

Special Events in Destination Communities

The Good, the Bad and the Ugly

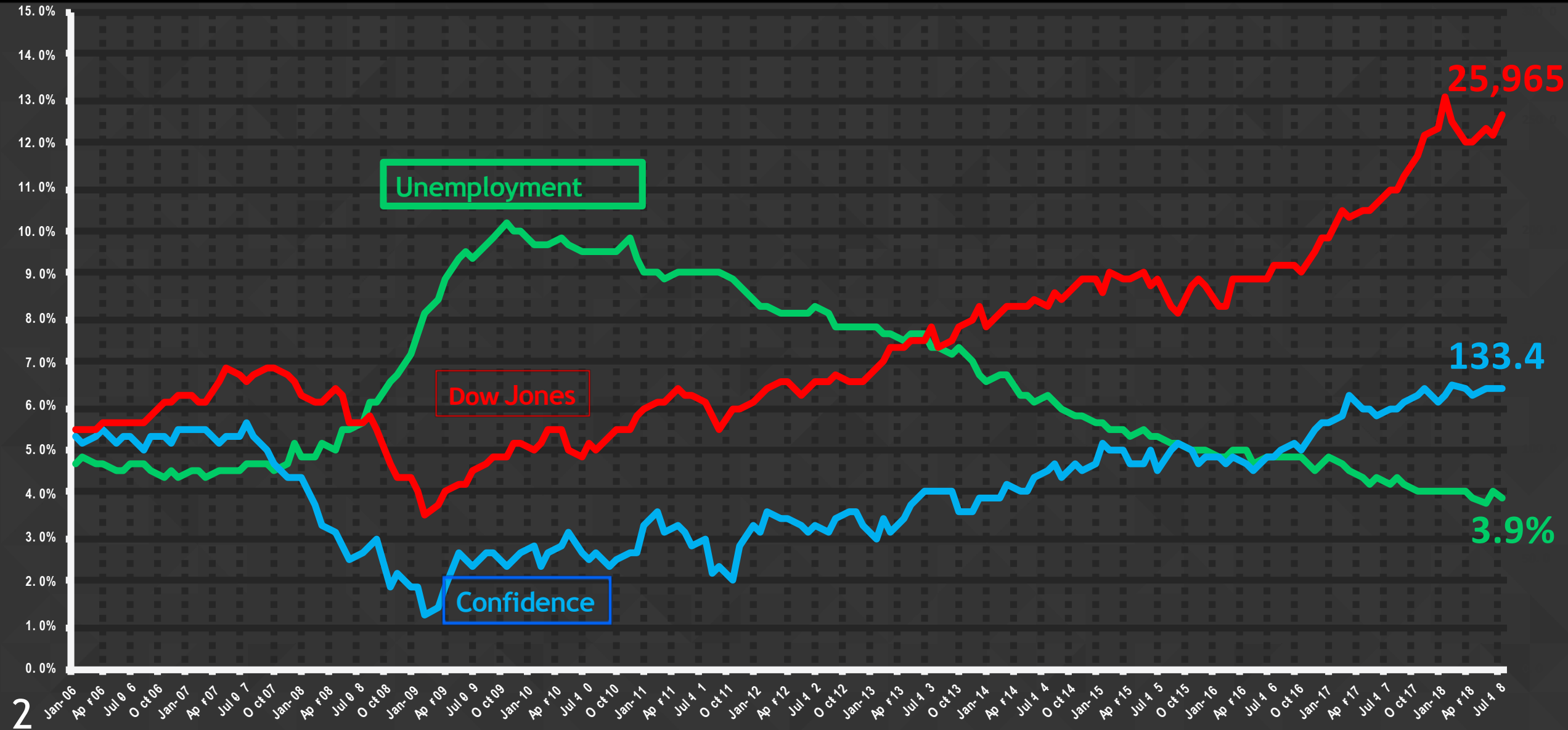
(.....well, that's a little harsh.....)

Ski Area Management, September 4, 2018
Presented by Tom Foley, Inntopia

The Setup: Confidence, The DOW & Unemployment

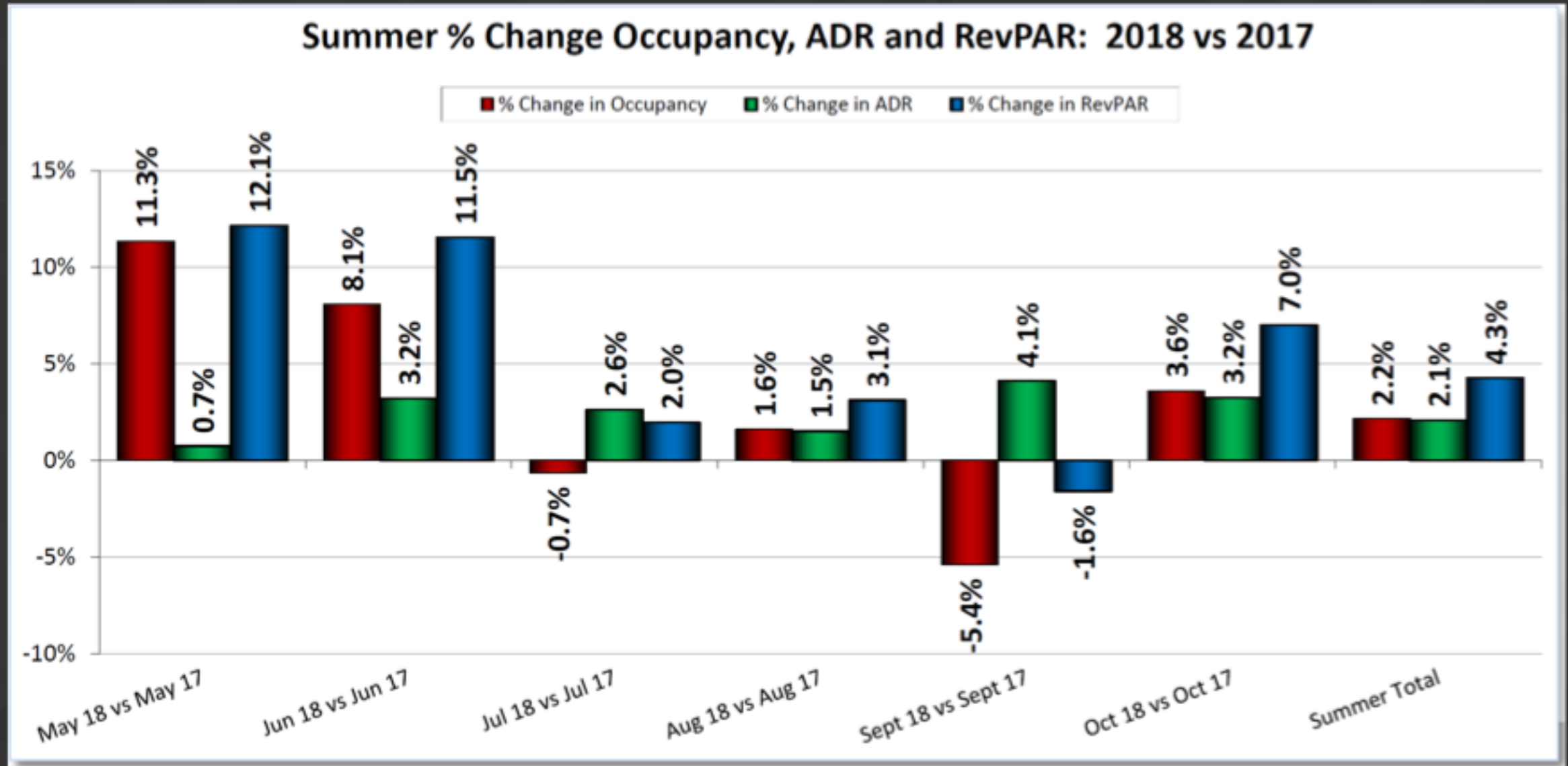
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The Setup:

The DestiMetrics' Summer Season a.o. 7/31



The Setup: What's Our Context?

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Summer

Winter

For the Most Part.....

Summer

- Relatively new product focus (2009-18)
- No “Industry” to the season
- Lack of infrastructure for activities (now changing)
- Messaging challenges

VS

Winter

- Long Established
- Major industry and trade groups
- Strong infrastructure, ongoing significant investment
- Skilled, well-understood marketing

The Setup: What's Our Context?

Special Events and Activities are the Primary Drivers of the Meteoric Growth of the Summer Season in North American Mountain Communities.

But Not All Opportunities are Equal

The Summer Challenge: Purpose Built vs Town Association

Purpose Built Ski Resorts

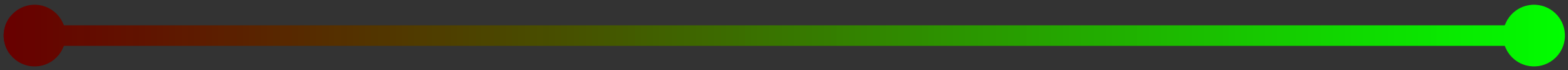
Ski Town Co-Location

Advantages of Purpose Built Ski Resorts

- High level of control over the resort experience
- Ability to create a unique resort identity
- Potential for higher profit margins
- Greater flexibility in resort development
- Ability to attract a wider range of visitors

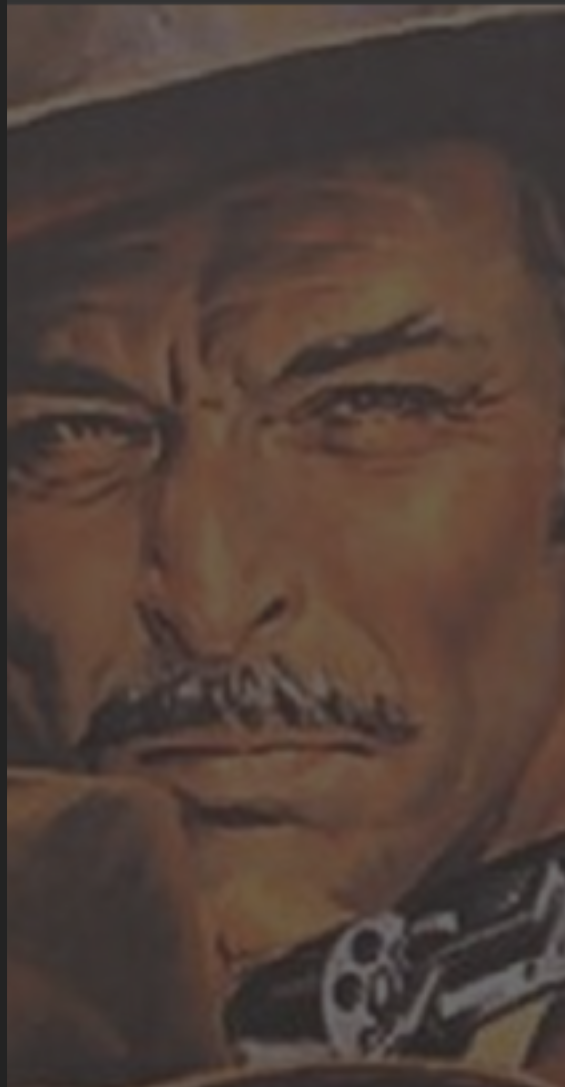
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The Good



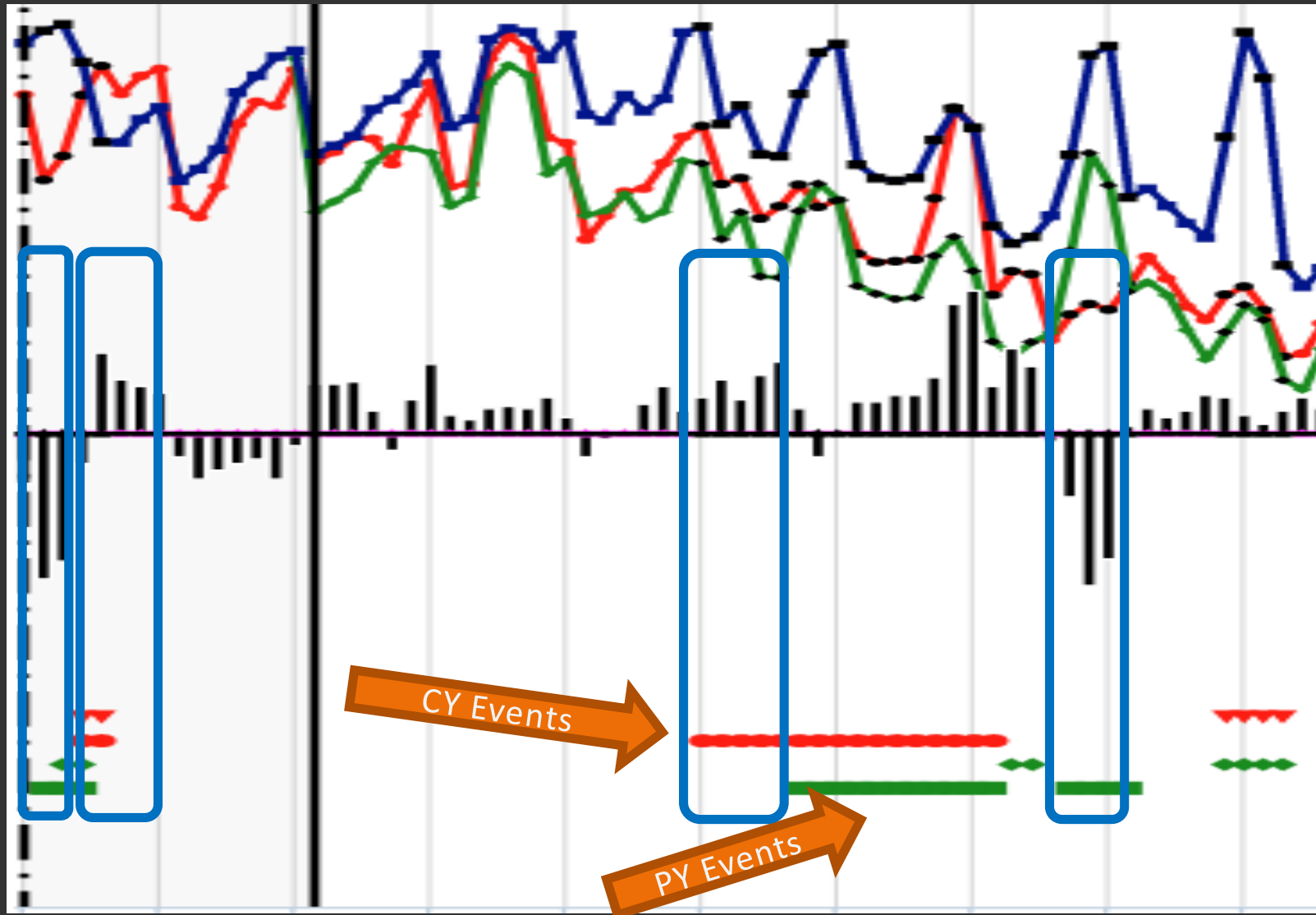
- USFS changes in land use restrictions have created opportunities
- Special Events and a broader range of activities are beneficiaries of these changes
- Around 2009, DMOs, Cities, Towns and SkiCos adopted a concerted year-round mindset
- With a few exceptions, Special Events and Activities are the key driver of destination visitation in summer
- Many destinations are creating a ‘2nd image’ beyond winter sports (“your summer home for.....”)

The Good



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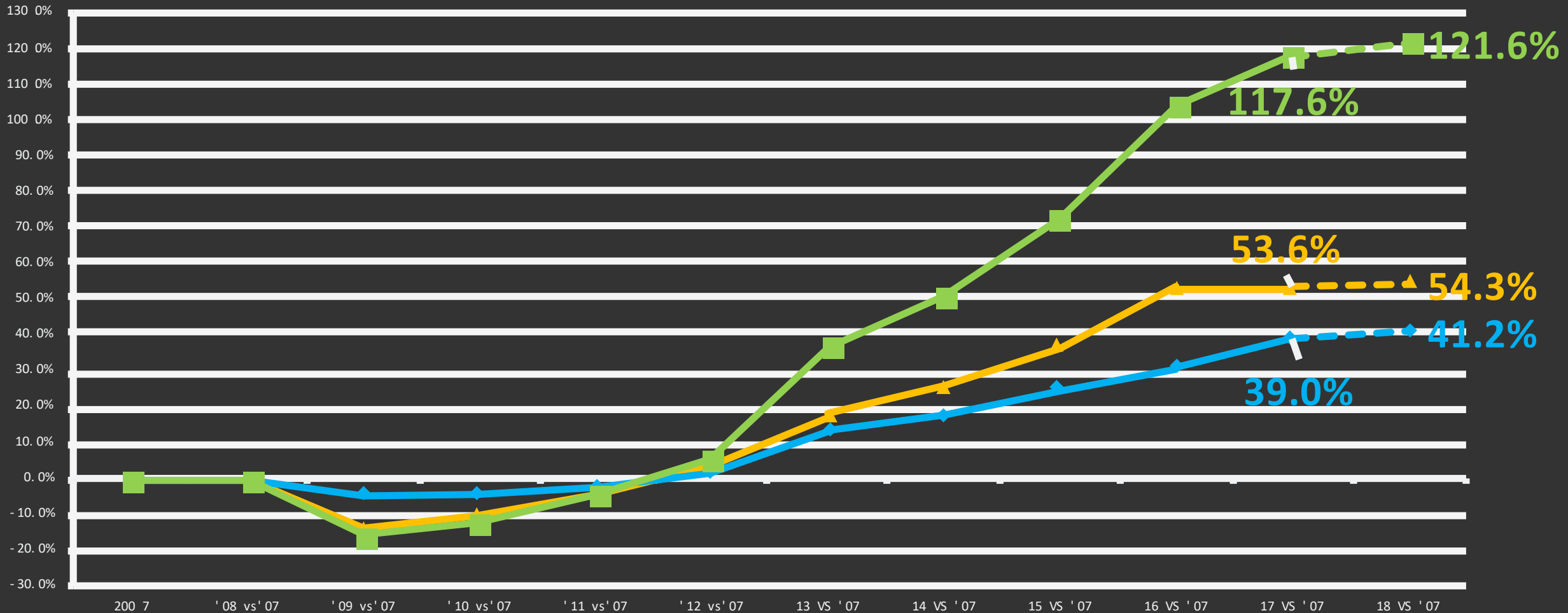
We can directly correlate events - and changes in events - to occupancy growth or decline year over year

The Good

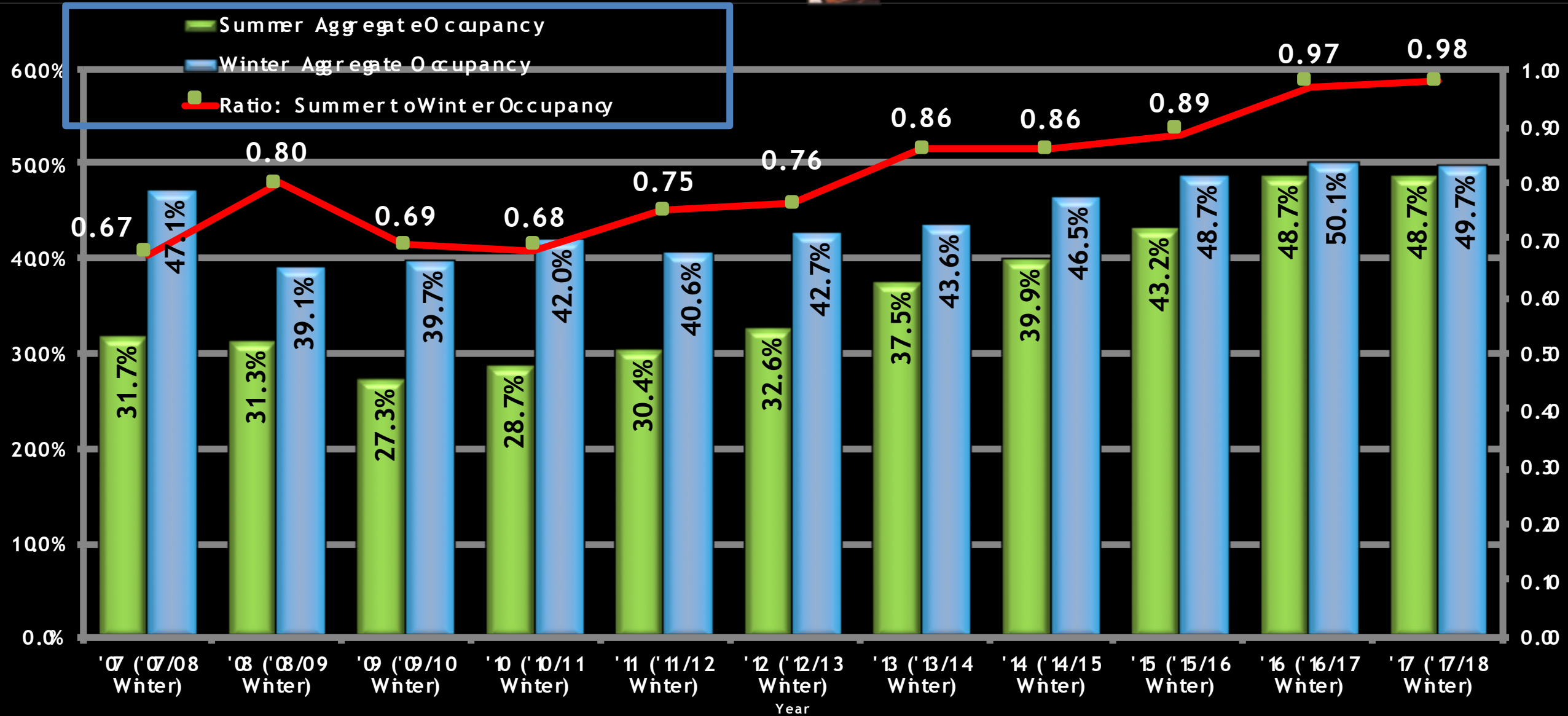


Summer Gain / Loss: 2008 - 2017 Actual & 2018 Projected vs 2007 Actual

▲ % ChgOcc Rat vs 2007 **◆ % ChgA DR vs 2007** **■ % ChgR venue vs 2007**



The Good



The Good

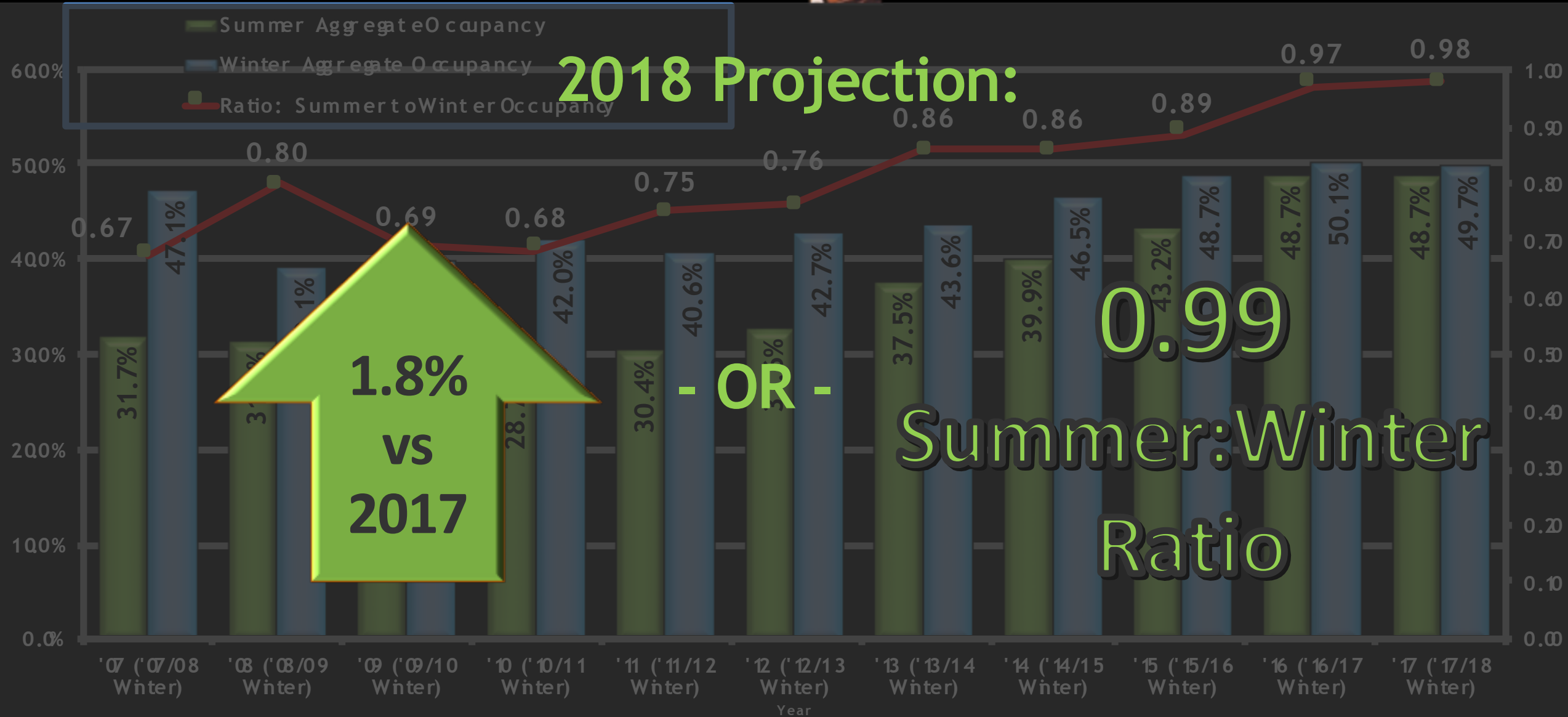


2018 Projection:

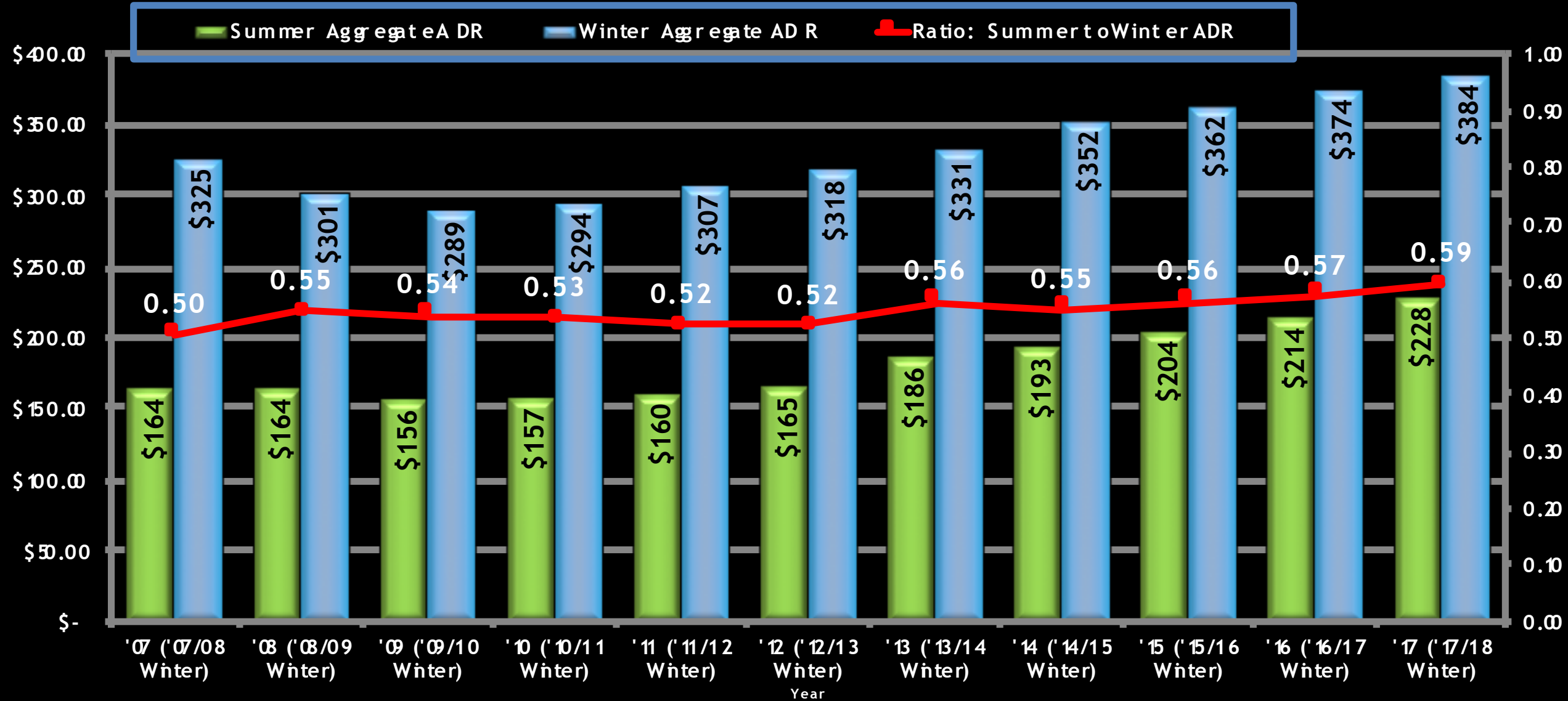
1.8%
vs
2017

- OR -

0.99
Summer:Winter
Ratio



The Good



The Good



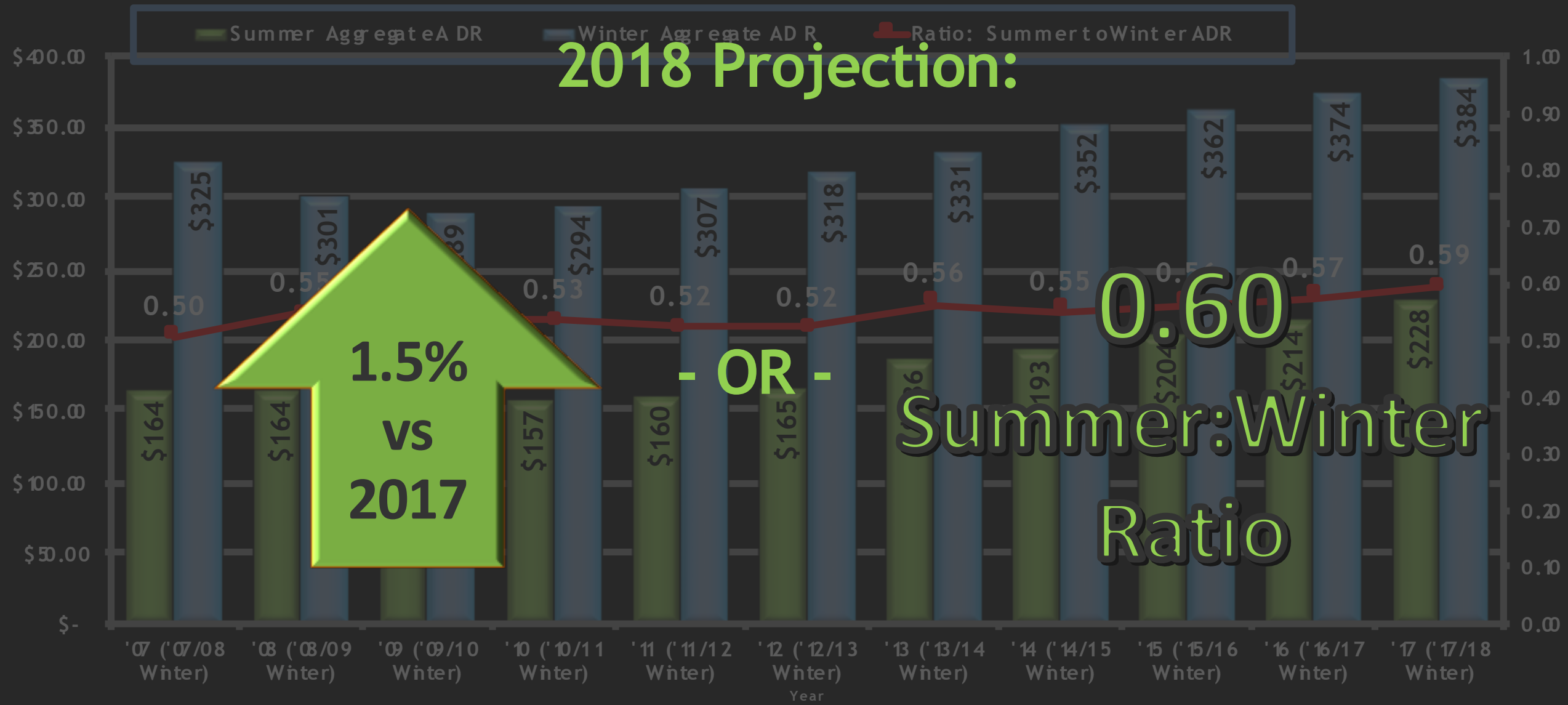
2018 Projection:

1.5%
vs
2017

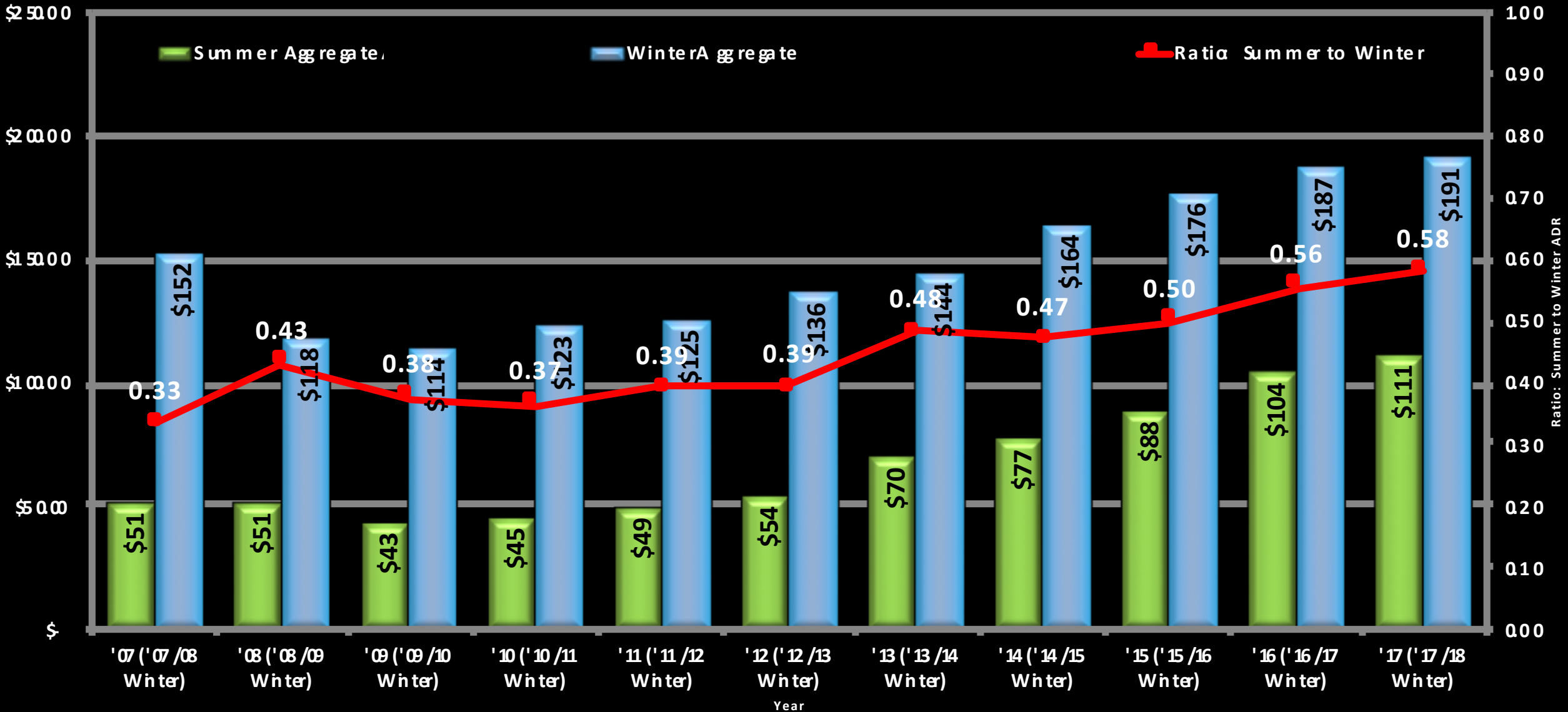
- OR -

0.60

Summer:Winter
Ratio



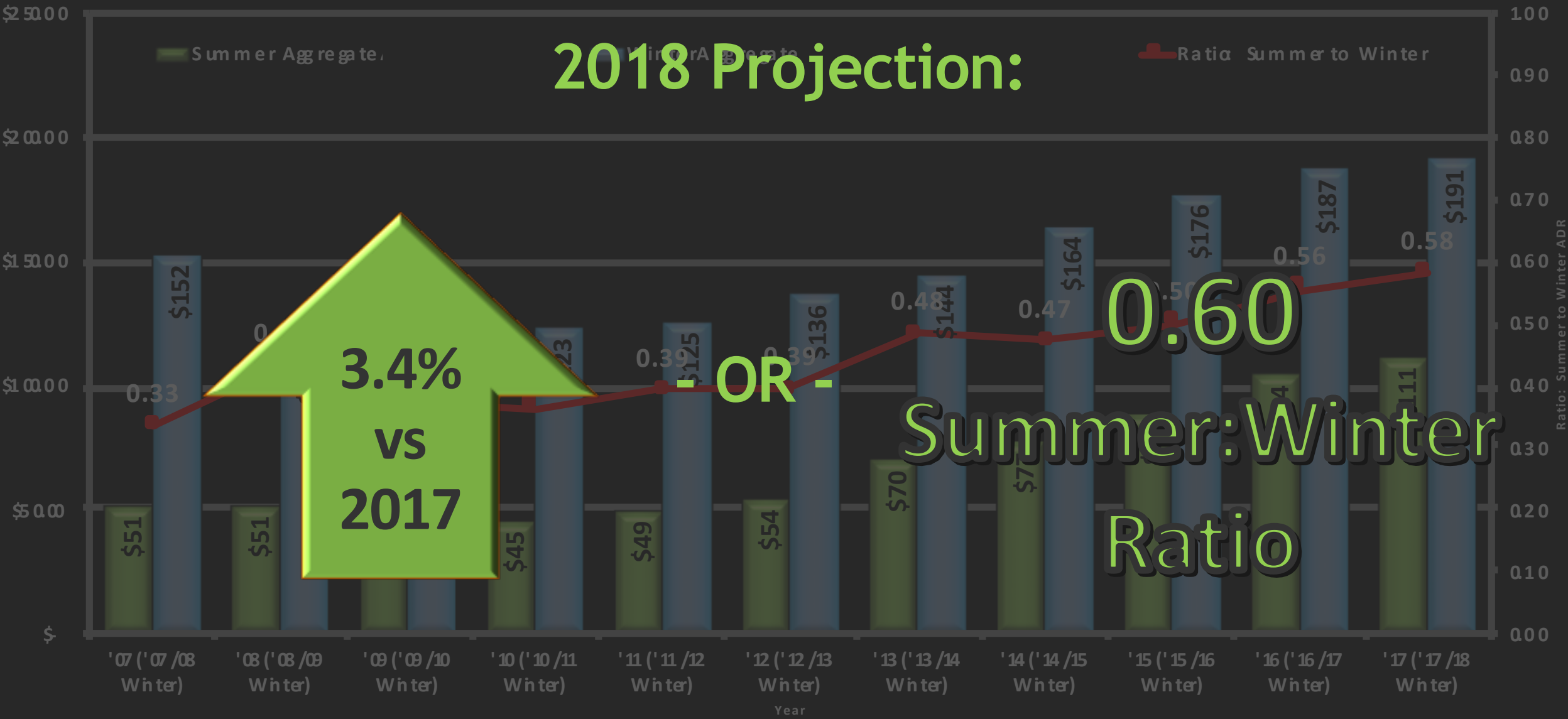
The Good



The Good



2018 Projection:



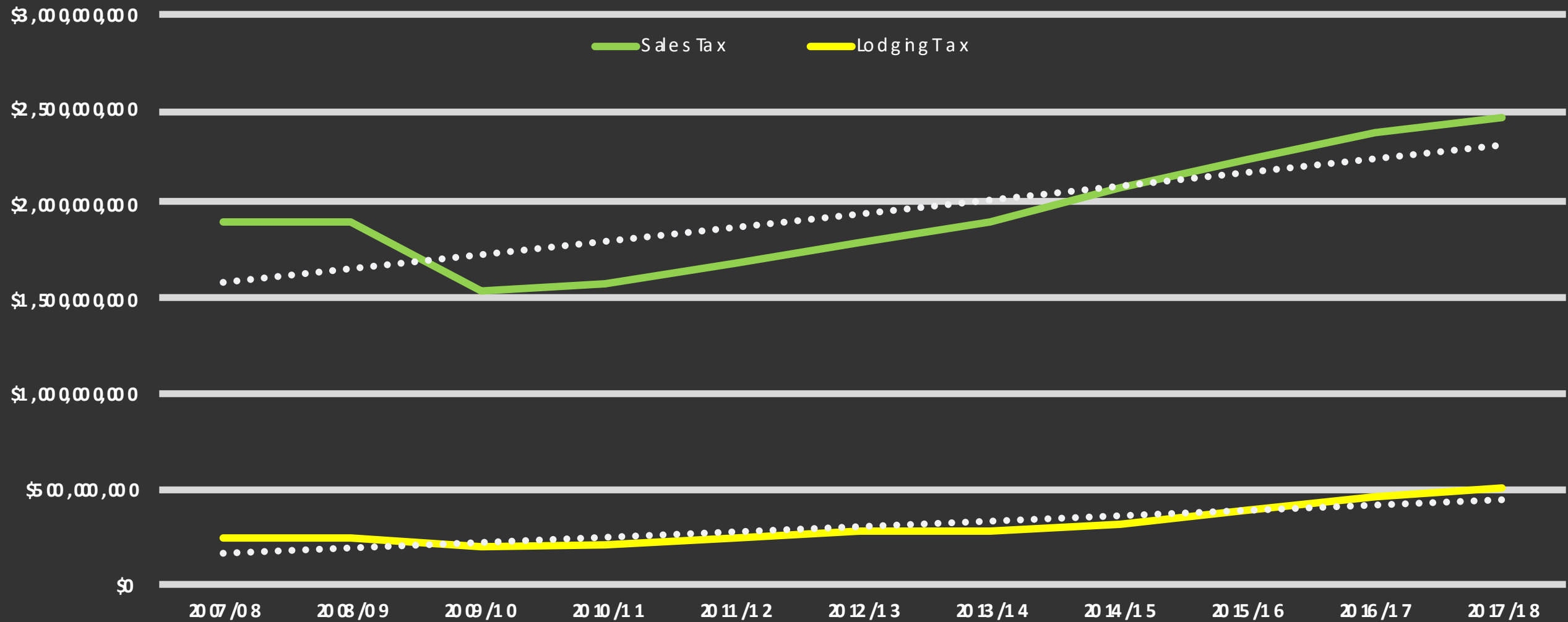
3.4%
vs
2017

OR

0.60
Summer:Winter
Ratio



Summer Retail & Lodging Tax Receipts



The Good



51%	Of special event attendees stay overnight
63%	Stay overnight for multi-day events
17%	Of event attendees are day visitors
14%	Are day visitors for multi-day events

The Good



32%	Of attendees are local / part-time residents
64%	Have household income >\$100,000
40%	Have household income >\$125,000
81%	Have visited the community in the past

The Good



6.5	The importance of the event in decision to visit the community, out of 10 points
5	# Days of the average stay around the special event
42%	Percent that attended the same event last year
\$147	Economic Impact per Attendee Day

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The Bad (and maybe not-so-bad)



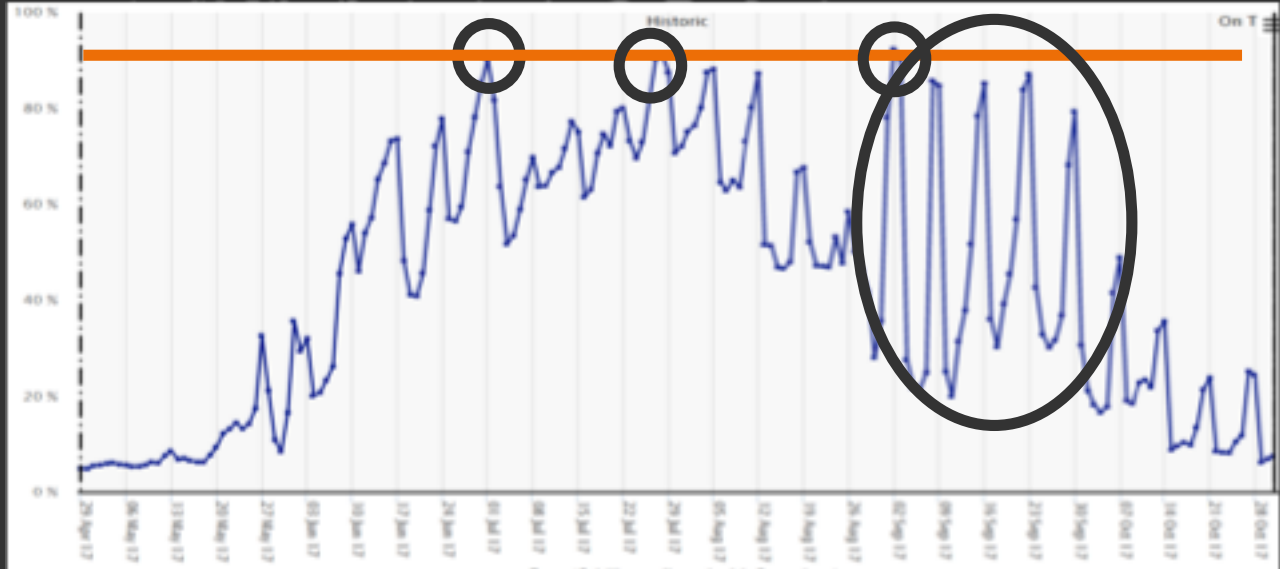
Many Properties and Destinations are topping out at maximum practical occupancy

Little new professionally-managed inventory

Wild swings create staffing issues

Infrastructure, services have no recovery time

The Bad (and maybe not-so-bad)



The Ugly (and under-understood)



The NIMBY Factor

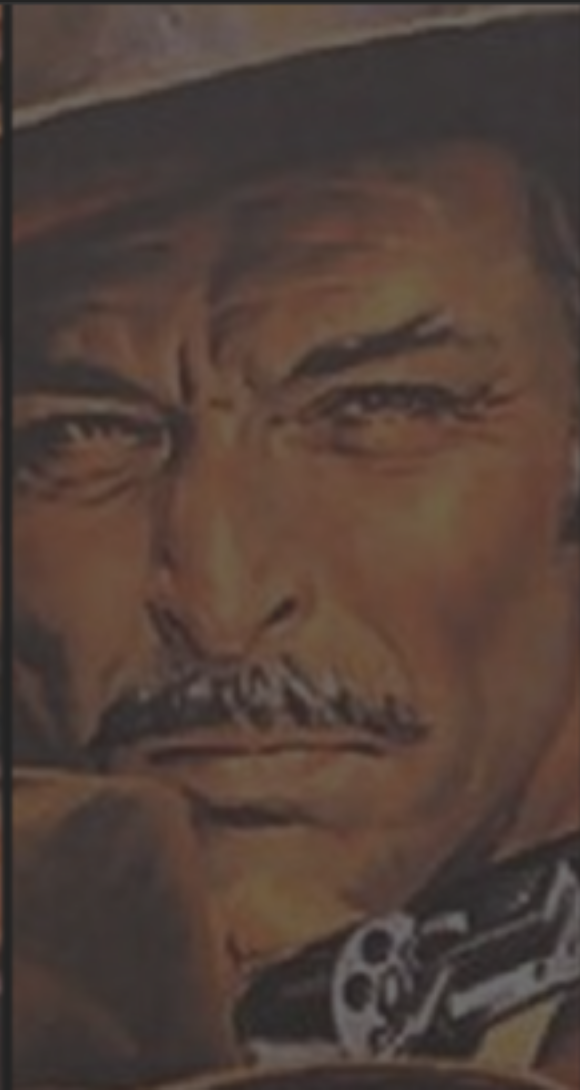
27% of destination town residents feel the town should curtail special events

31% of destination town residents would leave town if they could during special events

>50% of 2nd homeowners avoid town during special events
(unknown % presumably rent units)

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The Ugly (and under-understood)



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Declining professionally-managed inventory

Declining workforce housing

Misunderstood RBO & Total Inventory

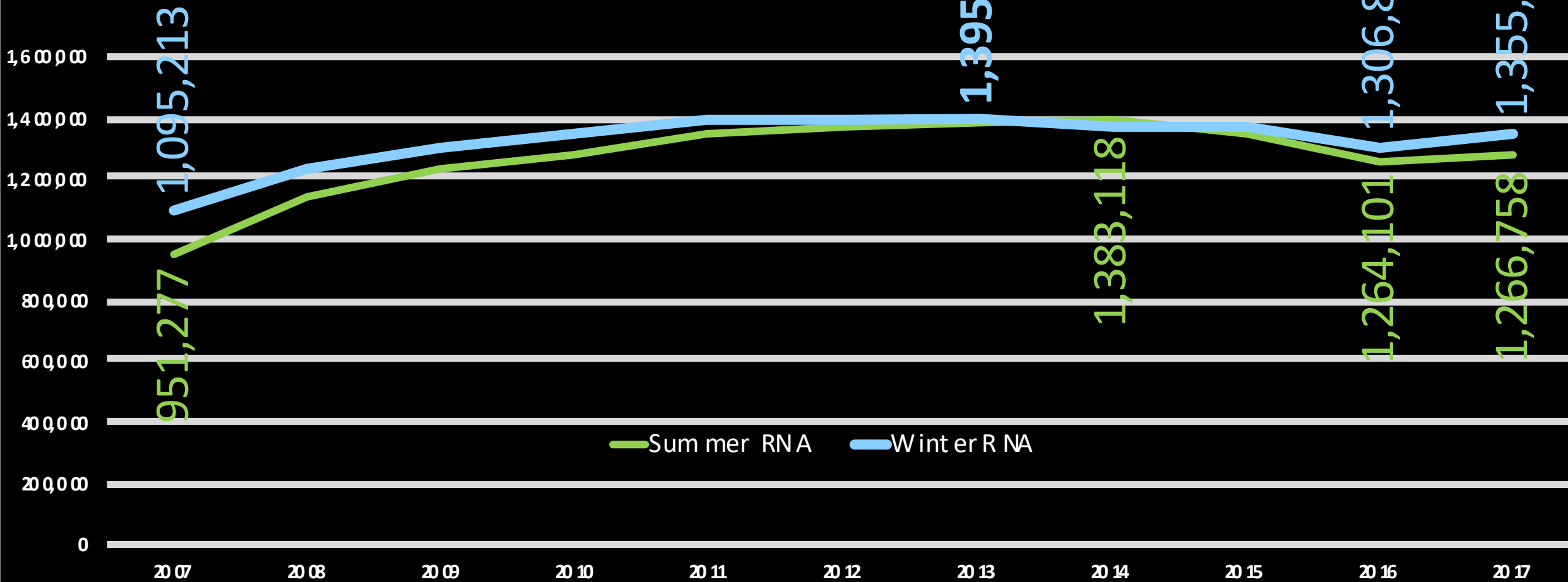
Local Crowd Fatigue / “NIMBY”s

Staffing

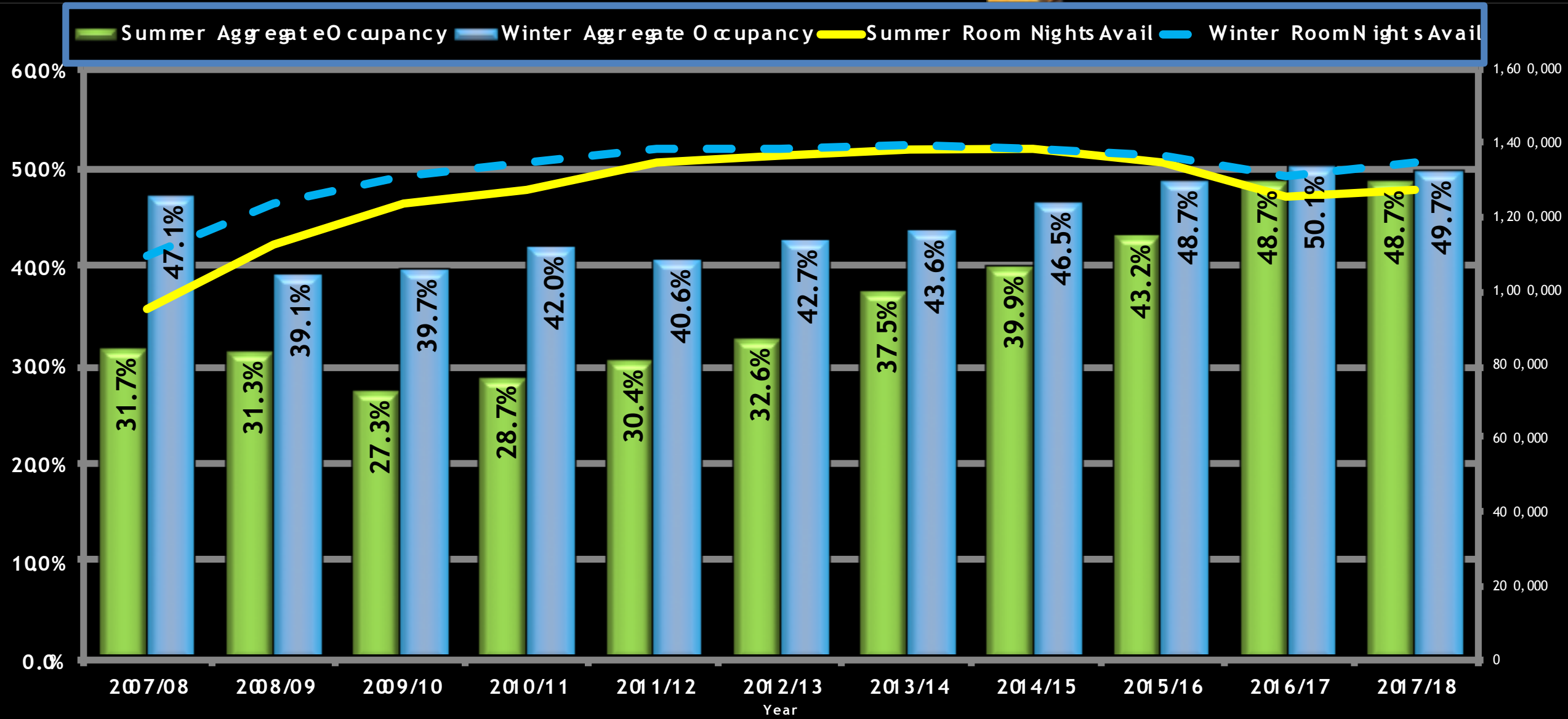
The Ugly (and under-understood)



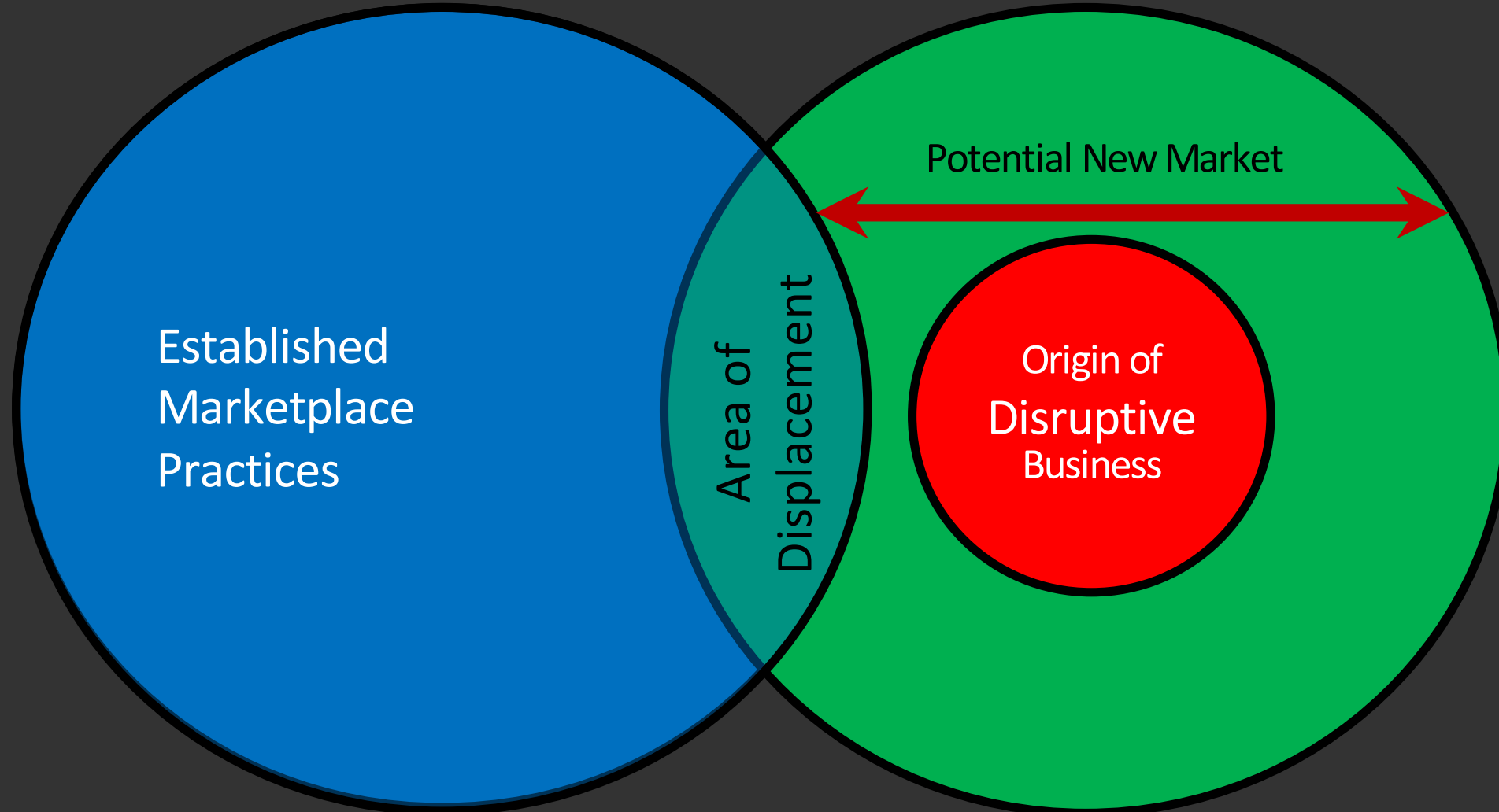
Overall Room Nights Available



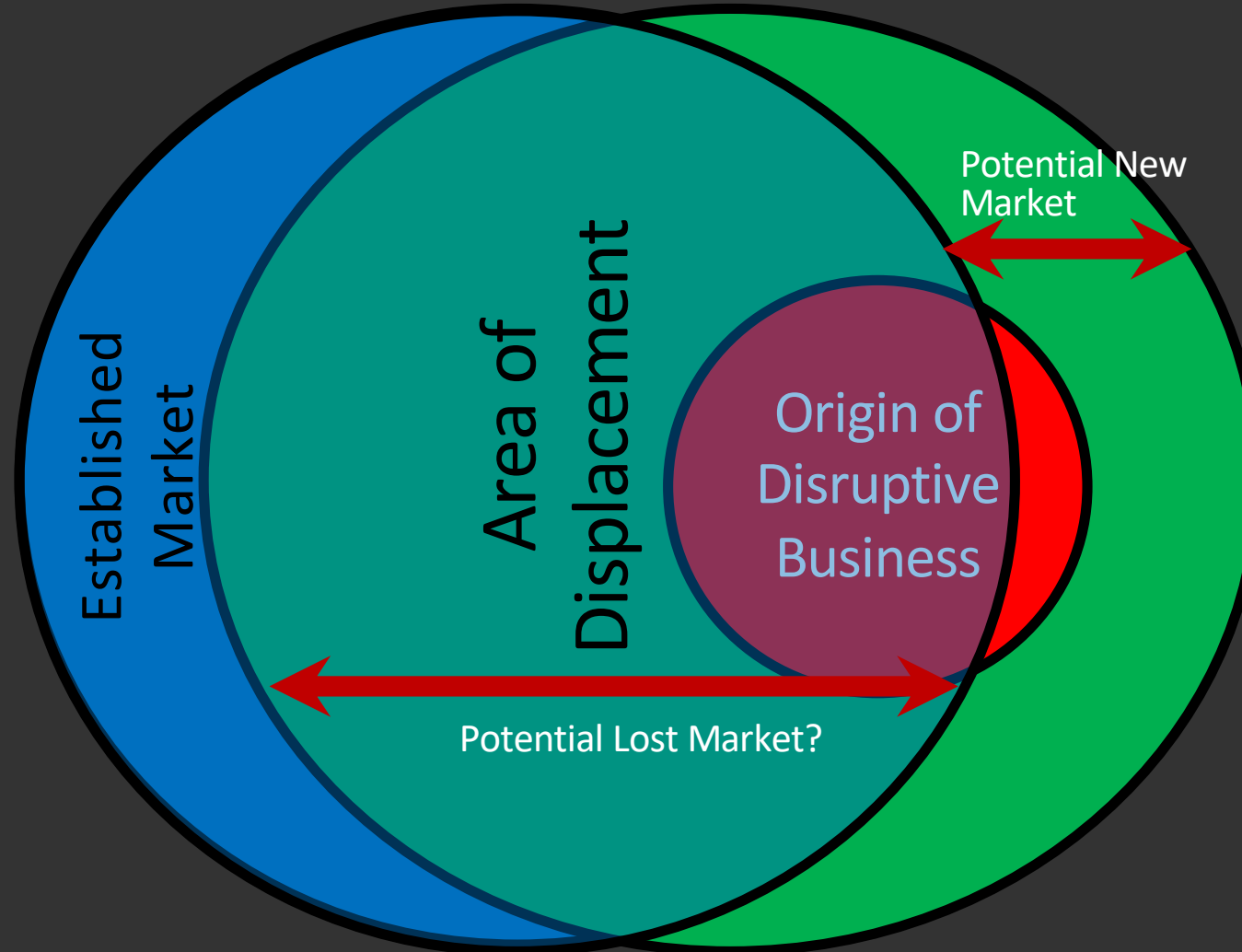
The Ugly (and under-understood)



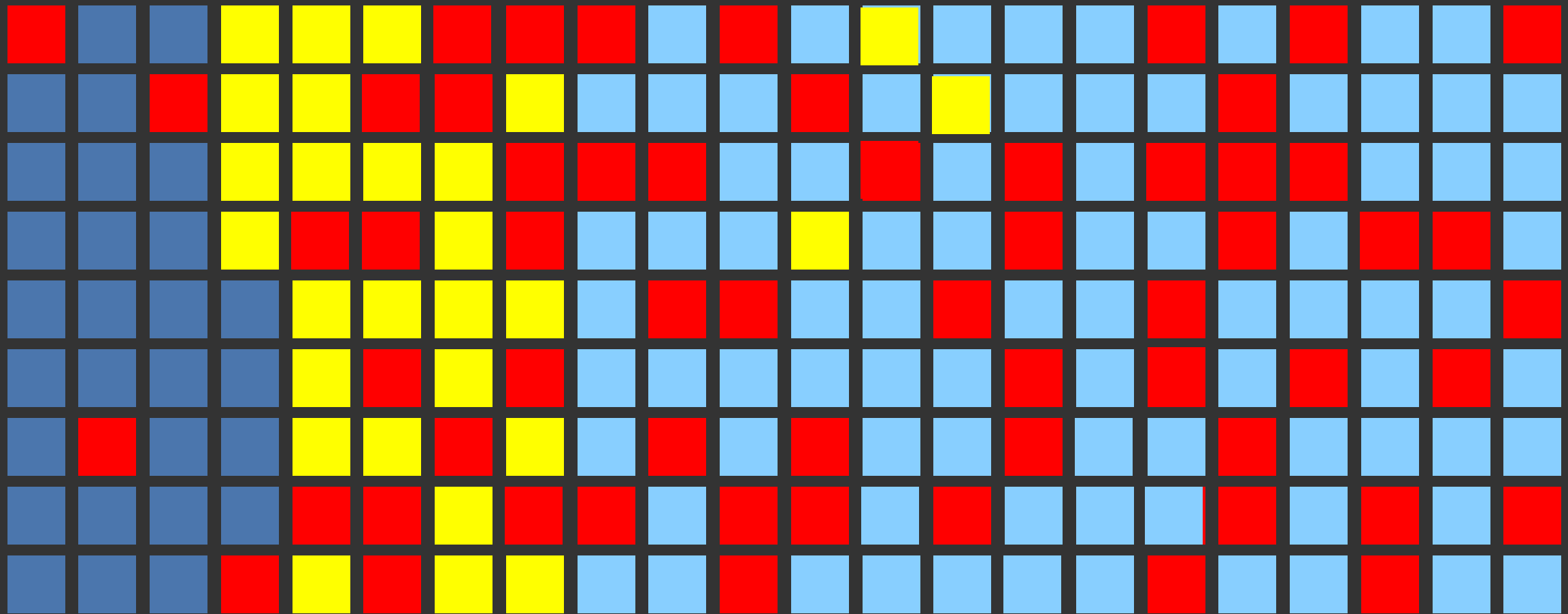
The Ugly (and under-understood)



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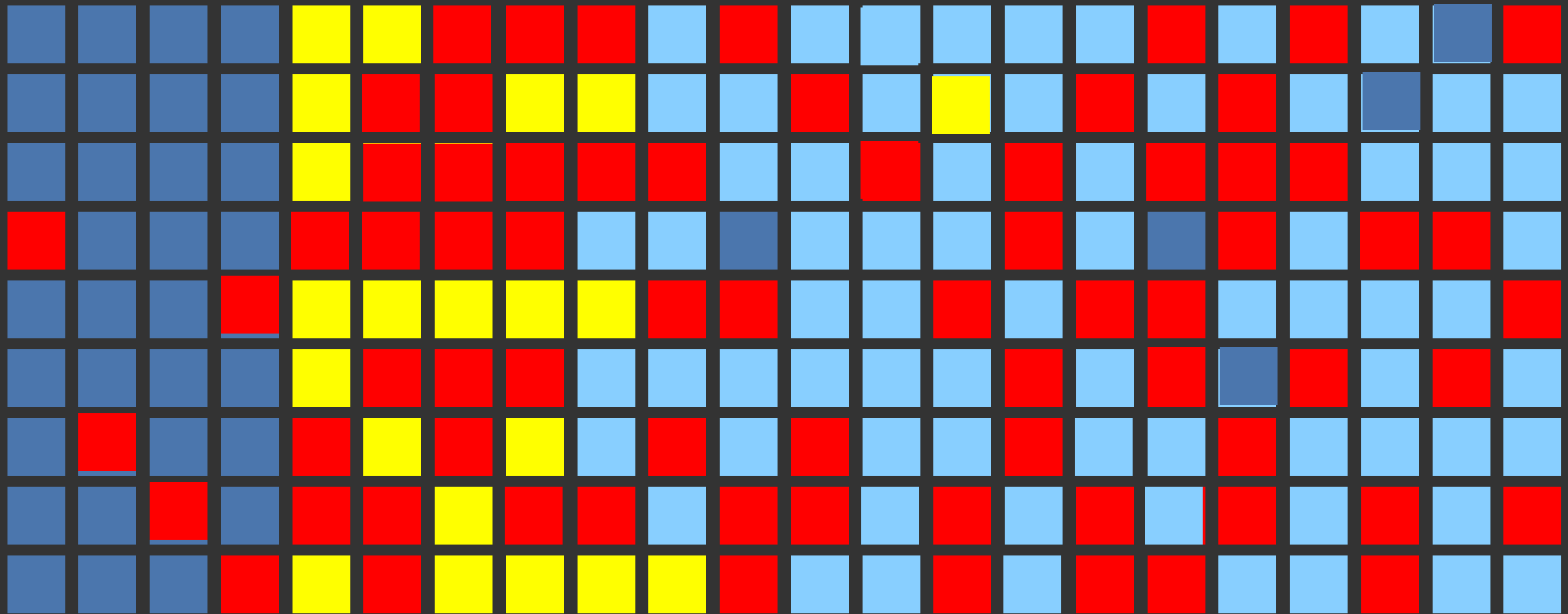
Dark Blue Owner Occupied

Yellow Long-Term

Light Blue Second home Owner

Red Short-Term Rental

The Ugly (and under-understood)



Owner Occupied

Long-Term

Second home Owner

Short-Term Rental

The Ugly (and under-understood)



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The Ugly (and under-understood)



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“What is the Impact of Special Events”, like “What is the Impact of Rent-By-Owner”, is an overly-simplified question.

From infrastructure to inventory and guest experience, the questions must be refined for specific answers.

And, the two are closely linked. Special events will continue to drive summer and winter visitation, and without an understanding of the RBO marketplace (as one factor) the true impact on taxes, infrastructure, health & safety and guest experience can neither be fully measured nor anticipated.

Good, Bad & Ugly



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A selection of Visitor Comments

Impersonal, dirty
and crowded.

We can't afford
the winter activities,
but this was great

It didn't occur to us
to come here instead
of the coast

We've never
been here in summer

Way too crowded. We
won't be back

Do something
about The Traffic

It feels totally different
in the summer. So beautiful!

We've started a new
tradition



BUT..... There's a punchline (well, a few)

- Summer is performing remarkably, thanks in large part to good management and marketing of special events
- Summer : winter occupancy parity is here
- Winter will be revenue king for some time yet
- Despite growth, winter remains primary driver of revenue
- Figuring out the crossover guest is key to year-round success
- Greatest opportunity is the September / October shoulder
- We'll need to overcome the NIMBY issues
- Understanding and working with the RBO marketplace is key to addressing capacity..... In both seasons!

The image features three vertical panels of a man's face, likely a ski area manager, with a serious expression. The panels are separated by thin black lines. The text "THANK YOU!" is centered across the middle of the three panels in a large, white, sans-serif font.

THANK YOU!

Ski Area Management, September 4, 2018

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