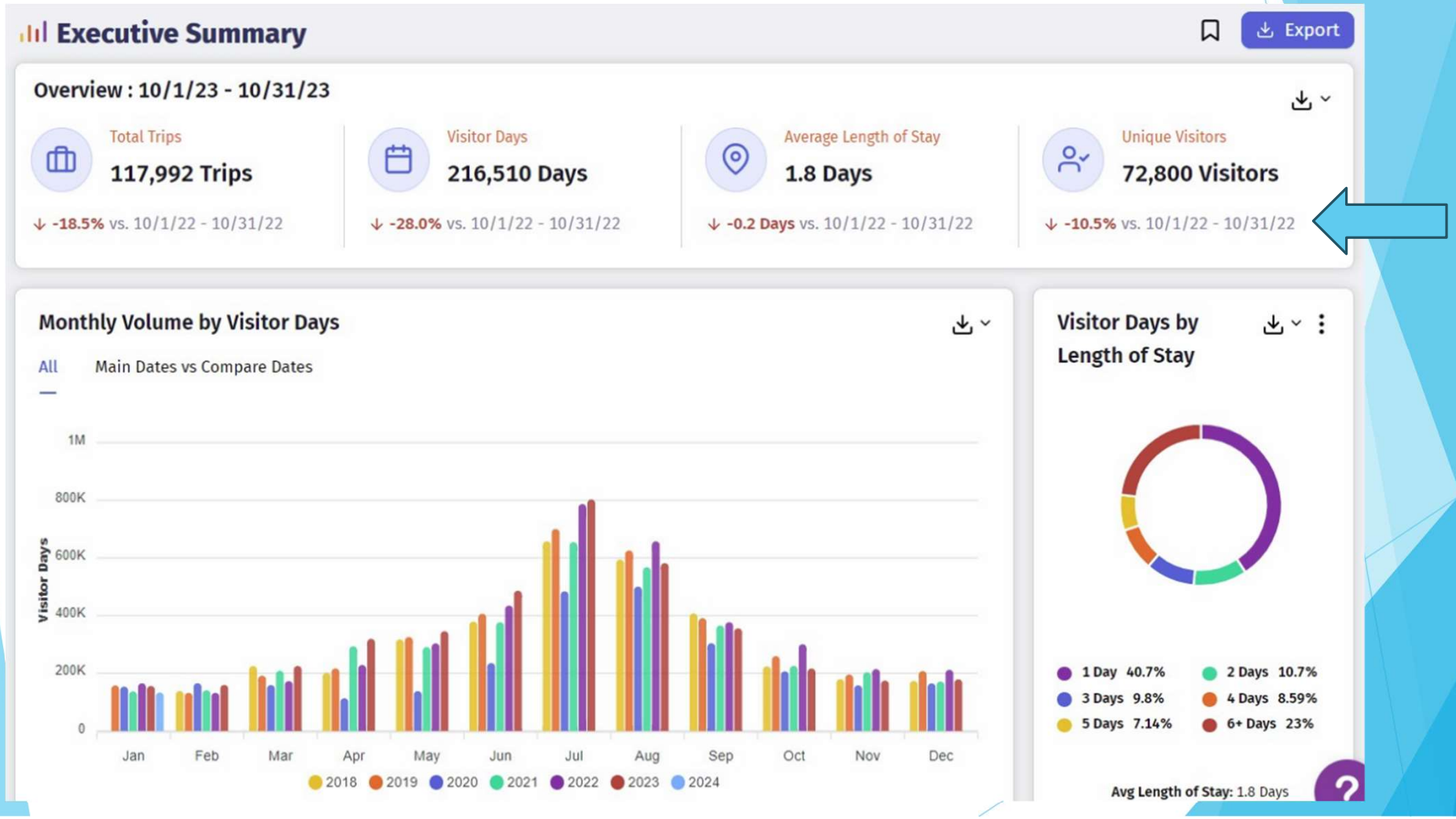
Situational Analysis: August



Situational Analysis: September



Situational Analysis: October



Situational Analysis

2023 County lodging tax -4% & -2% (Sales tax -1%)

San Juan County Hotel/Motel Special 2% Tax

Probable Month of Business Activity (Two month lag time)	Distribution Month to SJC	Distribution Amount 2015	Distribution Amount 2016	Distribution Amount 2017	Distribution Amount 2018	Distribution Amount 2019	Distribution Amount 2020	Distribution Amount 2021	Distribution Amount 2022	Distribution Amount 2023
November	January	14,139	16,244	19,253	22,550	29,966	33,667	44,659	45,431	36,507
December/annual&Q4	February	48,459	55,023	55,817	59,457	42,782	30,955	49,831	40,585	39,297
January	March	13,427	21,603	19,618	20,417	32,480	34,588	57,666	52,215	59,705
February	April	14,541	21,206	23,248	27,187	29,295	34,688	65,131	57,526	44,441
March & Q1	May	28,041	35,350	37,090	42,953	44,567	4,153	93,272	76,309	56,945
April	June	27,929	36,019	42,129	41,733	55,583	(746)	97,231	83,465	71,002
May	July	37,473	50,029	56,095	59,708	74,357	14,452	103,502	86,851	88,689
June & Q2	August	81,305	92,542	94,459	97,161	109,693	60,157	153,001	141,067	142,682
July	September	131,398	122,980	127,049	130,938	158,913	129,435	170,408	182,028	179,454
August	October	117,812	123,664	127,326	138,508	158,867	136,635	168,500	173,080	183,503
September & Q3	November	100,609	95,327	105,430	97,835	99,561	109,699	136,941	129,104	124,289
October	December	27,703	33,330	31,751	47,512	44,339	68,918	45,707	64,318	59,473
Distribution Annual Total		642,836	703,318	739,265	785,959	880,403	656,600	1,185,849	1,131,980	1,085,986
% change year over year		11.48%	9.41%	5.11%	6.32%	12.02%	-25.42%	80.60%	-4.54%	-4.06%
									1,131,980	1,085,986
% change year to date compared to same time frame last year									-4.06%	

Situational Analysis

2023 Friday Harbor lodging tax -5% (Sales tax +2.78%)

HOTEL/MOTEL TAX - TRANSIENT RENTAL (PREVIOUSLY STADIUM)

RECEIVED	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEARLY TOTAL	YEAR TO DATE DECEMBER	PRIOR YTD DIFFERENCE
2018	6,707.03	10,377.52	4,975.15	6,056.43	10,239.36	15,112.81	20,267.40	34,477.25	43,738.88	41,797.88	34,274.39	15,823.15	243,847.25	243,847.25	4.63%
2019	6,594.61	7,174.63	4,124.28	6,542.14	11,712.58	13,501.40	20,130.88	35,394.67	45,817.41	44,438.42	31,258.63	13,474.25	240,163.90	240,163.90	-1.51%
2020	6,502.13	6,849.09	5,124.03	4,991.96	3,415.79	1,533.33	2,421.58	10,917.53	28,086.09	31,983.38	25,772.70	14,247.76	141,845.37	141,845.37	-40.94%
2021	6,289.34	6,313.78	6,124.02	7,582.09	15,817.67	22,086.81	27,191.41	42,623.22	49,208.72	47,536.37	44,212.14	20,166.64	295,152.21	295,152.21	108.08%
2022	11,103.01	7,991.95	7,277.45	10,346.16	13,776.03	21,568.41	27,454.16	40,204.52	52,454.01	52,459.45	44,411.71	21,689.46	310,736.32	310,736.32	5.28%
2023	8,501.16	7,508.99	6,896.65	9,587.19	12,987.24	17,472.69	25,292.48	41,077.60	55,119.89	53,052.38	38,270.02	19,067.53	294,833.82	294,833.82	-5.12%
REPORTED	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER			

SPECIAL HOTEL/MOTEL TAX - LODGING

RECEIVED	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEARLY TOTAL	YEAR TO DATE DECEMBER	PRIOR YTD DIFFERENCE
2018	6,707.03	10,377.52	4,975.15	6,056.41	10,239.33	15,112.79	20,267.42	34,477.19	43,738.86	41,789.75	34,274.38	15,631.16	243,646.99	243,646.99	4.52%
2019	6,594.64	7,129.93	5,896.13	6,614.63	11,822.50	13,501.32	20,130.96	35,227.84	45,937.05	44,353.89	31,258.63	13,474.24	241,941.76	241,941.76	-0.70%
2020	6,502.13	6,717.66	5,145.30	4,913.48	3,494.27	1,533.33	2,421.55	10,873.60	28,086.09	31,807.90	25,772.70	14,247.76	141,515.77	141,515.77	-41.51%
2021	6,399.49	6,313.78	6,124.02	7,582.09	15,817.67	22,086.81	27,191.41	42,623.23	49,208.72	47,517.46	44,231.05	20,125.61	295,221.34	295,221.34	108.61%
2022	11,144.04	7,957.23	7,312.17	10,346.16	13,776.03	20,850.10	28,172.47	40,240.52	52,422.57	52,490.89	44,306.36	21,794.82	310,813.36	310,813.36	5.28%
2023	8,501.16	7,411.01	6,896.65	9,587.20	12,987.24	17,472.69	25,292.48	41,077.61	55,119.89	53,052.38	38,270.02	19,067.53	294,735.86	294,735.86	-5.17%
REPORTED	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER			

Situational Analysis 2023

Statistics from three SJI lodgings during our "peak season"

Friday Harbor Lodging Property	"Summer" Month	2019 Occupancy Last "Normal" Year	2023 Occupancy	Difference
#1	June	79%	66%	-16%
	July	94%	88%	-6%
	August	94%	85%	-9%
	September	79%	79%	same
#2	June	73%	74%	+1%
	July	96%	88%	-8%
	August	96%	85%	-11%
	September	79%	77%	-2%
#3	June	71%	77%	+8%
	July	88%	88%	same
	August	86%	83%	-3%
	September	77%	76%	-1%

Notes:
Very few lodgings have 100% occupancy

2019 was the last "normal" year

2021 & 2022 were "revenge" travel years!

Situational Analysis 2023

Statistics from a San Juan Island whale & wildlife tour operator during "peak" season

Friday Harbor/SJI Tour Operator	"Summer" Month	2019 # of Pax	2023 # of Pax	Difference
#1	June	1,685	1,142	-32%
	July	2,409	1,612	-33%
	August	2,044	1,431	-30%
	September	1,276	881	-31%

This tour operator just reported that his overall 2024 bookings are pacing behind last year's, which were down from 2022.

Situational Analysis 2023

Data collected in December for Town Council

- High season started late and ended early.
- 2024 pacing is down; one lodging reported 500+ room nights less booked for June-Sept. 2024 compared to same time last year for 2023 bookings!
- One lodging is forecasting their gross revenue will be down by up to 10% in 2024 and net income will be down quite a bit more given the increased cost in payroll, utilities, and supplies.
- One lodging's pay rates increased on average 20% across the board due to the incredibly limited supply of employees, and to keep pace with inflation.
- These lodgings employ between 9-50 FTE depending on season.

Situational Analysis 2023

Info from businesses re: WA State Ferries

- Several properties reported that last summer they were convincing people not to cancel on a daily basis. *"People just stopped considering even coming out here because of the ferry news."*
- **Lakedale Resort** reported that they had lost 100 reservations due to ferries by mid-summer. (They don't have a final number due to changes in staff.)
- **The Friday Harbor Film Festival** was disappointed in attendance last October, which remained flat compared to 2022, likely due to ferries.

Situational Analysis 2024

- An **Orcas Island lodging** reported their 2023 rooms were down -25% from 2022, and their 2024 spring/summer pacing is down -30%.

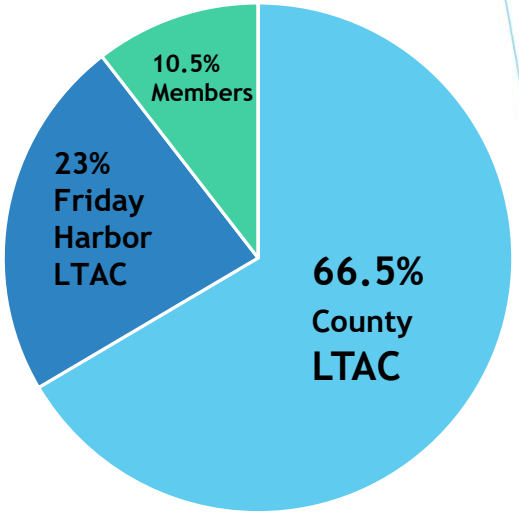
- A **San Juan Island lodging** reported that to date they are down -12% in occupancy YOY ("a lot of ground to make up"), and their room booking pacing is down -15% for May, -21% for June, -9.5% for July, and -26% for August. Revenue was down -15% in February, and to date in March is down -47%

- ***At the very least, we need to keep marketing to counteract the ferries' negative news! We must put our positive news out there!***

2024 Destination Marketing & Management Budget & Strategy Highlights

2024 Operating Budget

- **$581,345 from County LTAC funds**
  - Down -2.7% from 2023
  - *66.5% of total budget*
  - *26% of total LTAC funds collected in 2023*



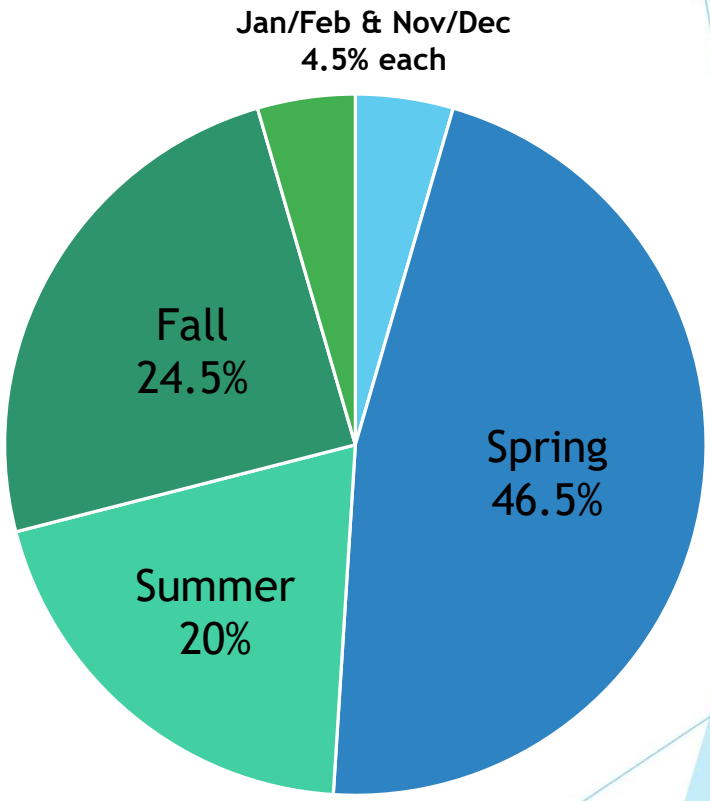
- **$200,000 from Friday Harbor LTAC funds**
  - Up +4.7% from 2023
  - *23% of total budget*

- **$92,000 from our membership dues & web advertising fees**
  - *10.5% of total budget* (Approx. 50% of DMMOs don't have members/"skin in the game")

- **$873,345 total budget**

Seasonal Advertising Budget

- Winter Romance: Jan/Feb
  - $9,154
  - 4.5% of ad budget (due to ROI)
- Spring/Spring Break: March-Mid June
  - $94,801
  - 46.5% of ad budget
- Summer: Mid June-August
  - $40,981
  - 20% of ad budget
- Fall/Savor the San Juans: Sept/Oct
  - $50,102
  - 24.5% of ad budget
- Holidays: Nov/Dec
  - $9,283
  - 4.5% of ad budget (due to ROI)

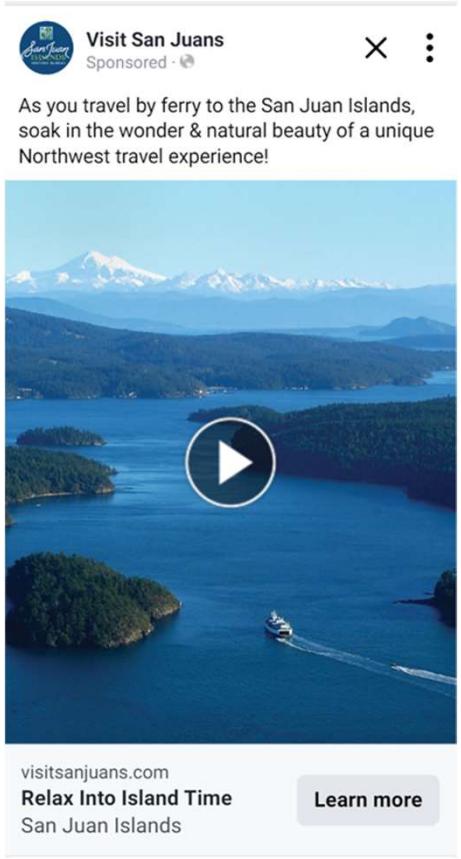


Total Advertising Budget
$204,321

2024 Spring Ad Campaign Messages:

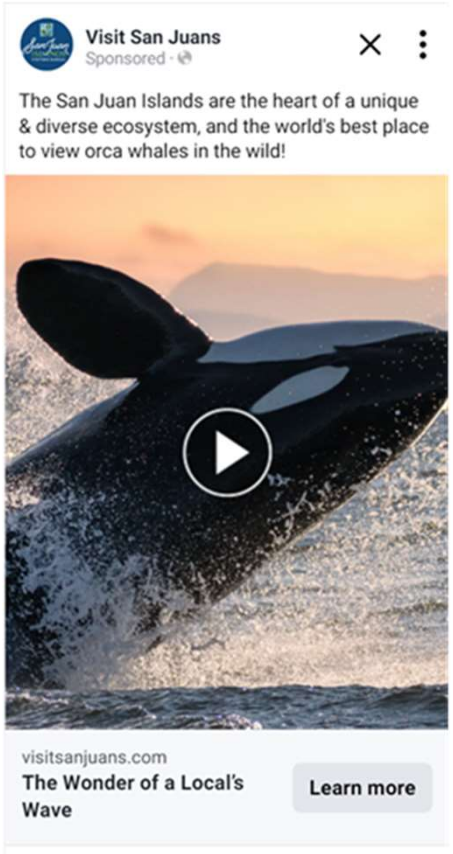
Ferries - *Getting here is half the fun*

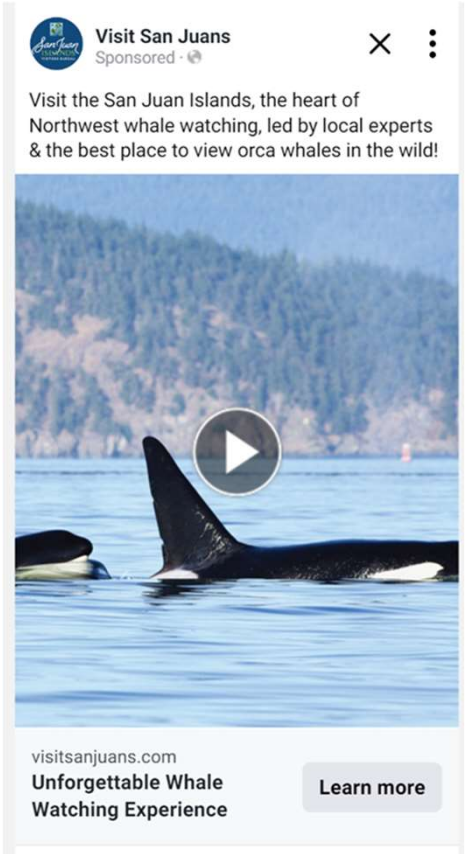




In addition:
We've been working with WSF's Communications Dept. since last November on more positive messaging.

2024 Spring Ad Campaign:
Whale & wildlife watching





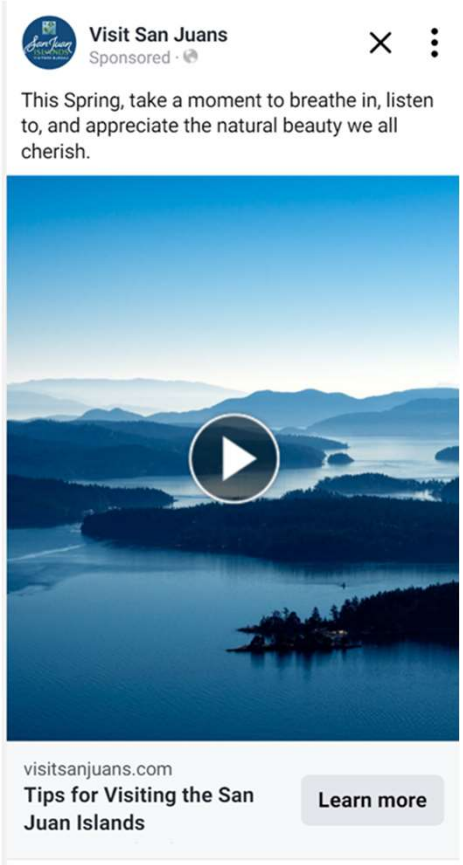
Our whale & wildlife tour operators have been telling us they've been losing market share to Anacortes and off-island operators during the last several years.

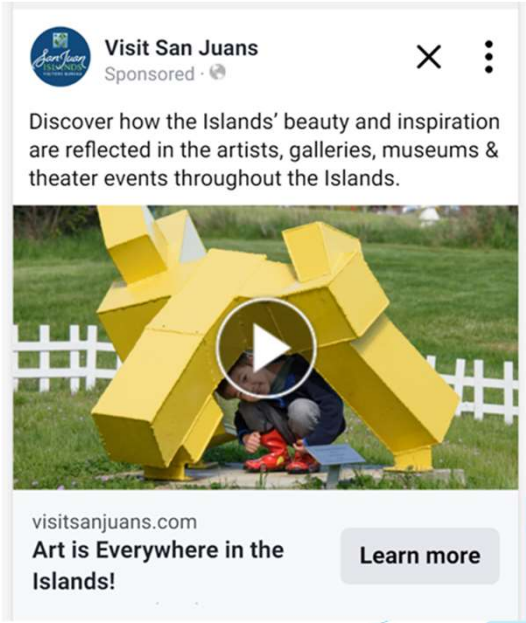
Off-island businesses (bicycling & kayaking, too) are coming here and exporting our potential income and sales tax!

2024 Spring Ad Campaign:

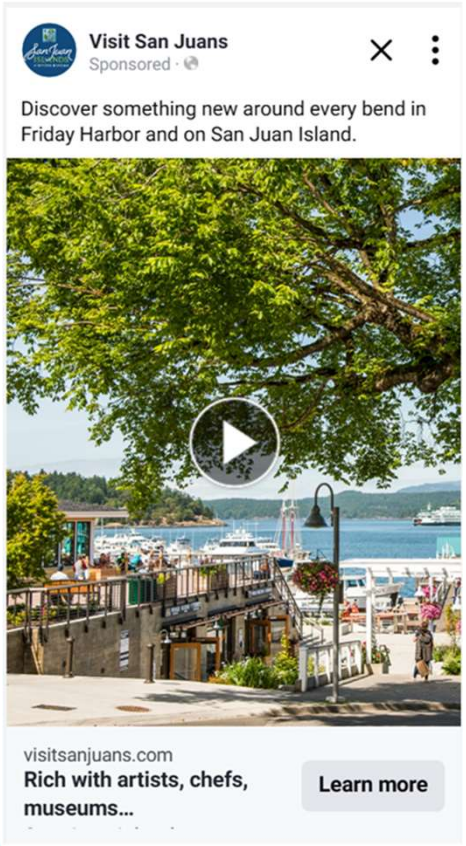
Spring, stewardship & the arts



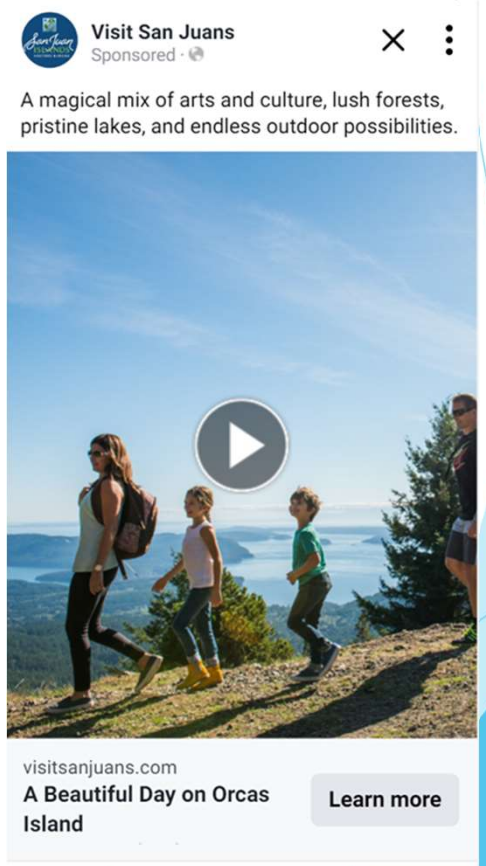




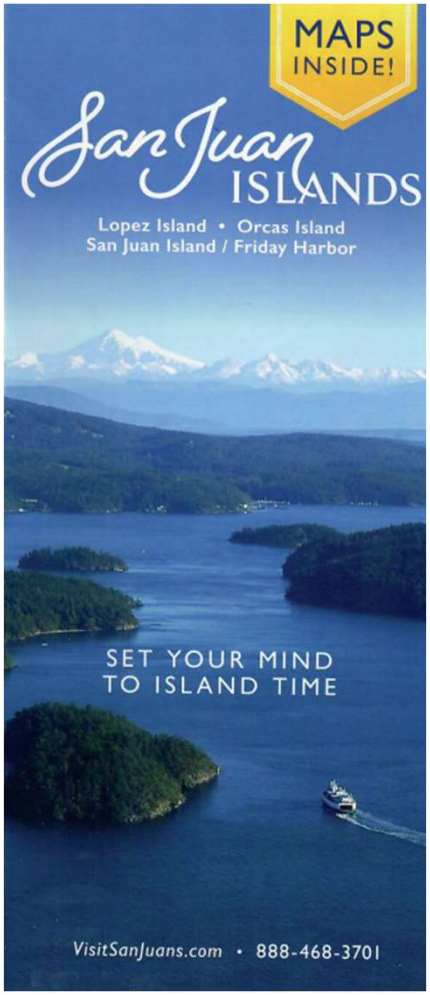
2024 Spring Ad Campaign:
Individual islands



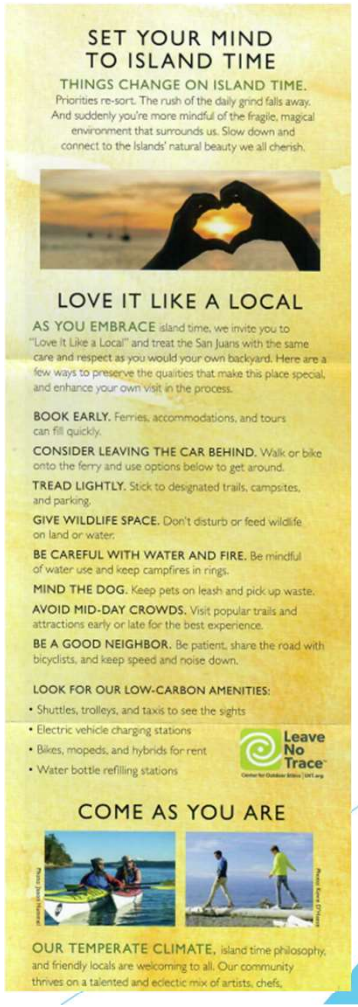




2024 Brochure - New '4 Seasons' Panel







Website: VisitSanJuans.com (1.16m sessions in 2023)

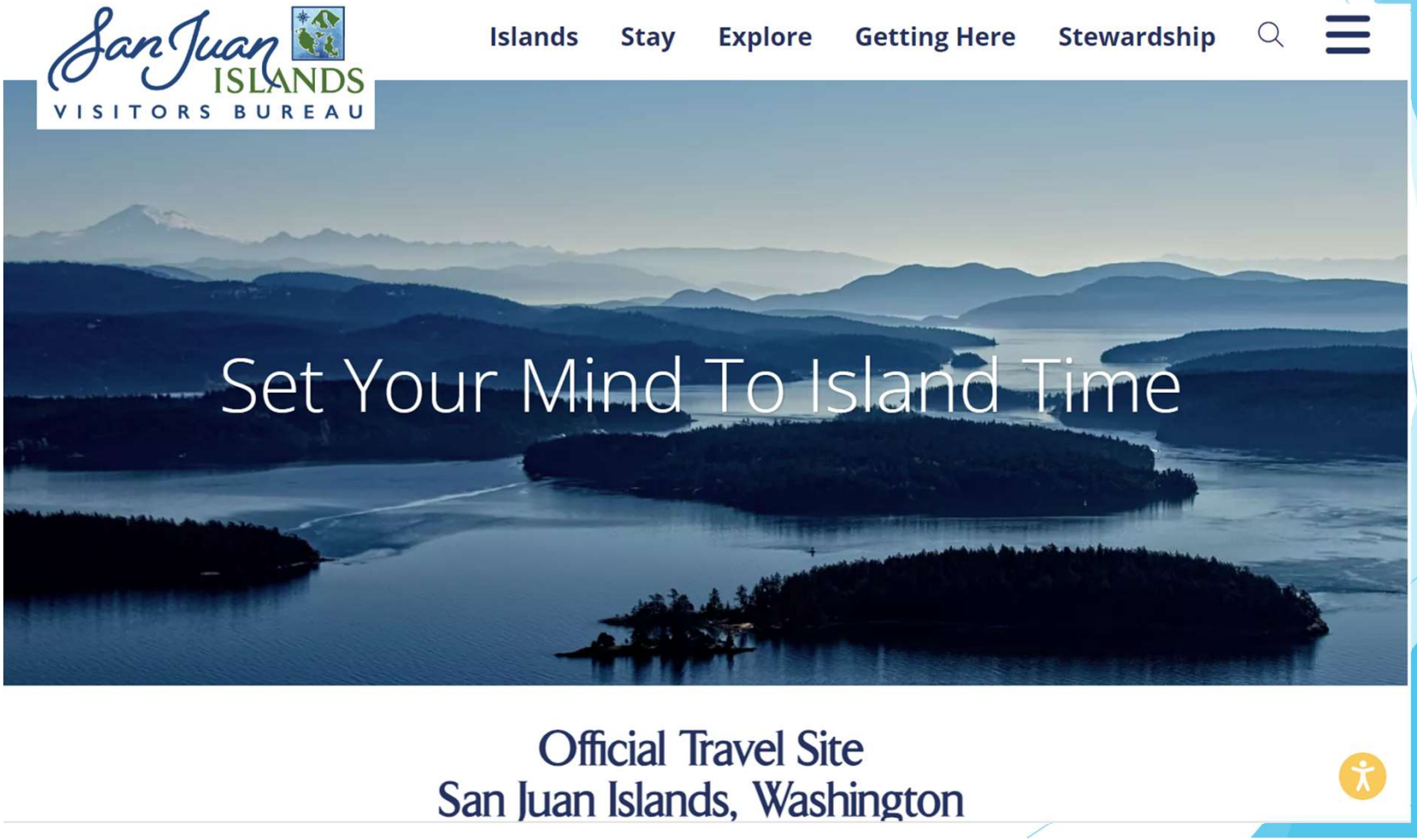
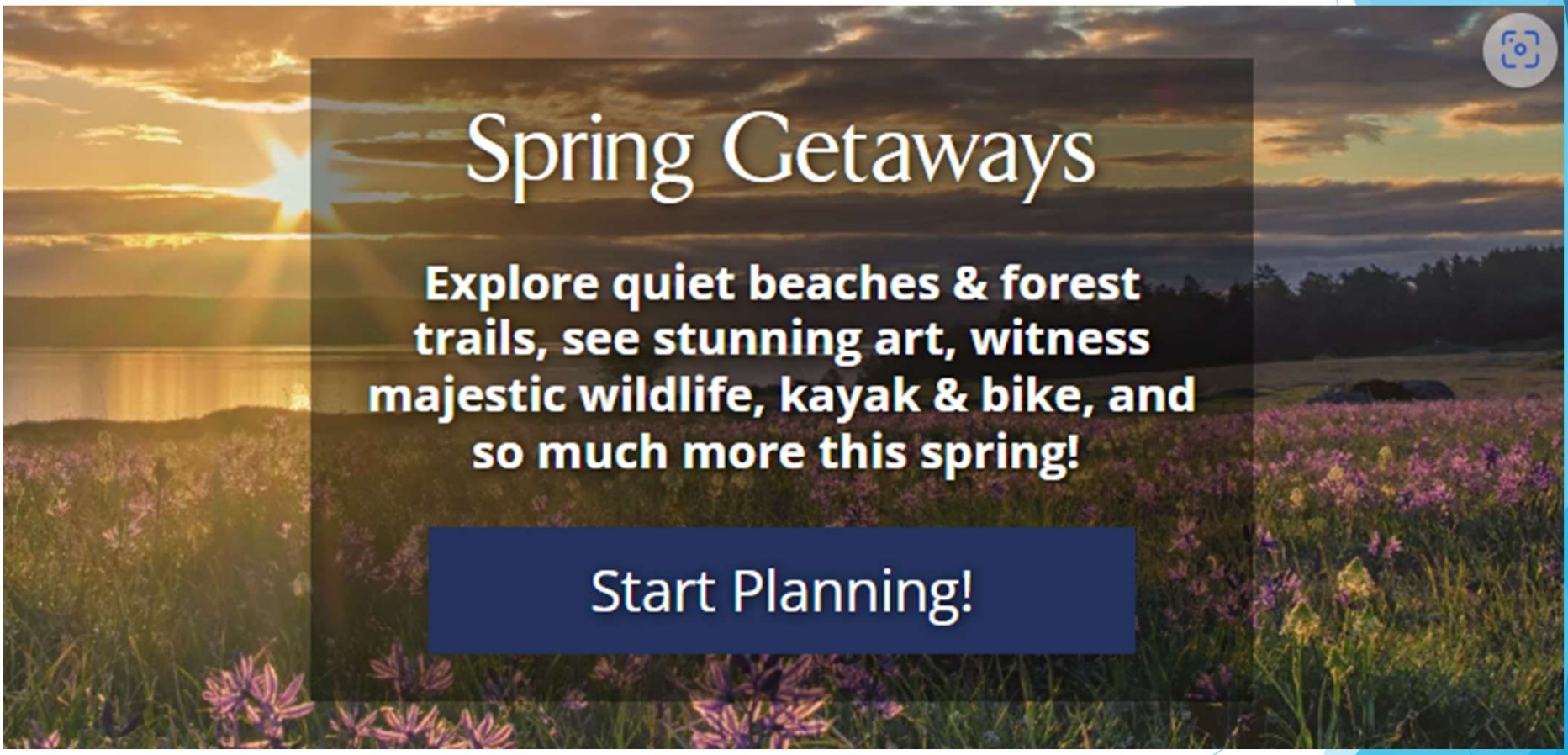


Photo by
Chris Teren

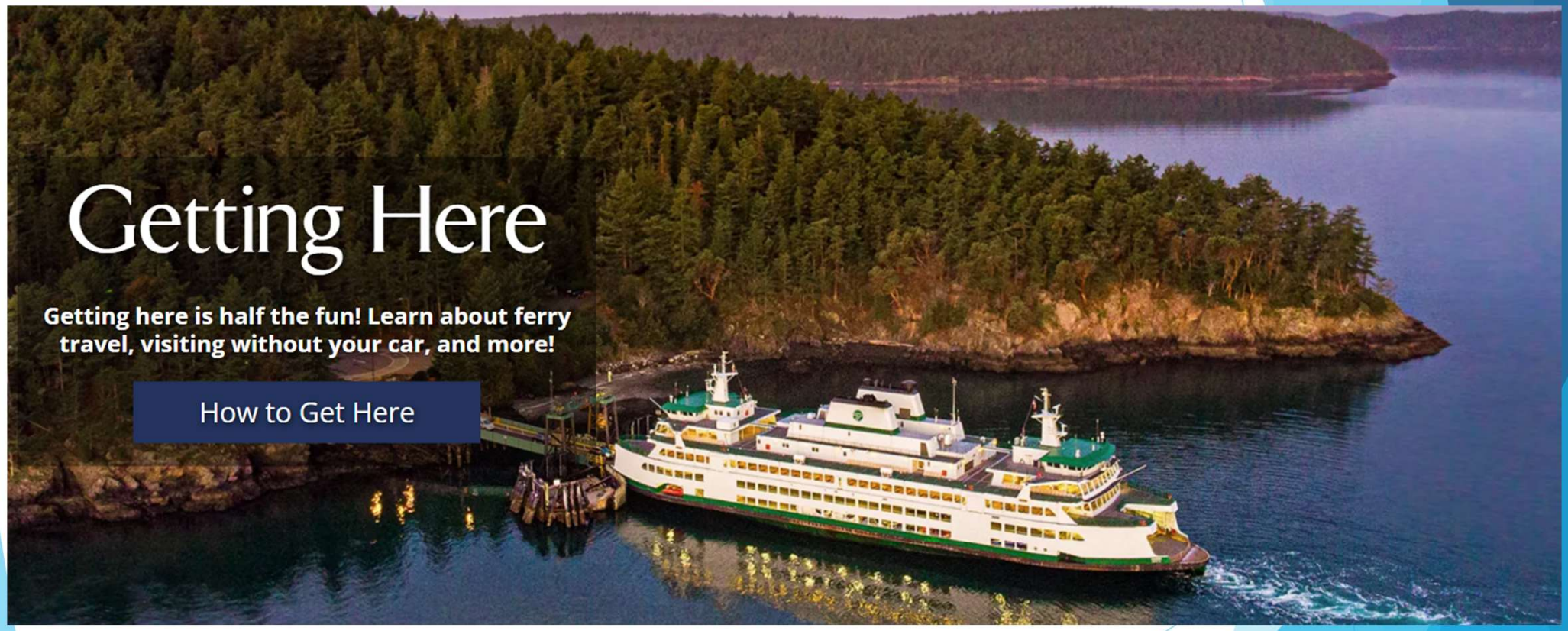

Spring Getaways
Explore quiet beaches & forest trails, see stunning art, witness majestic wildlife, kayak & bike, and so much more this spring!
Start Planning!

Stewardship messaging & visitor education on our *home page*, linking to many other webpages





Our stewardship initiatives are being recognized at the state level!


Getting Here
Getting here is half the fun! Learn about ferry travel, visiting without your car, and more!
How to Get Here

Media Relations target regional & national media

- Targeted media pitches + press releases + “What’s New & Cool”
- Attend 2 media Marketplaces/Conferences annually: Travel & Words + Public Relations Society of America
- Respond to & manage media leads & hosting opportunities for our members; 22 in 2023
- Track (via Cision & Google Alerts) & report published articles & “top” lists
- Short or long game, it sometimes takes several years to get an article published!





San Juan Sea Salt!



Visiting media & content creators 2023



Traveling While Black



Learners and Makers



Jayson Moorman Explore Moor

Social Media











Visitor Services



727

PHONE CALLS
-6% YOY*



741

EMAILS RECEIVED
-13% YOY*



8,578

BROCHURES MAILED
+21% YOY

55,000

TOTAL BROCHURES PRINTED & DISTRIBUTED VIA RACKS, ETC.

*Negative numbers re: phone calls and emails aren't alarming; more and more people are ordering travel brochures directly from our website

Destination Leadership Team

- **Convene a leadership team made up of reps from County, Town, SJIVB, Chambers, businesses, non-profits, parks & public lands, etc. to continue to balance the 4 pillars:**
  - Economy
  - Resident Quality of Life
  - Environment
  - Visitor Experience



Why are DMMOs important?

Cautionary tale from Colorado Tourism

- In 1993, the Colorado legislature eliminated its state tourism marketing, cutting its $12 million budget to $0
- Within 2 years, domestic visitation plunged 30%, representing a loss of over $1.4 billion in tourism revenue annually
- It took the tourism industry until 2000 to convince the legislature to reinstate funding with a modest $5 million budget
- Based on effectiveness of Colorado Tourism's marketing, in 2006 their budget was increased to $19 million. Their 2021-2022 budget was $22.2 million.
- *However, it took until 2015 for Colorado to regain its lost market share*
- *This Longwoods study is the most cited, but there are more comparisons.*

Longwoods INTERNATIONAL

We Ask the Council to please:

- Chat with business owners and non-profits to ask about 2023 and their outlook for 2024.
- Help nurture the tourism industry, which is currently a (the?) top economic driver for the San Juan Islands.
- Know that the SJIVB board & staff are doing our best, on behalf of small businesses and non-profits, to attract visitors here year-round rather than to the WA Coast or Leavenworth or Lake Chelan. *People have many choices on how they spend their hard-earned discretionary dollars.*
- **Believe in the critical economic development work of a DMMO, especially for communities which are so dependent on tourism.**

Thank You!

Questions?