



2009/10

KEY GOALS

| | Budget 0 | Budget 1 | Budget 2 | Budget 3 | 2008/09 Goals |
|--|--|--|--|--|--|
| Convention Room Nights - Bookings | 1,797,000 | 1,850,000 | 1,875,000 | 1,900,000 | 1,750,000 |
| Convention Room Nights - Leads | 5,019,000 | 5,425,000 | 5,500,000 | 5,575,000 | 4,800,000 |
| Travel Industry Sales - New Programs | 72 | 74 | 76 | 82 | 72 |
| Travel Industry Sales - Leads | 630 | 647 | 665 | 710 | 630 |
| Website Visitor Economic Impact ⁽¹⁾ | \$52.5m | \$57.7m | \$63.5m | \$69.9m | \$47.6m |
| Private Revenue | \$7,767,000 | \$8,043,200 | \$8,267,100 | \$8,475,100 | \$5,336,850 |
| Budget | End year with balanced budget (+/- 0.5% gross) | End year with balanced budget (+/- 0.5% gross) | End year with balanced budget (+/- 0.5% gross) | End year with balanced budget (+/- 0.5% gross) | End year with balanced budget (+/- 0.5% gross) |

Convention Room Nights - Bookings

The SFCVB bases its room bookings on expected total room nights as estimated by the customer and supported by meeting history (which for meetings many years into the future may include escalation or reduction based on attendance trends). While not all rooms in all contracted room blocks are ultimately booked, groups often have an equal or greater number of rooms booked “outside the block” (as a result of rate shopping on the internet, booking rooms after cut-off dates, etc.).

Convention Room Nights – Leads

Convention lead room nights are the total number of hotel rooms in play for potential business for San Francisco. Leads represent the pipeline for future booked business, which could confirm during 2009/10 or subsequent years.

Notes re: bookings and leads: The SFCVB limits booking credit to groups with a starting meeting date no more than 15 years from the end of a fiscal year and lead credit to groups with a starting meeting date no more than 20 years from the end of the fiscal year (i.e. for 2009/10, only groups meeting by June 30, 2025, count toward booking goals; groups can hold confirmed meeting dates beyond that window but no sales credit will be given).

Travel Industry Sales – New Programs and Leads

Unlike the convention sales product, which has industry-wide accepted room night and economic impact tracking processes, travel industry sales does not have a uniform methodology for tracking a CVB’s productivity. Tour products are sold through a wide variety of channels – tour operators, receptive operators, retail agents, airline subsidiaries, “brick and mortar” outlets, and on-line – and the channels interact and cross-sell. Until such a methodology is established, the SFCVB tracks incremental group tour programs (when room nights are generated) and leads (referrals of potential business to SFCVB members) to measure its productivity.

Website Visitor Economic Impact

The SFCVB website, www.onlyinsanfrancisco.com, and affiliated partner sites are the primary ways that potential visitors interact with the Bureau and the city, and they’re critical in the decision-making process as well as being a key indicator of economic impact. Our recently completed website conversion study indicated that every 1,000 unique visitors to the web site generated an incremental \$15,850 in visitor spending for The City of San Francisco. The site plays a critical role with all audiences – consumers, travel industry, meeting planners and members – and its ultimate goal is to drive customers to San Francisco, whether they book on the site or are delivered to staff, members or partners through it.



(1) Note that the 2008/09 goal was 3,000,000 website user sessions (final achieved 3,312,000), but the conversion study allows us to translate that goal into the ultimately far more meaningful and relevant goal of Website Visitor Economic Impact.

Private Revenue

The SFCVB private revenue goal includes funds produced through memberships, publication royalties, web site royalties and premium placement, co-op advertising, co-op trade shows, collateral material sales, commission from online reservations, and member and Foundation programs. It also reflects in-kind contributions of services from members, which reduce program expenses. Fiscal year 2009/10 private revenue goal is flat with revenue generated in fiscal year 2008/09.

| Major Revenue Metrics | 2009/10 Goal | 2008/09 Actual |
|--------------------------------|--------------------|----------------------------|
| Member Dues | \$1,893,800 | \$2,068,349 ^(b) |
| Member Programs | \$ 181,700 | \$ 40,226 ^(c) |
| Publication Royalty | \$ 270,000 | \$ 270,000 ^(d) |
| Website Royalty | \$ 41,250 | \$ 147,078 ^(e) |
| Member Co-op Advertising | \$ 740,000 | \$ 608,413 ^(f) |
| Member Co-op Programs | \$ 328,250 | \$ 516,481 ^(g) |
| Web Site Premium Placement | \$ 12,000 | \$ 17,097 ^(h) |
| VIC Sales | \$ 207,700 | \$ 200,730 ⁽ⁱ⁾ |
| Online Reservation System | \$ 131,800 | \$ 155,378 ^(j) |
| Foundation Programs | \$ 83,100 | \$ 63,835 ^(k) |
| Miscellaneous Revenue | \$ 43,200 | \$ 44,120 ^(l) |
| Total Cash | \$3,932,800 | \$4,131,707 |
| Member Co-op Advertising-Trade | \$1,052,500 | \$1,028,173 ^(f) |
| Member In-Kind Support | \$2,781,700 | \$2,607,231 ^(m) |
| Total Non-Cash | \$3,834,200 | \$3,635,404 |
| Total Cash and Non-Cash | \$7,767,000 | \$7,767,111 |

(b) **Member Dues:** Reflects 88% of membership dues renewal. In 2008/09, it included 10% dues increase for lodging members and 3% dues increase of non-lodging members. The dues increase has been postponed in 2009/10.

(c) **Member Programs:** Participation fees charged for member activities and services. The decrease in 2008/09 actual is due to Annual Luncheon event hosted in July 2009.

(d) **Publication Royalty:** Royalty fee from Weaver Publications for publishing rights to Bureau's trade and consumer publications.

(e) **Website Royalty:** Royalty fees from Weaver Publications for advertising rights on Bureau website. In 2008/09, it included Map Network contract which expired on June 30, 2009.

(f) **Member Co-op Advertising:** Member funding of co-operative consumer advertising campaigns.

(g) **Member Co-op Programs:** Member fees for participation in various Bureau sales and promotion programs & activities.

(h) **Web Site Premium Placement:** Fees for enhanced web presence on Bureau web site.



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- ⁽ⁱ⁾ **VIC Sales:** Phone cards, MUNI passes, tour tickets and other merchandise at the Visitor Information Center and through online sales via web site.
- ^(j) **Online Reservation System:** Commission from hotel and attraction reservations made through Bureau web site in joint venture with ARES, Inc.
- ^(k) **Foundation Programs:** Participation and sponsor fees for educational seminars and other activities produced under the 501(c) (3) foundation.
- ^(l) **Miscellaneous Revenue:** Primarily interest income and convention housing commission.
- ^(m) **Member In-Kind Promotional Support:** Accounting for value of various in-kind services provided by members; offset by like entry as program expense in all divisions.

Budget:

The SFCVB will again work throughout the year to complete 2009/10 with a balanced budget, plus or minus 0.5% gross.