

DISCOVER
DURHAM™

ANNUAL
REPORT

20 20

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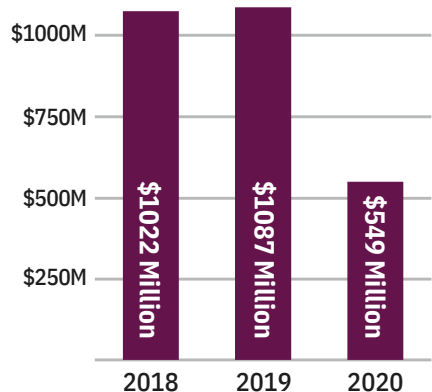
Introduction

Each year we report on the value of visitors to Durham: the incredible yet often unnoticed impact of the people who travel to Durham and spend money that supports our restaurants, bars, entertainment venues, hotels, festivals, and shopping districts. Those expenditures – a record \$932 million in 2019 – support hundreds of local businesses and create and sustain as many as 13,000 local jobs. In 2019, visitors contributed \$176 million in tax revenue, too. Without visitors, Durham residents would have had to pay another \$836 annually per household to make up for that and achieve the same level of public services. *(From Longwoods International Travel USA Visitor Profile, 2019.)*

Each year over the past decade, we've been able to breeze through the healthy, sometimes extraordinary growth of our visitor economy in our annual report, counting the many blessings of Durham's burgeoning attractiveness and popularity. How, then, has the swift, year-and-a-half-plus drop in visitors affected Durham's economy?

For calendar 2020, overall visitor spending fell 49.5% for Durham, a loss of \$538 million to Durham's economy, across lodging, restaurants, bars, recreation and entertainment, transportation and visitor-focused retail. That includes a loss of \$25.7 million in local taxes paid by visitors, which supports local services. *(From "The Economic Impact of Travel on North Carolina Counties," a study prepared for Visit North Carolina by Tourism Economics.)*

Visitor Spending in Durham
(Millions)



Lodging was hit particularly hard. The number of rooms sold in 2020 fell 39.6% from the previous year. Factoring in the lower prices hotels could command, the impact on Durham's hotel revenue was a drop of 53.6% from 2019 to 2020, or \$124.4 million. *(From Smith Travel Research.)*

The effects have clearly been very uneven, though. Entertainment venues, from DPAC to the Carolina Theatre, all the attractions associated with Duke and North Carolina Central University, festivals, events, and more, were completely shuttered beginning in March 2020, reopening and restarting on a staggered basis over the late spring and summer of 2021. Some restaurants suffered or even closed, while others fared reasonably well with a robust take-out operation.

The good news is that 2021 is looking up. Durham's visitor economy is still running well below pre-COVID-19 business numbers, but hotel revenue for the first eight months of 2021 is up 13% over the same period last year and has increased every month. Events and activities are slowly returning, although few are operating at full capacity. There's cautious optimism in the air.

In Durham and across the country, leisure visitors have been the first to venture out again. Back in June, forecasters believed that business travelers would be back on the road in large numbers by September. However, the surge of the delta variant delayed many business reopenings, and those travelers have primarily stayed home. Forecasters are now hopeful that January will be a turning point, when this group will start resuming its journeys in large numbers. Another important travel generator, meetings and conventions, are mostly still on hold, and are not forecast to return fully to pre-pandemic levels until 2024.

Discover Durham is funded by a portion of the occupancy tax collected by hotels, so we've had a difficult 20 months, too. I'm immensely proud of the work our staff has done to help the community stay safe, support our local businesses, and start reaching out to future visitors eager to travel safely and explore again. Throughout the pandemic, we've strived to bring value and produce positive results for Durham – I think you'll see that shine through in these pages.



A handwritten signature in black ink that reads "Susan Amey".

Susan Amey, CDME
President & CEO, Discover Durham



Persistence Through the Pandemic



This time last year, I don't know how many of us anticipated grappling with the pandemic the way we are still. I also am unsure how – as a destination marketing organization – we could have been more impactful over the last 20 months for the travel and tourism sector as integral players in the Durham Recovery and Renewal Task Force (RRTF) and other efforts. When it was safer for us all to be at home, we remained relevant by strategically scaling back from recruiting new travel, refocusing efforts on activating the local community and supporting local businesses more directly than ever before.

Let's get

BACK ON THE BULL

Discover Durham was charged with leading the communications efforts behind RRTF, specifically the 'Let's Get Back on the Bull' campaign. After rolling out a health and safety checklist to local business owners in 2020, efforts were focused in spring 2021 on encouraging residents to get the vaccine, to continue wearing face masks, and to support local businesses responsibly.



20 MILLION
campaign
impressions
(English & Spanish)



900+
Durham residents
took the pledge to get
vaccinated



1260
local businesses
completed the
healthy & safety
checklist



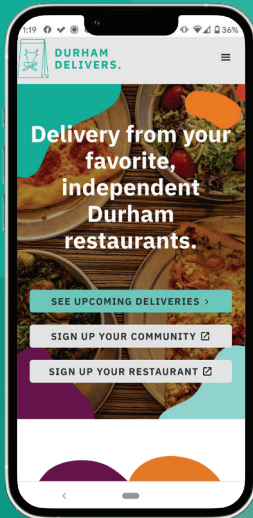
DURHAM DELIVERS.

As a result of RRTF and ongoing conversations with hospitality business owners, Discover Durham successfully spearheaded the Durham Delivers program, serving as a lifeboat for many local food and beverage establishments struggling to stay afloat. It successfully helped local restaurants recoup diminishing revenue during the worst months of COVID-19 and offered an alternative to third-party delivery apps.



\$218,540

revenue to participating businesses



36

participating local businesses



44

participating communities



511

total community deliveries



Marketing & Advertising

Telling Durham's story to attract visitors and drive economic progress is our organization's mission. When we couldn't invite visitors, we quickly changed our focus to contribute to Durham's economy and strategized on how best to communicate to residents in effective and engaging ways. Storytelling pieces were shared across owned, earned, and paid media to reach a more local audience for much of the fiscal year. In spring 2021, once it was safe to do so, we started to reach potential visitors again, having rolled out one of our most effective advertising campaigns to date.

Social & PR

We've established a witty and approachable voice on social that won INDY Week's "Best of" awards, welcoming visitors and engaging with locals while generating millions of impressions each month across accounts. We also found new ways to engage with journalists from near and far, hosting virtual events and landing hits with local, regional, and national outlets.



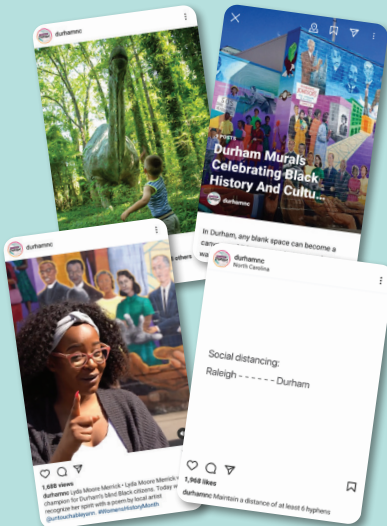
145,000+

social media followers



383 MILLION

PR impressions



REDISCOVER DURHAM™ Campaign

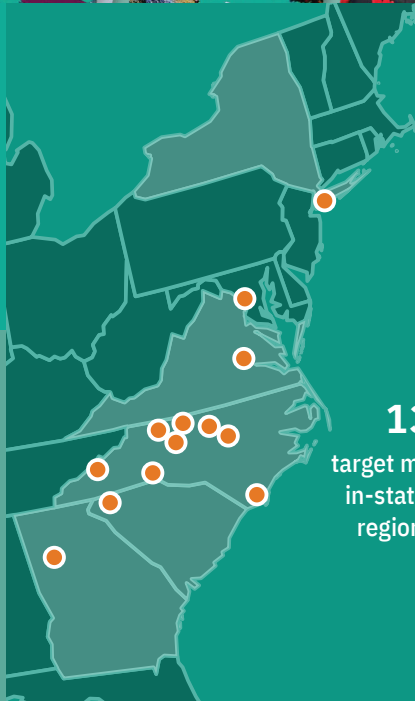
Once vaccines became widely available in the spring, we orchestrated a digital advertising campaign targeted to statewide and regional drive-market leisure audiences. Encouraging potential visitors to press play after months stuck on pause, and rediscover Durham's familiar delights while also finding something new, it was one of our most effective campaigns, capitalizing on pent-up visitor demand.



7 MILLION
campaign impressions



38,700+
ad click-throughs



13
target markets
in-state and
regionally



Content & Communications

From compiling which restaurants and retailers were open, offering takeout, or doing curbside pickup, to sharing which new establishments opened despite the pandemic or set up heated outdoor dining patios during colder months, we reinforced our position as a go-to resource for those looking to support local businesses, especially those that are minority owned. We also doubled down on our direct communications sent to visitor-facing businesses, regularly distributing the latest information on relief packages and more.

Supporting Minority-Owned Businesses

Building upon the momentum we generated the previous fiscal year supporting Black-owned businesses, we continued to demonstrate our commitment to uplift the minority communities and businesses in Durham. This year, we updated the Black Stories page of our website, showcased artists in the Visitor Info Center, produced videos for Black and Women's History Months, provided guides to women-led and LGBTQIA-owned businesses, and rolled out new Hispanic Heritage Month content.



22,000+
pageviews in the
Culture & Community
section of our site

9
videos produced highlighting
minority-led businesses and
community figures from diverse
backgrounds

COVID-19 Partner Emails

We realized early in the pandemic there was an overwhelming amount of information being disseminated about recovery funds, safety guidance, and vaccines. We used our extensive database collection of small business owners, visitor attractions, event venues, festival owners, and other stakeholders to send weekly, bi-weekly, and monthly emails with a curated, tailored overview of the latest updates specific to the hospitality sector.



Partnerships & Activations



Visitor Info Center Activations

From the beautiful space to our passionate volunteers, our Visitor Info Center in the heart of downtown represents much of the spirit of Durham's tourism sector. Though closed for a few months, staff found new ways to engage travelers and locals alike. In February, the work of Black artists was featured in our street-level windows to increase visibility and offer opportunities for sale. We also set up a pop-up table safely outside to assist and connect with those enjoying The Streeterly event that took place on Main Street in March, hosted by Downtown Durham, Inc., before it was finally safe enough for the Visitor Info Center to reopen and welcome back folks inside by the spring.

RRTF Roundtables

The roundtables established through the Recovery & Renewal Task Force have been a silver lining of the pandemic, increasing our opportunities for collaboration with so many hospitality leaders, visitor-facing businesses, and attractions. Working with RRTF, we expanded the number of roundtables we facilitated – Retail, Sports, Restaurants, Arts, Attractions, and Durham Delivers – in addition to or complementing the groups that we had previously established and more deeply engaged during the pandemic like our festivals and event owners' group and hotel general manager/director of sales roundtables. In true Durham fashion, leaders of each industry came together and forged relationships to help encourage and support each other during the greatest time of need.



Workforce Development & Advocacy

It has been well documented that the hospitality sector has been the hardest hit since the onset of COVID-19. Rebuilding the workforce has also been fraught with obstacles that took on dire urgency for Durham's struggling locally-owned businesses. In close partnership with workforce development stakeholders, Discover Durham initiated and executed a series of initiatives to support the renewal of the workforce. In addition to the many projects and communications efforts mentioned throughout this report, we have continued to highlight the issues and needs of these audiences to local and state government leaders, the Recovery & Renewal Task Force and local economic development partners.

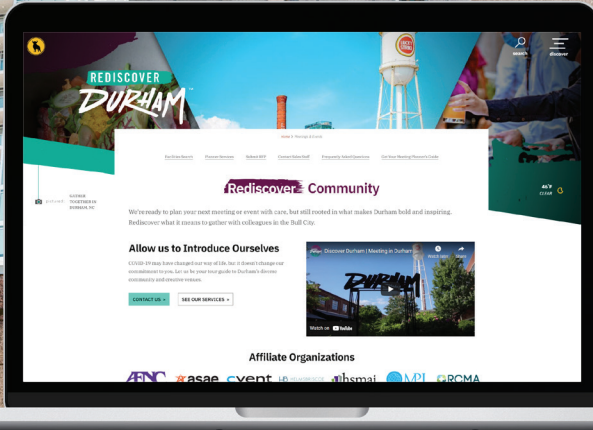


Hospitality Job Fairs

In January 2021, the North Carolina leisure and hospitality services sector reported the largest ever one-year loss of jobs, down 87,200 positions, a 16.7% decrease. In the Durham-Chapel Hill metropolitan area, employment in hospitality fell nearly 30% from February 2020 to February 2021. Discover Durham surveyed Durham-based hospitality employers this spring, resulting in findings that stressed the dire circumstances and critical need for immediate and actionable resources to recruit job seekers before it became widely apparent, giving us a head start on developing responses. Prioritizing the food and beverage industry first, where survey results identified the greatest need, we partnered to host a job fair at the American Tobacco Campus with 25 employers offering positions with starting wages of \$15 per hour or more and competitive benefits. Later, a second job fair at the Durham Convention Center welcomed 35 hospitality businesses hiring for hundreds of positions.



Sales & Business Travel



While COVID-19 has had a devastating impact across the travel and tourism sector, the rise of the delta variant surely has wreaked the most havoc on the meetings and conventions industry specifically. As leisure visitors' pent-up demand was being satiated and the world began to reopen after vaccines became available, news of a looming surge in cases derailed folks coming back to the office and planning for more business-like travel. We've continued to work with meeting planners as much as possible behind the scenes, helping to find innovative solutions to hybrid meetings, but don't expect business travel to fully recover to pre-pandemic levels until 2024.

Revamped Meeting Planner Page

Our Sales and Marketing teams worked collaboratively to find new ways to engage with meeting planners. Some of the most impactful public-facing outcomes resulted in a redesigned DiscoverDurham.com/Meetings presence, developed with new target audiences and pandemic considerations in mind, as well as other content pieces for meeting planner-focused industry resources.

Rediscover Durham Sales Campaign

In parallel with the Rediscover Durham leisure digital campaign, we reached new meeting and event planners with advertising that touted the Bull City as a COVID-safe, diverse, and unique destination. Ads were served across Pinterest, LinkedIn, and Google Search, increasing awareness of Durham as destination-ready and open for business.



Championing Sports in Durham

The Durham Sports Commission, operated by Discover Durham, experienced another banner year. Having recently celebrated its five-year anniversary, the nonprofit organization won the bid to host an NAIA national championship, established a new high school basketball holiday invitational, and created new opportunities to share the social and economic impacts of sport in the Bull City.

New Executive Director

Since taking the helm in October 2020, new Executive Director Marcus Manning has made an immediate impact. With innovative approaches, contagious enthusiasm, and a sincere belief in the benefits of sport, he has wasted no time forging new partnerships, deepening relationships, and creating new storytelling opportunities to keep the DSC relevant and present in the community through the pandemic.



Sports Facilities Advisory Report

The DSC partnered with Sports Facilities Advisory, industry-leading consultants that have offered Durham a concept-to-concrete approach for development of a new sports facility. SFA consulted with 15 different local stakeholder groups before finalizing their report, recommending a transformational project that promises to serve as a community asset and generate significant economic impact.

To review the DSC's own annual report, visit durhamncsports.com/about-the-dsc/annual-reports



**SPORTS
COMMISSION**



The Durham Tourism Development Authority

The Tourism Development Authority, Discover Durham's Board of Directors, brings together critical hospitality sector stakeholders and community leaders that provide much-needed guidance to our efforts. That has never been more true than over the course of the pandemic. Many thanks to these faithful leaders for the work they do for our organization.



**Chair
Food Service**
Aubrey Zinaich
Piedmont Wine Imports



**Immediate Past Chair
Visitor Feature or
Entertainment**
Lois Deloatch
Self Help Credit Union



**Vice Chair
Lodging – Limited
Service**
Ron Hunter
*SpringHill Suites by Marriott
Durham Chapel Hill*



**Secretary/Treasurer
Citizens At-Large
and Neighborhood
Associations**
Barry Van Deman



City of Durham
Javiera Caballero
Durham City Council



**Lodging – Limited
Service**
Daniel Edwards
*Morehead Manor Bed &
Breakfast*



**Lodging – Full Service
/Conference Center**
Caesar Swift
Davidson & Jones Hotel Corp



Durham County
Wendy Jacobs
*Durham Board of County
Commissioners*



Retail/Transportation
Jennings Brody
*Parker & Otis, Chet Miller,
Tiny, and Parker Paper
Company*



**Major Employer,
University or Meeting
Planner**
Michael Page
*North Carolina Central
University*



**Lodging – Full Service
/Conference Center**
Tom Lubbe
*DoubleTree by Hilton Hotel
Raleigh-Durham Airport at RTP*



Ex-Officio
Susan Amey
*Discover Durham President
& Chief Executive Officer*



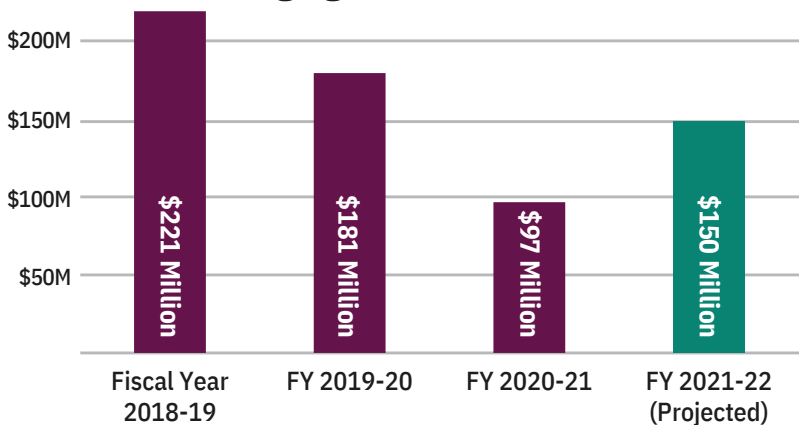


Travel & Tourism Outlook

We mentioned cautious optimism earlier. While we aren't the mountains or the beach, flooded with tourists looking for more isolated experiences, data still indicates Durham and other urban destinations across the state are on the road to recovery.

We project fiscal year 2021-2022 room revenue across Durham lodging properties to rise 55% to \$150 million or more. That's still a far cry from the \$221 million of fiscal year 2018-2019 or even the \$181 million of 2019-2020 when the pandemic began, but a significant and noteworthy gain from the \$97 million of 2020-2021.

Annual Lodging Room Revenue (Millions)



The gains are projected to be strong, although uneven, across the rest of the sector. Previously shuttered entertainment venues will experience the greatest year-over-year increases. Restaurants and bars would likely see a return to near pre-pandemic levels of revenue were it not for persisting staffing shortages creating a dampening effect. Businesses reliant on business travelers, particularly group meetings and conventions, will take longest to recover.



The Road Ahead

What's been most striking over the last 18 months has been the resiliency and collaborative spirit of Durham. It sounds cliché, but it's true.

We're not the only community that's grappled with such loss during the pandemic, of course, but I doubt many were so proactive and enthusiastic about solving problems together, openly sharing what was working and what wasn't, or came together – one business owner in a Zoom box next to another – to figure out how Durham could collectively respond to the pandemic. We witnessed restaurant owners share with other restaurant owners tips on how to reconfigure seating to accommodate social distancing. We helped convene local retailers to jointly brainstorm how to encourage more people to get safely out of the house. Event venue owners offered suggestions to others for ways to stay relevant without a full schedule of shows.

This annual report fundamentally helps to keep us accountable to stakeholders and raise the awareness of tourism's impact for the local community. It is also an opportunity to pause and review our body of work, impact in the community, and effect on driving economic progress. This year, looking back, I am equally as struck by the resiliency and collaborative spirit of our staff. As destination marketers, it was new for us to spearhead health and safety communication efforts. We never dreamed of organizing programs like Durham Delivers, hosting artist displays in the Visitor Info Center, or advising meeting planners on how to best host hybrid events. While we've excelled at telling Durham's story to millions of potential visitors, I'm most proud of how this team balanced community engagement with economic development efforts, never losing sight of first keeping the community safe.


There are many cliché phrases or platitudes I could use to round out this report. It's always darkest before the dawn. There's light at the end of the tunnel. Better days ahead. I am confident all of those are true, but more so inspired that we'll return together hand in hand, as one community.





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