

EXTRAORDINARY

Alexandria

Research and Trends Update

July 27, 2017

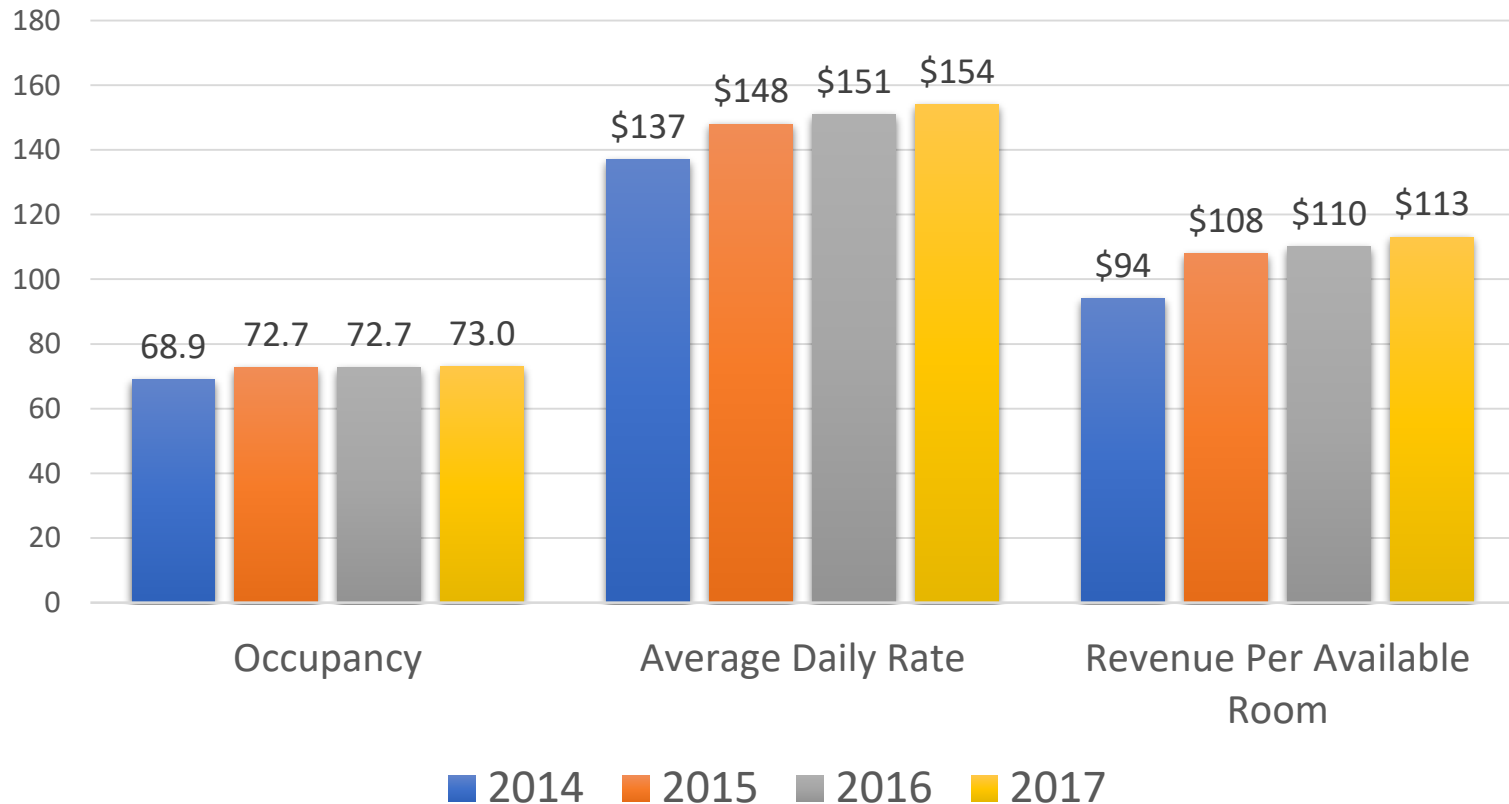
Vito Fiore

Director of Marketing & Research, Visit Alexandria

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FY2014-FY2017 Alexandria Lodging Performance

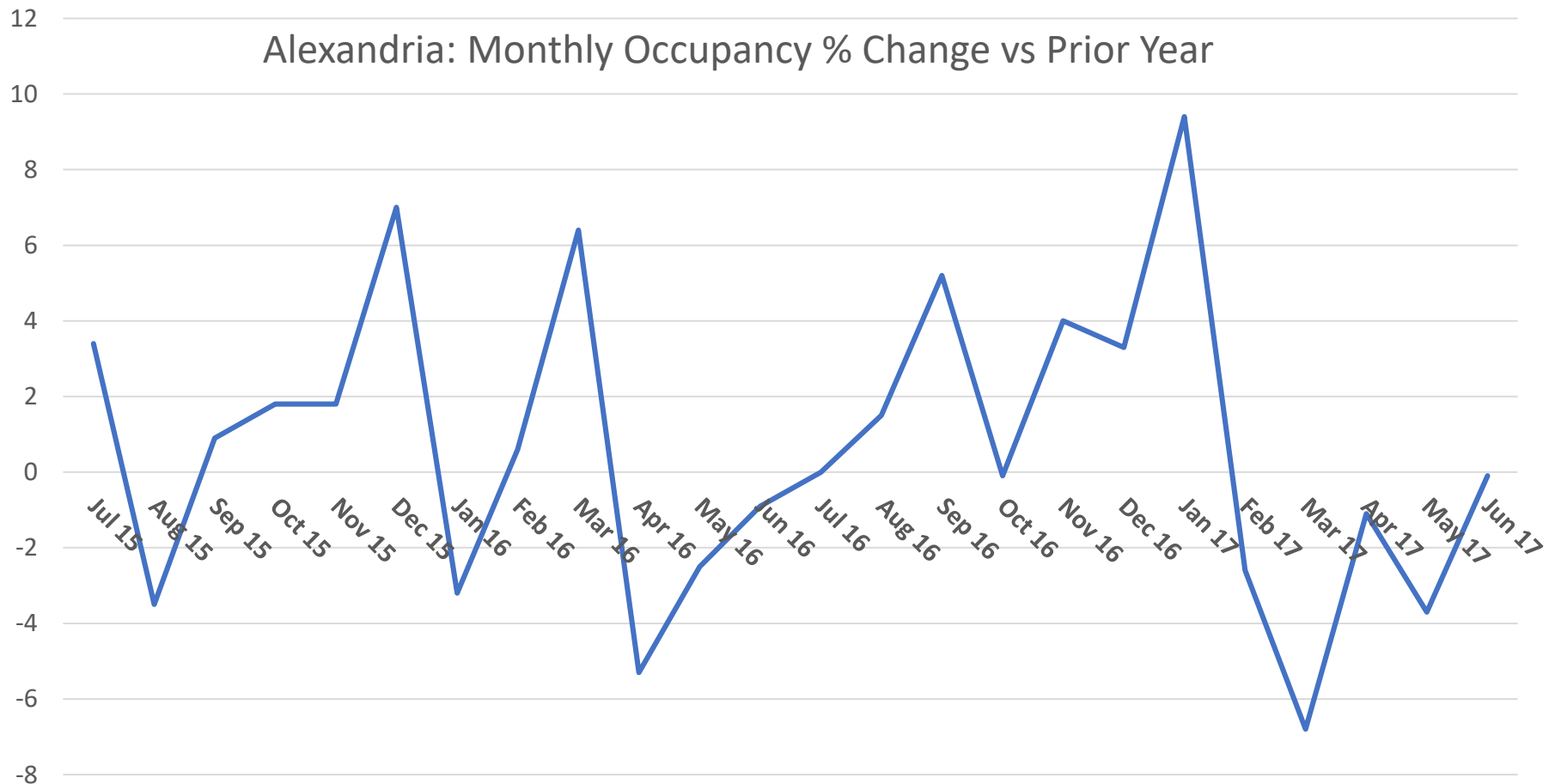


Source: Smith Travel Research reports prepared for Visit Alexandria; Fiscal Year 2017 is July 2016-June 2017

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Stronger Falls, Weaker Springs



Source: Smith Travel Research reports prepared for Visit Alexandria

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Mid-Week and Saturdays are Busiest

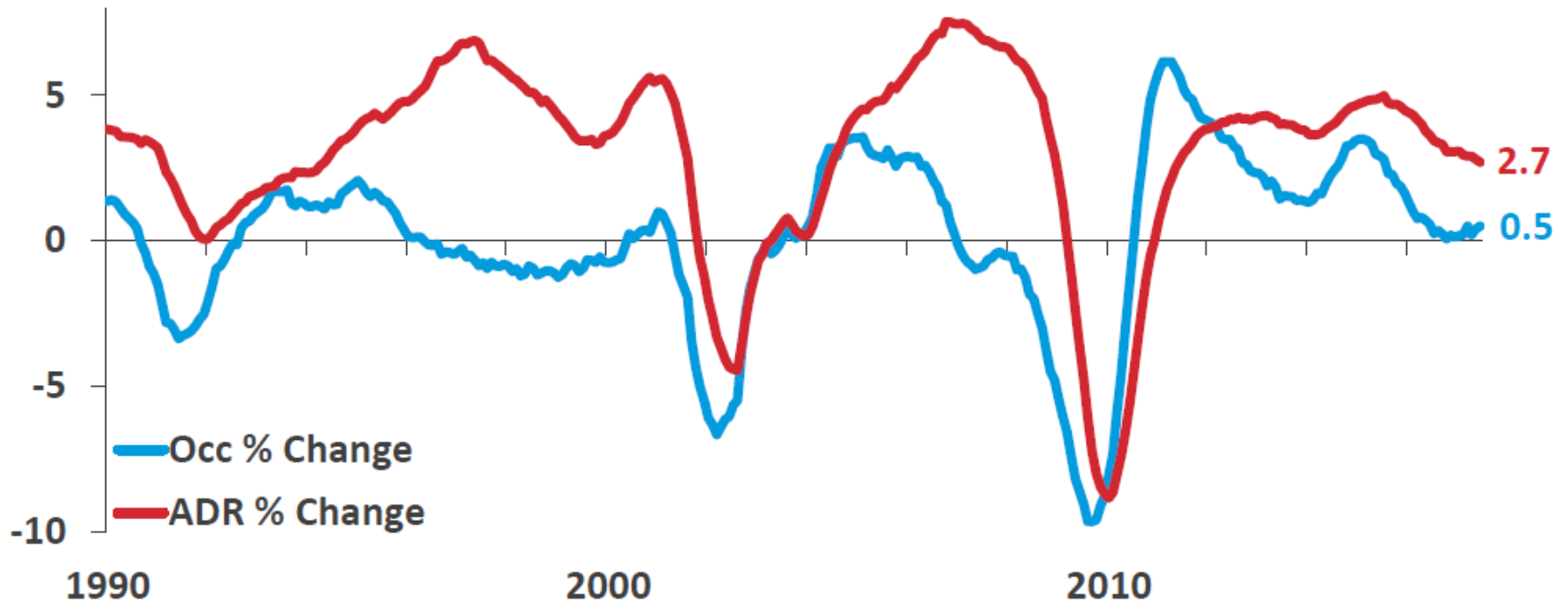
Occupancy by day:

1. Wednesday: 80%
2. Tuesday: 78.4%
3. Saturday: 75.8%
4. Thursday: 73.6%
5. Friday: 72.3%
6. Monday: 71.4% (though 3rd highest ADR)
7. Sunday: 58.2%

US Occupancy and ADR

ADR Growth is Steady

Occupancy Growth is Trending to go Negative



Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 6/2017

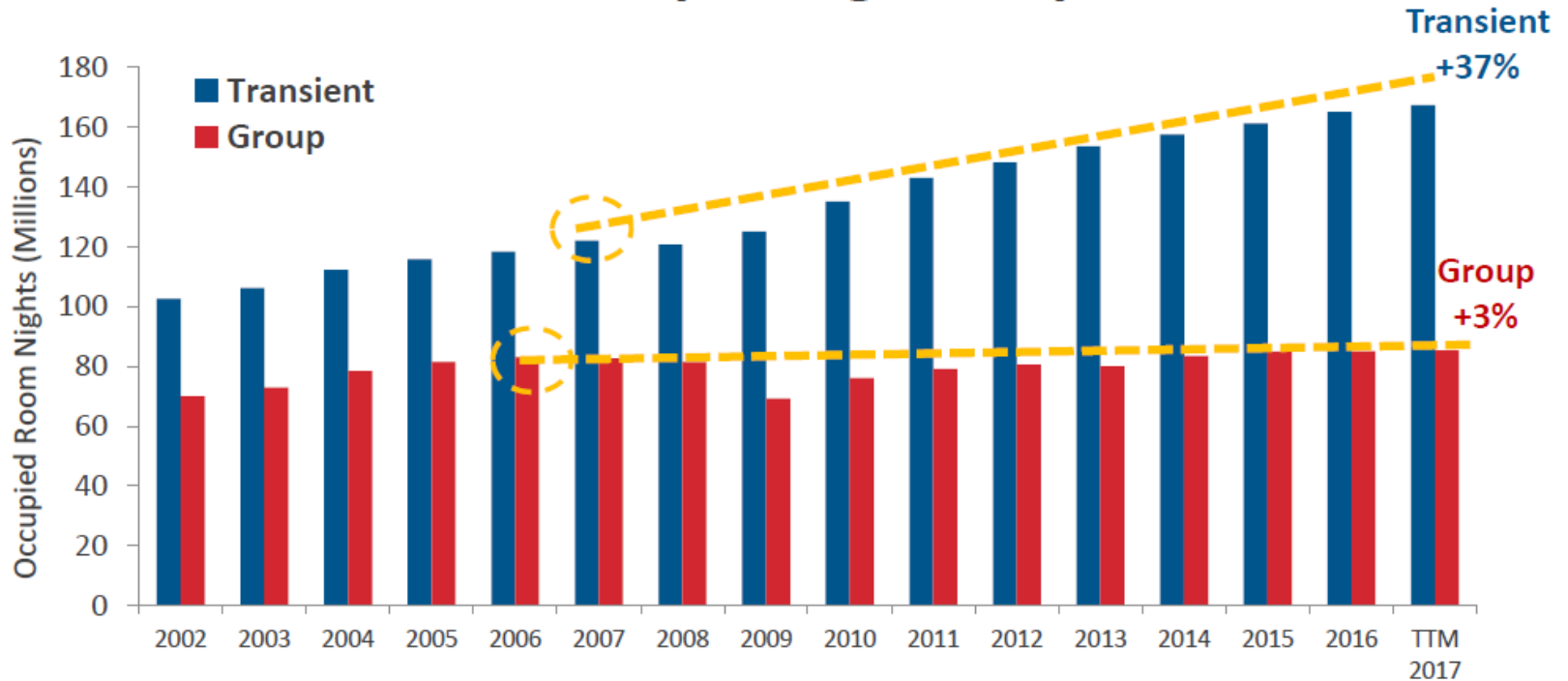
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Source: *Smith Travel Research, 12 Month Moving Average 1990-2017*

US: Transient and Group Demand

Demand Segmentation:

Transient Growth Outpacing Group Growth



Transient & Group Demand, Luxury & Upper Upscale Class Only by Year 2002 – 6/2017 TTM

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2011 - Transient: 63.4%, Group: 31.5%

2016 - Transient 69.6%, Group: 27.5%

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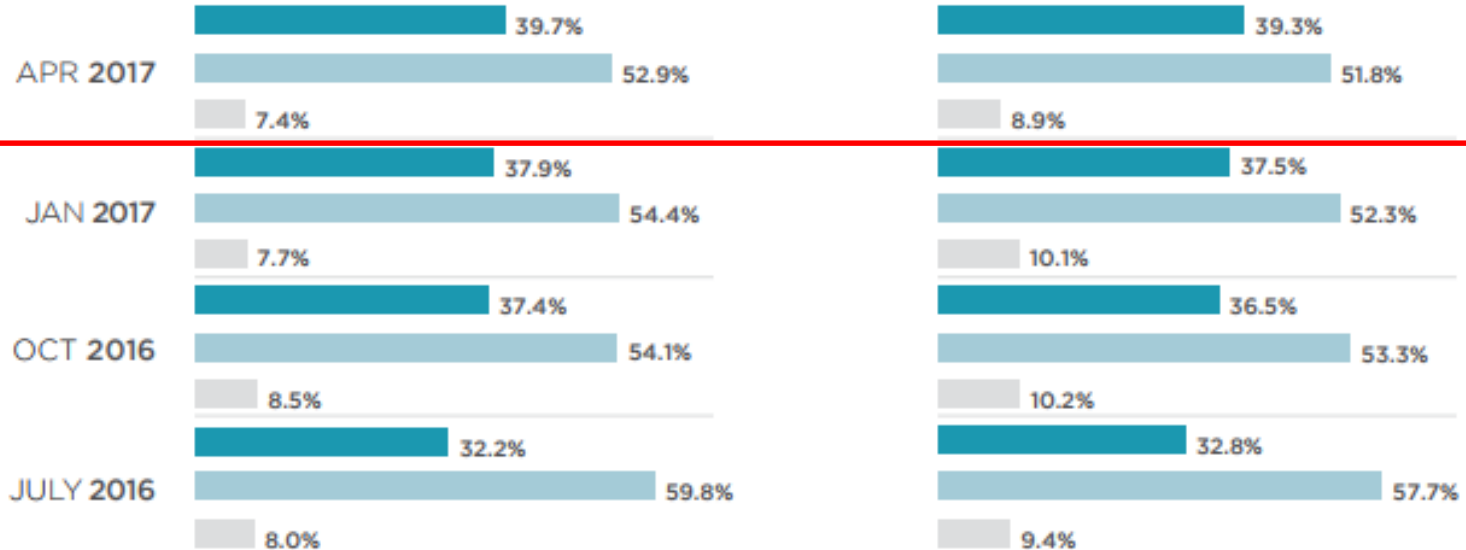


Leisure Travel Expectations

THE KEY:  expect more  expect the same  expect less

Travel Expectations (Trips)

Travel Expectations (Spending)



Source: "State of the American Traveler" June 2017 Report, Destination Analysts

Total United States Forecast

ADR Will Continue to be the Key Driver of RevPAR Growth



Outlook		
	2017 Forecast	2018 Forecast
Supply	2.0%	2.2%
Demand	1.7%	2.0%
Occupancy	-0.3%	-0.2%
ADR	2.5%	2.7%
RevPAR	2.2%	2.5%



International Outlook: Mixed Bag

 **51.6** Current Travel Index (CTI) May 2017

Travel demand increased; at a faster rate than the previous month

 **51.2** 3-month Leading Travel Index (LTI) May 2017

Travel is expected to grow over the coming 3 months; at a slower rate

 **50.9** 6-month Leading Travel Index (LTI) May 2017

Travel is expected to grow over the coming 6 months; at a slower rate

Concerns:

- US Image around the world
- Tighter travel and immigration policies
- Currency exchange rate

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7 Trends We're Watching

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#1: Evolution of Brand

- Visitor experience and what people say about it = The Brand
- We think about 2 things:
 - most recent experience
 - most extreme experience
- **We don't rebrand—our customers rebrand us with stories they tell about us**



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#2: The Role of Storytelling

- 360/VR creates memories
 - 53% say they would use it to plan travel
(Destination Analysts, June 2016)
- Sell the emotion and the feeling of the experience
- Future *social currency*



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#3: Dare to Be Different

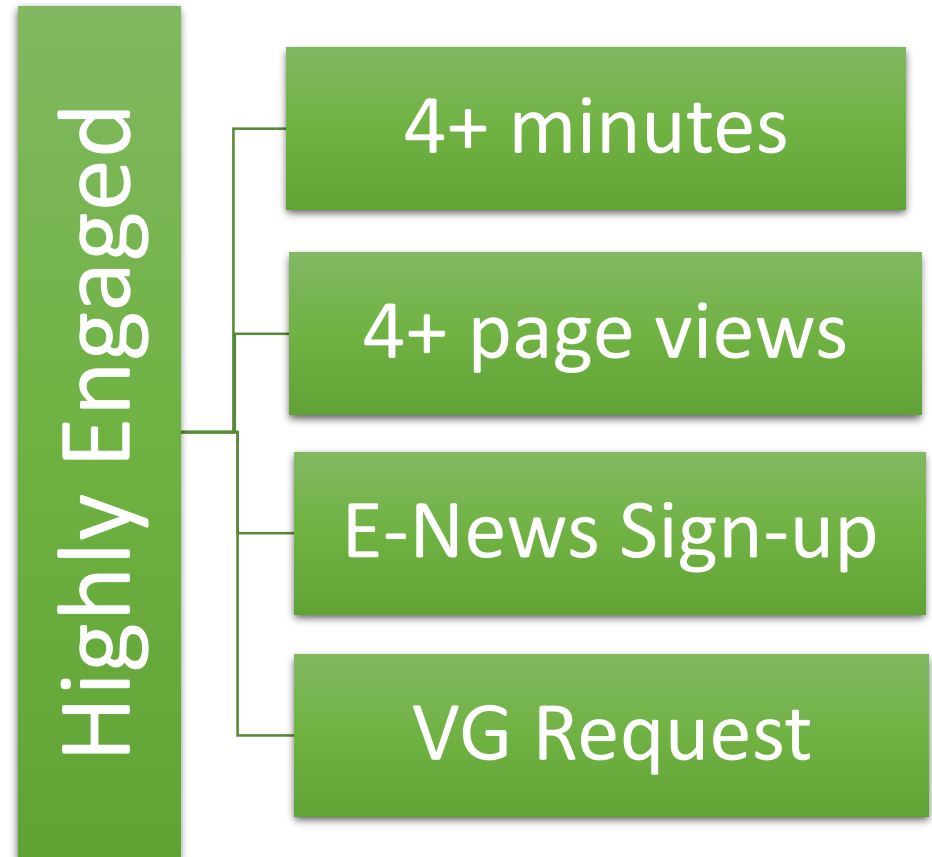
- Be lopsided. Striving for all around success = mediocrity
- Choose to succeed at what matters to your audience, and **underperform elsewhere**
- What makes you weird makes you wonderful

What happens here, stays here.™



#4: Evolving Focus from Pre-click to Post-click

- Engagement is key, vanity metrics are a mistake
- Stop collecting data you don't use to make decisions
- Conversion rate optimization
 - A/B Testing



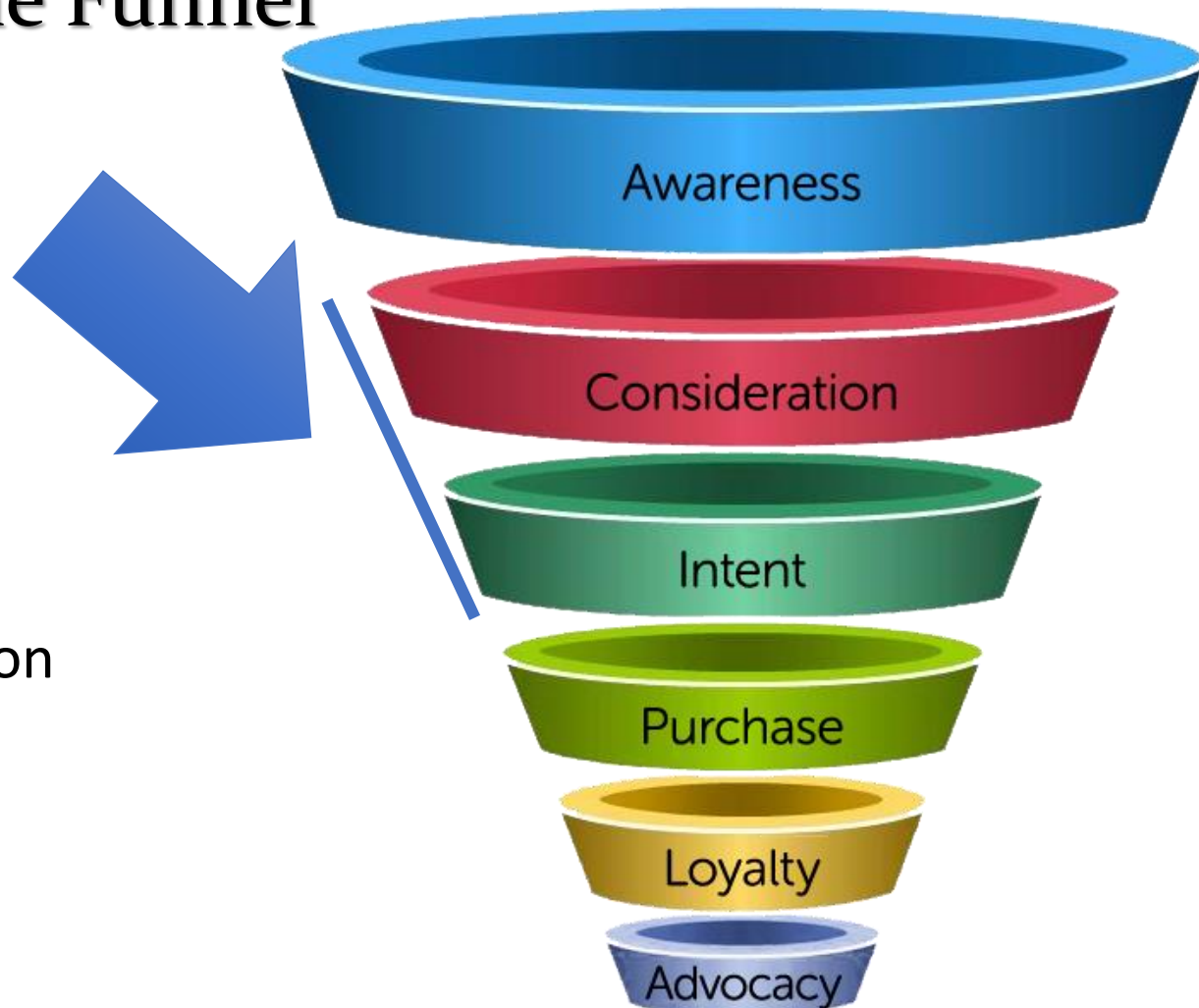
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#5: Move Down the Funnel

FY18: Visit Alexandria
increase focus here

- DC Travel Consideration Audience



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#6: Can't Beat 'Em? Join 'Em.

- Google and Facebook represent 60% of all digital ad spending
- Improve visibility
 - Search Engine Optimization
 - Structured data



#7: Personalized Content is Hot

Increase response through:

- Web personas based on site behavior
- Interest-based messaging
- Source location -> Dynamic content



Thank you!

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