



visit
Buffalo
Niagara



2021 QUARTERLY REPORT

Q2

AUGUST 4, 2021

FROM THE CEO



What a welcome change it is to be able to share some encouraging news after more than a year of challenges unlike any other. As the first half of

2021 concludes, several of the leading tourism indicators that Visit Buffalo Niagara monitors are showing a positive trajectory towards recovery and a return to pre-Covid levels of activity and impact. It's extremely encouraging to see the increases in month over month occupancy for our hotels, particularly in light of the fact that cross-border traffic continues to be limited to essential workers, and the convention center remains shuttered while lobby renovations continue.

Travel sentiment studies by Destination Analysts and Longwoods International indicate consumer optimism regarding travel has increased and travel demand is accelerating as we move into the second half of the year. We are learning that consumer perceptions of how safe it is to travel are critical to monitor as our tourism businesses and attractions continue to reopen to full capacity.

This change in consumer confidence suggests that potential travelers are increasingly open to travel inspiration. For Visit Buffalo Niagara, this means that it's time for the return of the award-winning Unexpected Buffalo campaign to our target audiences and markets. This should translate into increased

traffic to the VBN website, heightened engagement with our social content and greater open rates for our newsletters.

In addition to the return to Visit Buffalo Niagara's marketing campaigns, we have also begun scheduling and hosting site visits and familiarization tours for meeting planners and tour operators. Our dedicated staff is back on the road, participating in tradeshows and sales opportunities, meeting face-to-face with clients and decision makers and booking business for future years.

The second quarter also saw the first press trip since the onset of the pandemic. Since then, an additional eight trips have been scheduled, with more to follow in the coming months. A recent article in the Detroit News – the result of a VBN-sponsored press trip – enthusiastically described the rebirth and rejuvenation of Buffalo. Buffalo, the author said, is "blossoming again."

Thank you for your continued support, encouragement and participation in Visit Buffalo Niagara's activities and initiatives. I look forward to working together to rebuild our tourism economy. As a unified industry working toward a common goal, we will achieve even greater success in the future.

Sincerely,
Patrick Kaler
President and CEO

Q1 FINANCIAL SUMMARY

Q2 Financials	Projected	Budgeted	Variance	% Variance
Revenues	\$1,851,807	\$1,840,763	\$11,044	0.60%
Expenses				
Marketing & Communications	\$581,003	\$546,568	\$34,435	6.30%
Convention Sales & Services	543,319	672,265	(128,946)	-19.18%
Destination Development	105,044	110,890	(5,846)	-5.27%
Airport Visitor Center	11,052	21,115	(10,063)	-47.66%
Downtown Visitor Center	8,673	9,821	(1,148)	-11.69%
Administrative & Finance	496,666	477,472	19,194	4.02%
TOTAL EXPENSES	\$1,745,757	\$1,838,131	(\$92,374)	-5.03%
Increase (Decrease) In Net Assets	\$106,050	\$2,632	\$103,418	

SALES AND SERVICES UPDATE

Promoting From Within

The rare occasion presented itself with an opening in the sales department with the resignation of Jennifer Gregory as a National Sales Director. This provided the opportunity for the promotion of Meaghan Zimmer from Sales Manager overseeing the social, military, educational, religious and fraternal markets to national and state associations as well as being elevated to a Director position. With Meaghan's prior experience in hotel sales with these markets, we will not miss a beat with relationships with existing clients and expertise and knowledge of working in Albany and Washington, DC. An announcement for a new Sales Manager will be made in Q3.





Buffalo Niagara Sports Commission Q2 Activities

Sports events have proven themselves to be recession proof, and now we can say they are pandemic proof. The BNSC Services Department has provided maps, restaurant guides and travel guides to hockey, softball and baseball events from around the Northeast.

Organized by Sports ETA, Sports Commission reps conducted 36 virtual appointments with Event Rights Holders to discuss the many competition venues in Erie County.

Visit Buffalo Niagara Book Club

In a creative effort to stay connected with meeting planners and tour operators during these unusual times, the sales staff started the "Read the Book, Take the Tour" Buffalo Book Club. The initiative is designed as a new strategy to build relationships while educating our customers on reasons to visit Buffalo. "City of Light" was chosen as the first book and met with great success by the 50 club members. Each person received an author-autographed copy of the book along with a custom bookmark. A private Facebook group was created to engage the members while they read the book with facts and fun thoughts to keep everyone engaged. Each person received a themed snack box to enjoy during a Zoom meeting with the author. Representatives from attractions featured in the book also participated to add additional insights and tour opportunities for the readers' programs. Plans are underway for a Fall book club read.



**Some cities are too big.
Some are too small.
And some are just right.**

**Buffalo.
Just right.**



New Sales Creative – Just Right

A new advertising campaign for meetings planners and tour operators launched in Q2. The campaign, "Just Right" proves that everything about Buffalo is just the right size for the audience's programs and planning. With the expectation that mid-sized and second and third tier destinations being more appealing coming out of the pandemic, the "Just Right" campaign fits those desires. The campaign also incorporates the award winning, Unexpected Buffalo, into the creative giving a light-hearted element to the messaging. The creative is being used in banner advertising, social media posts and email communications.



**Some hotel beds are too hard.
Some are too soft.
And some are just right.**

Buffalo. Just right.





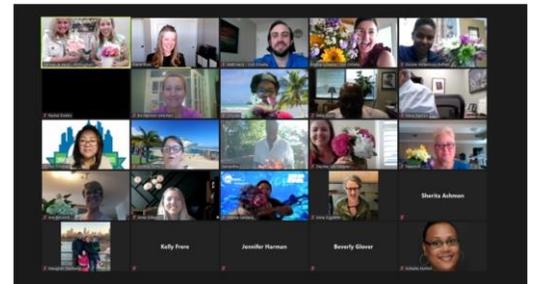
Bring It Home Reboot

New creative concepts and a robust local advertising schedule has been created to attract business leaders, government officials and residents who belong to an association or other affiliation to bring their meeting, convention, or special event to Buffalo. In 2019, VBN engaged with 28 Bring It Home Ambassadors whose meetings/conventions and sporting events brought nearly \$20 million in total economic impact to Buffalo and Erie County.

The 2021 strategy will include digital and print advertising with The Buffalo News and Buffalo Business First. The program is also highlighted in community presentations and has a prominent focus on the organization’s website.

Our Cities Are Blooming With Updates

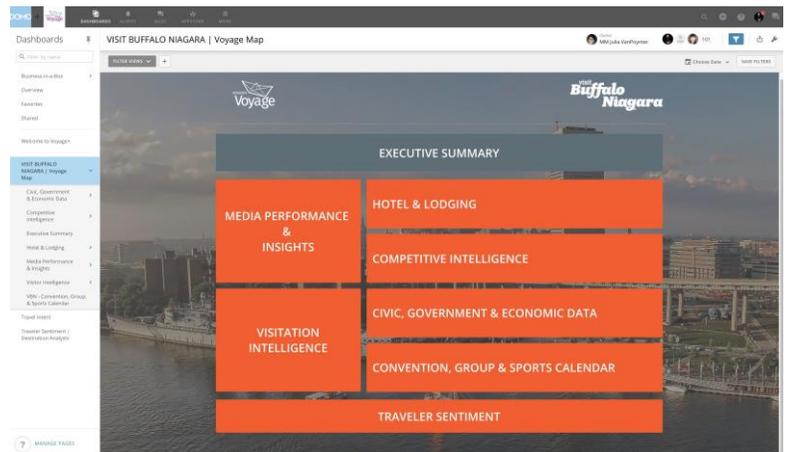
On Thursday, June 24th, in partnership with Talley Management, Visit Buffalo Niagara teamed up with the Greater Birmingham CVB and Visit Omaha to host "Our Cities Are Blooming With Updates" virtual event. Each city provided destination updates to 21 meeting professionals who reside in DC, Maryland and Virginia followed by a fun and interactive floral arrangement workshop given by DC Area Floral Designer Samantha Amoako-Boateng! All planners were sent their floral arrangement kits which included a gift card to their local Trader Joe's, to purchase flowers in advance of the event. There was 100% guest participation! This event was the perfect way to re-engage with DMV area planners in a relaxing and enjoyable way.



MARKETING AND COMMUNICATIONS UPDATE

Investing In Destination Related Big Data

Visit Buffalo Niagara has made the investment into Madden Media’s data analysis tool, Voyage. This new platform will allow the organization to ask the right questions of our data, while allowing for better informed decision making on both sales and marketing activities, measure the impact of our work and fulfill our fiduciary duty with content rich reporting. Voyage allows VBN to evolve our performance metrics beyond the traditional KPIs and shift towards measuring our work into key performance impacts such as visits from key markets and tourism-related revenue. As we continue to develop our uses with Voyage, we will have a better understanding of real-time visitation intelligence, marketing performance and insights, hotel and lodging awareness, competitive intelligences, and government, civic and economic insights.



VBN Earns Three Awards for Excellence in Video Production

The Telly Awards honors excellence in video and television across all screens and is judged by leaders from video platforms, television, streaming networks and production companies, including Netflix, Dow Jones, A&E Networks, Hearst Media, Nickelodeon, ESPN Films and Vimeo. The Telly Awards attracted more than 12,000 entries from top video content producers from all 50 states and five continents including Adobe, the BBC, Condé Nast, J. Paul Getty Museum, PBS, Ogilvy & Mather and the Walt Disney Company. Visit Buffalo Niagara received awards for: “Buffalo: City In Motion”, “Buffalo: One of the Great Eating Cities” and “Come Back to the Comeback”.

MARKETING & COMMUNICATIONS UPDATE CONTINUED

Q2 Top Performing Videos



April:
"Buffal101: Black Rock"
7,167 Views



May:
"Upstate Eats Food Trail Promo"
3,369 Views



June:
"Blue Angels Over Buffalo"
7,127 Views

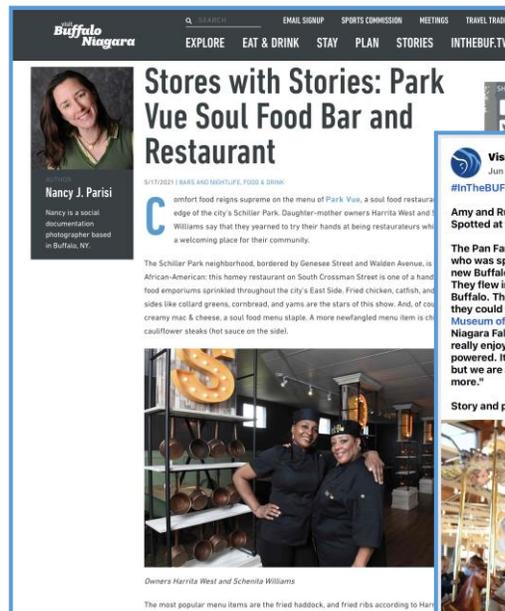


Upstate Eats Food Trail

The Upstate Eats Trail is a collaborative regional culinary tourism product initiated by the Visit Buffalo Niagara marketing staff during the pandemic with our partner DMOs in Rochester, Syracuse and Binghamton. The trail is a collection of regional restaurants, roadside stands, corner taverns, diners and ice cream shops that make some of the most authentic food specialties in the entire United States. It runs through Western and Central New York, connecting the major stops of Buffalo, Rochester, Syracuse and Binghamton. The trail points visitors to five signature restaurants in each city – 20 in total – as well as a host of additional suggestions of unique places to eat along the route. A virtual press conference was held during National Travel and Tourism Week with Lt. Governor Kathy Hochul and nearly 50 local, state and national media through the efforts of the I Love NY media relations firm.

Original Content Tell The Stories Of Our Stores and Our Visitors

The success of Visit Buffalo Niagara's social media engagement on Facebook, Twitter and Instagram is due in part to the original content that the marketing team and its local contributors produce for posts and blogs. For years, we have prided ourselves on creating a long-range content calendar that keeps the posts fresh, unique and engaging to the readers so that they continue to use Visit Buffalo Niagara as their inspiration to plan a visit (and return visits). During the pandemic, our marketing efforts shifted inward to our residents, inspiring them to get out and shop, eat and experience Erie County locally with stories of the owners and frontline workers at shops, attractions and restaurants. This inspirational content continues in the recovery phase as out-of-town visitors find the posts equally, if not more, engaging in their planning process. We are fortunate to have an excellent photo-journalist in our community who has taken on the journaling and photo documentation of both our "Stores with Stories" and "Tales of Visitors in Buffalo" series. Nancy Parisi has a talent for capturing the genuine authenticity of our local shopkeepers and the travelers who experience our destination, and our social media has the likes and shares to prove it.



INDUSTRY RELATIONS UPDATE

Freedom Seekers To Freedom Fighters – Multicultural Experience Product Development

Visit Buffalo Niagara is dedicated to creating economic impact and developing the destination through tourism. The current cultural moment has provided an opportunity for our destination to uncover the untold stories, history, and heritage of multicultural communities. Our first project is working with the African American community with the shared goals of:

- Designing and developing unforgettable visitor experiences with African American attractions and heritage sites in Erie County.
- Enhance existing attractions by creating engaging and immersive experiences that will provide a deeper emotional connection for visitors.
- Uncover opportunities to create multicultural experiences tied to some of Buffalo’s notorious citizens and events.

- Drive visitors down the consumer path-to-purchase by showcasing compelling Buffalo experiences in VBN’s consumer marketing, media relations, social media and travel trade sales and promotions.

Working with the Veneto Collaboratory, the first phase of the destination assessment was completed in Q2. The next steps are to develop new product for the selected sights. The partners will design, craft, script and stage experiences in each of the selected sites.

We look forward to launching a collection of new market-ready multicultural experiences focused on Buffalo and Erie County’s African American heritage for a timely launch in February 2022 to coincide with Black History Month.

BUFFALO NIAGARA CONVENTION CENTER UPDATE

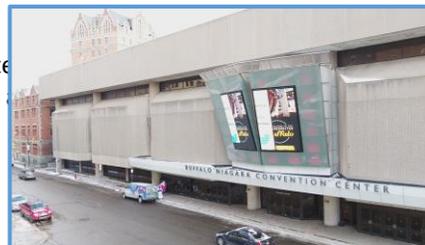
Interior and Exterior Renovations Update

The City of Buffalo streetscape work in the entertainment district, including Franklin Street in front of the Buffalo Niagara Convention Center continues, and is happening simultaneously as deconstruction of the interior lobby of the center began in early June. Both projects are scheduled to be completed before the reopening of the center’s first event in early October.

In addition to the streetscape and lobby projects, in June the County Executive announced the “Reinvest in Erie’s Neighborhoods and Employ our Workforce (“RENEW”)” Plan through funds from the American Rescue Plan. The RENEW Plan includes an allocation of \$4.5 million to improve the exterior façade of the nearly 50-year-old convention center. Designs timeline for the project should be available in the coming months.



Lobby pre-construction



...during construction

Booking Future Business in the BNCC

The pandemic took its toll on the business booked in the convention center for 2020 and three-quarters of 2021. However, the staff, continues to work diligently to rebook/reschedule business while also attracting new events to the center for future years. The following is a snapshot as of 7/19/2021 of booked business at the convention center for the remainder of 2021 and into the future.

	2021	2022	2023	2024
Number of Events	34	102	60	32
Expected Attendance	44,335	179,510	152,330	121,327
Number of Hotel Room Nights	390	27,016	24,216	15,026
Expected Economic Impact	\$3,219,622	\$28,616,000	\$23,251,000	\$15,282,000

Ten-Year Destination Master Plan UPDATE

Progress on the MMGY/NextFactor led Ten-Year Destination Master Plan and related strategic plans for both Visit Buffalo Niagara and the Buffalo Niagara Convention Center continues through the coordinated schedule of our consultants MMGY. Many of our board members, staff, government officials, developers, community stakeholders and tourism industry have been engaged through one-on-one interviews or targeted focus groups. The feedback from the MMGY team has been that the sessions has been thoughtful, constructive, and most importantly honest.

Most recently, a resident survey was deployed to gain insight and perspective of from the people of Erie County. Staff was diligent in utilizing resources, media outlets, social media channels

to ensure that the survey represented Erie County's population diversity.

Next steps for the consulting team will be the following sessions/events:

- August 31 – Destination master plan visioning session
- September 21 – VBN/BNCC strategic planning sessions
- October TBD – Validation sessions with previous stakeholder groups and one-on-one interviews
- November 3 – Final report presentation to VBN Board of Directors

MMGY/NextFactor is a leading consultancy in destination master plans, having previously worked with Denver, Hilton Head, Ann Arbor, Miami and Indianapolis.

UPDATE ON AMERICAN TRAVEL TRENDS & SENTIMENT

On July 25, 2021, Destination Analysts reported:

Optimism about the coronavirus situation in the U.S. has plummeted and regression in safety perceptions has caused Americans to feel we've lost ground on the progress made towards a return to normalcy. The Delta variant is also disrupting Americans' trip plans with 25.4% having postponed an upcoming trip and 18.9% cancelling a trip specifically due to the Delta variant.



Key Findings From Latest Survey:

- **Optimism about the coronavirus situation in the U.S. has plummeted.** American travelers' expectation that the coronavirus situation will get worse in the next month has made a significant jump from 19.6% the week of July 12th to 43.0% this week—surpassing expectations that the situation will get better (32.0%) for the first time since the week of February 1st. This worsening expectation has impacted Americans' excitement to travel right now (68.2%, down from 72.6%), personal health concerns (56.6%, up from 49.5%) and their confidence in the ability to travel safely right now (49.3%, down from 52.9%).
- **Negative associations with travel are on the rise again.** When asked to give ONE WORD that best describes how they feel about travel right now, Americans' top response was "exciting" the week of July 12th. Now, they mostly feel "good" about travel; however, the number of people citing "unsafe," "nervous," "worried," or "anxious" is growing.
- **Regression in safety perceptions has caused Americans to feel we've lost ground on the progress made towards a return to normalcy.** Due to recent media coverage of the COVID-19 situation, 44.8% are now doubting that it is safe to go out and about and 45.0% doubt that it is safe to travel now. These decreased feelings of safety have led to a drop in perceptions of normalcy. This week, less than one-in-three (32.3%) American travelers feel that the U.S. is close to "normal" in terms of resuming leisure activities—down 10 percentage points from 42.7% the week of July 12th.
- **The Delta variant is disrupting Americans' travel plans.** Recent news about increasing Delta variant cases have made half of American travelers less interested in traveling right now (53.6%, up from 51.0% the week of July 12th). In fact, a quarter (25.4%) have postponed an upcoming trip and 18.9% have cancelled a trip specifically due to the Delta variant. In addition, overnight trips appear to be in decline—this week 43.8% of Americans said they took at least one such trip in the past month which is down from 49.6% who said the same the week of July 12th.
- **On a brighter note, big cities and metropolitan areas continue to make gains in recovery.** Among those who took an overnight trip in the past month, cities/metro areas were the top destination type visited (39.3%), followed by small towns (30.9%) and beach destinations (26.9%). Due to recent COVID outbreaks, some cities have reinstated indoor mask requirements and while 15.7% of American travelers are opposed, 68.2% support this requirement.

U.S. Travel recently released the latest **Travel Forecast Report**, which provides background and analysis to updated projections, while highlighting the divergent paths of recovery among key travel sectors. The latest forecast presents a rosier picture of domestic leisure travel than earlier estimates but a still-gloomy—if not bleaker—picture of business travel and international inbound travel.

- **Domestic leisure spending** has already nearly recovered. It is estimated to have reached 92% of 2019 levels in Q2 of this year. The latest forecast projects that it will be 99% recovered (relative to 2019 levels) next year and 102% in 2023
- **Domestic business travel spending** is still lagging far behind leisure and is expected to reach just 43% of 2019 levels in 2021 and 71% of 2019 levels in 2022 before fully recovering in 2024
- **International inbound travel** is not expected to fully recover until 2024. International spending is projected to reach just 67% of 2019 levels in 2022 and 87% in 2023. International leisure travel is expected to recover slightly faster than international business travel.

U.S. TRAVEL FORECAST - SHARE OF 2019	TRAVEL FORECAST						
	2019	2020	2021	2022	2023	2024	2025
Total # of trips	100%	67%	80%	90%	99%	104%	106%
Domestic Person Trips	100%	68%	81%	91%	99%	104%	105%
Leisure	100%	76%	91%	94%	101%	104%	106%
Business	100%	39%	45%	76%	92%	102%	102%
Auto	100%	71%	83%	92%	100%	104%	105%
Air	100%	42%	60%	77%	94%	102%	106%
International Arrivals	100%	24%	33%	71%	90%	102%	109%
Canada	100%	23%	31%	77%	100%	112%	118%
Mexico	100%	38%	57%	90%	97%	101%	102%
Overseas	100%	19%	24%	60%	83%	98%	108%

U.S. TRAVEL FORECAST - SHARE OF 2019	TRAVEL FORECAST						
	2019	2020	2021	2022	2023	2024	2025
Total Travel Spending	100%	58%	72%	88%	96%	103%	104%
Domestic	100%	65%	79%	92%	98%	103%	105%
Leisure	100%	77%	93%	99%	102%	104%	105%
Business	100%	32%	43%	71%	87%	101%	104%
Transient	100%	38%	52%	79%	95%	101%	105%
Group	100%	25%	31%	61%	76%	100%	102%
International	100%	21%	30%	67%	87%	100%	103%
Leisure	100%	22%	31%	67%	89%	101%	104%
Business	100%	20%	25%	65%	82%	96%	99%
Transient	100%	21%	27%	72%	87%	99%	100%
Group	100%	19%	22%	55%	75%	92%	97%



The return of corporate travel, professional meetings, conventions and events is expected to take four years or more to recover. Business travel spending is down 69% and spending related to meetings, conferences and events declined even further—down 76%. Until business travel, meetings and events are fully restored, the pace of economic recovery will continue to suffer.

Professional meetings and events (PMEs) are different than most types of gatherings, providing a controlled setting for the secure implementation of health and safety measures designed to prevent the spread of COVID-19. In fact, according to scientific modeling by the Exhibitions and Conferences Alliance and Epistemix, in-person PMEs pose a near-zero (0.001%) risk of COVID-19 transmission to attendees—even for large events.

Further, all business travel including to meetings, conventions and events, enable the restoration of highly valuable in-person connections. These face-to-face meetings are essential to building relationships, converting and retaining customers, networking and learning about the latest products, technologies and competitive offerings—opportunities that are simply irreplaceable in a virtual setting.

2021 Q2 REPORT

QUANTITATIVE ORGANIZATIONAL RECAP – Q2

Smith Travel Research (Hotels) – Q2

Month	Revenue	Occupancy	Demand	Average Daily Rate	RevPAR
April	\$12,142,306	44.5%	141,987	\$85.52	\$38.06
May	\$15,314,083	51.2%	169,887	\$96.03	\$49.02
June	\$21,099,187	62.1%	199,958	\$105.52	\$65.54

Key Data (Airbnb/Vacation Rentals) – Q2

Month	Revenue	Occupancy	Demand	Average Daily Rate	RevPAR
April	\$2,246,523	25.8%	3,782	\$154.00	\$40.00
May	\$2,939,230	33.4%	5,103	\$160.00	\$53.00
June	\$2,247,893	35.2%	4,651	\$178.00	\$63.00

Sales and Services – Q2 Total (Months of April, May and June)

Sales Leads Distributed	Room Nights (Leads)	Person to Person Prospects	Indirect Prospects	Lost Business
80	35,039	1,392	238	53
Definite Events Booked	Definite Room Nights Booked	Definite Expected Attendance	Definite Events Economic Impact	
47	7,053	7,232	\$6,944,358	
Events Held	Room Nights	Attendance	Groups Serviced	
39	15,629	14,950	11	

Marketing & Communications – Q2 Total or Average (Months of April, May and June)

Website Sessions	Mobile Site Sessions	Q2 Ave. Duration on Site	Website Page Views	Shared Social Media Posts
266,190	169,531	1:38	492,421	525
Q2 Ave. Facebook Followers	Q2 Ave. Twitter Followers	Q2 Ave. Instagram Followers	TikTok Followers	All Platforms Video Views
96,841	29,289	39,970	To be tracked in 2022	32,371
Media Placements	Media Impressions	Media Social Shares	Media Touchpoints	Media Visits
10	150,909,187	2,093	59	3

Industry Relations – Q2

Volunteer Hours – Events	Volunteer Hours – Mobile VC	Total Volunteer Hours
97	NA	97
Q2 Ave. Weekly Lodging Dashboard Distribution	Q2 Ave. Tourism Insider Distribution	Industry Events Attendance
228	2,461	0
Destination/Customer Service Training Attendance	Extranet Training Attendance	Industry Meeting Attendance
0	13	7

BOARD OF DIRECTORS AND STAFF

Visit Buffalo Niagara Board of Directors

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Mary Ann Martin, Bookkeeper & Benefits Manager
Mark McMahon, Maintenance Supervisor
Terry O'Brien, Director of Operations
Ken Sanford, Chief Engineer
Danielle Winiarski, Director of Convention & Event Services

VISIT BUFFALO NIAGARA MISSION STATEMENT

Visit Buffalo Niagara sells and markets our assets and attractions to visitors outside the Buffalo Niagara region as a convention, tourism and leisure destination for the economic benefit of the community. VBN is Erie County's lead marketing organization for conventions, meetings, amateur sporting events, cultural and heritage tourism and consumer travel.