

CARACOLES BEACH,
ARECIBO

ENGLISH VERSION



DISCOVER
Puerto Rico

Strategic Marketing

BUSINESS PLAN
FISCAL YEAR 2024-2025

HAMACA,
ESCAMBRON BEACH,
SAN JUAN



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¡Saludos!

Growing the Island's visitor economy has been Discover Puerto Rico's mission since we opened our doors in 2018. Our Island has faced many challenges in recent years, yet our tourism industry has led the economic resurgence of Puerto Rico. Through it all, your DMO has remained steadfast in our commitment to putting the transformative power of travel to work for the people of Puerto Rico, as we promote our Island to the world and deliver growth and prosperity to our local residents and partners. Today, our industry is enjoying record performance, with increased demand, yield, brand strength and, most notably, more people employed in our industry than ever before. But we cannot rest upon our past success if we intend to lead our industry and our Island to even better days ahead.

Travel has changed forever – both locally and worldwide. This provides a unique opportunity to reimagine our tourism industry and how it can enhance the future of our Island and its residents. Today, travelers want – more than anything – to reconnect with the world outside their home. Consumers are looking for more meaningful travel experiences – not just relaxation and luxury, but cultural encounters that broaden their horizons and create unique, unforgettable experiences. Our Island is perfectly positioned to capitalize upon these new realities. As we look to the future, Puerto Rico is well positioned to solidify its stature in the global visitor economy. Discover Puerto Rico's Strategic Marketing Business Plan provides a sound, strategic foundation to do just that.

In 2024–2025, we aim to build upon our past success to reach new levels of performance, both for our organization and our industry. We will help grow the Island's economy through tourism and seek out innovative means to positively impact local businesses, particularly those that have yet to fully recover. We will elevate Puerto Rico's status as the premier leisure, business and events destination in the Caribbean. We will expand our local outreach and optimize our level of engagement with local communities and partners. And we will strengthen the destination brand and grow interest in travel to Puerto Rico to record heights as we inspire the world to *Live Boricua*.

This Strategic Marketing Business Plan lays the foundation for yet another amazing success story, encompassing:

- A situational analysis and competitive assessment for both the leisure and meeting sectors to contextualize the state of Puerto Rico's visitor economy today.
- Details of marketing, sales and promotional strategies planned to accelerate tourism growth and position the Island's tourism industry for future success.
- A brand perception update detailing the need for a stronger destination identity to communicate Puerto Rico's unique visitor experience and differentiators.
- Updated analysis evaluating Puerto Rico tourism from the most recent Oxford Economics Tourism Impact Study.
- An overview of the market trends and changing consumer motivations that are reshaping the global visitor economy.

- The strategic framework implemented to elevate DPR's group and leisure sales strategy.
- Elements of comprehensive research and analysis that provide a necessary foundation for all decision-making and strategic planning.
- Plans and strategies implemented to fuel continued growth in travel throughout our Island.

On a macro level, the Strategic Marketing Business Plan provides key takeaways related to the primary trends reshaping the modern travel marketplace. Those trends explore what is influencing both supply and demand in leisure travel and meetings and conventions. We've also included an examination of various trends emerging in our industry.

By understanding what motivates changing consumer behaviors and expectations, and innovatively differentiating our Island with passion and practical leadership, Puerto Rico's tourism and hospitality leaders will be better prepared to craft a clear vision for directing tourism and economic development moving forward. ¡Adelante!



BRAD DEAN
Chief Executive Officer
Discover Puerto Rico



PIRAGUA,
EL MORRO,
OLD SAN JUAN



SECTION B

The Future of Puerto Rico

The Future of Puerto Rico

It's been six years since Discover Puerto Rico (DPR) launched on July 1, 2018. In that short period of time, much has been accomplished. Our Island's tourism industry has enjoyed unprecedented demand, record employment and robust revenue growth. We've also seen significant enhancements to product and experiences throughout the entire Island. Few, if any, destinations in the U.S. or Caribbean have enjoyed this level of progress in recent years. In fact, it's only made possible by the resiliency of the people of Puerto Rico, the entrepreneurial spirit of local business owners and the vibrancy of our Island's tourism industry.

Our goal for 2024-2025 is to grow the Island's economy through tourism and drive visitor-powered employment and revenue to new records – this includes surpassing pre-COVID-19 visitation numbers, increasing ADR and attracting a more “**conscientious traveler.**”

We also intend to enhance the strength of the Island's tourism brand through impactful, innovative applications of the *Live Boricua* strategic brand positioning, seeking to elevate Puerto Rico beyond its identity as a travel destination to a lifestyle consideration.

SECTION C

**Vision, Mission,
Values & Strategic
Objectives**



Vision, Mission, Values & Strategic Objectives

Discover Puerto Rico exists to promote, protect and improve Puerto Rico and its economy. In April 2018, prior to the opening and staffing of the new DMO, the board of directors established strategic priorities based upon the organization's vision, mission and values.

VISION:

Become a transformational, results-oriented and innovative destination marketing organization (DMO), powering sustainable economic growth.

MISSION:

Bring prosperity to Puerto Rico by collaboratively positioning our diverse and unique Island as a premier destination for leisure, business and events.

ORGANIZATIONAL VALUES:

- **Inclusive:** We are firmly committed to inclusivity in our work and our marketing. We respect all people from all walks of life, and believe that diversity is essential for the success of our organization, our industry, our Island and our society.
- **Agile:** We are quick to respond to the needs of our stakeholders and customers, and to changes in our industry and Island.
- **Collaborative:** We work closely with public and private sector partners at the local, regional and national levels to identify common objectives and achieve progress, together.
- **Innovative:** We seek continuous improvement in all we do, both individually and collectively.
- **Results Oriented:** We seek to positively impact our Island, local businesses and the quality of life of our Island's residents.
- **Transparent:** We seek to provide our community and stakeholders with easy access to relevant information to evaluate our resource allocation, strategies research, results, procedures and decision-making. Our industry portal, DiscoverPuertoRico.com/industry, includes 2,184 documents, including contracts, RFPs, meeting minutes, financial statements, budgets, research, analysis and presentations.
- **Learning & Leading:** We are committed to ongoing education and training to enable us to achieve our strategic objectives and lead our industry.
- **Honesty, Integrity & Professionalism:** We are professionals serving professionals, and we seek to earn others' respect.
- **Winning:** We are success-oriented and never stop striving to help Puerto Rico succeed.

STRATEGIC OBJECTIVES:

Economic Growth: Discover Puerto Rico positively impacts the economy of Puerto Rico by increasing the number of visitors, as well as their length of stay, average daily spend and visitation throughout the destination. We measure our success by monitoring key industry metrics, such as:

- Tourism Contribution to Island GDP
- Tourism Contribution to Island Tax Base
- Lodging Tax Collections
- Tourism Employment

We also measure our success by monitoring key organizational metrics, such as:

- Economic Impact of Advertising
- Economic Impact of MICE Sales Contracted
- Advertising Impact on Length of Stay
- Advertising Impact on Travel Bookings

Brand Health: Discover Puerto Rico enhances and protects the brand health of Puerto Rico through highly effective marketing targeting key consumer segments, as well as generating positive earned media coverage. This is measured using several industry-standard metrics, such as likelihood of travel and destination familiarity.

Organizational Excellence: Discover Puerto Rico operates at a high level of efficiency and effectiveness. This can be measured by comparing resource allocation (to similar organizations), industry best practices, industry engagement and industry accreditation.

- *83% of the baseline budget (87% of the budget with additional funding) is dedicated to marketing, sales and communications.
- Administration and overhead costs are far below industry averages.
- Full accreditation by Destinations International
- Represented on key boards and committees, including U.S. Travel Association, Destinations International, U.S. Travel and Tourism Advisory Board, Meeting Planners International, Society of Human Resources Managers, Brand USA.

* Includes an allocation of direct and indirect marketing, promotion and selling expenses.





SECTION D

DMO

**Responsibilities
& Services**



DMO Responsibilities & Services

- Establish and implement a strategic sales and marketing plan to expand Puerto Rico's visitor economy.
- Maintain a healthy balance between institutional independence and collaboration with government agencies, including, but not limited to, the Puerto Rico Tourism Company (PRTC).
- Maintain adequate sales representation, through DMO staff and/or contract services, in select markets.
- Promote select events and activities to grow the visitor economy and attract meaningful publicity.
- Inform private sector partners about the DMO's plans and metrics of the DMO, as well as trends and opportunities that directly or indirectly impact private sector partners.
- Attract, develop and retain a talented team of professionals.
- Maintain DMO industry accreditation.
- Maintain a Strategic Advisory Board and Client Advisory Board to enhance the DMO's strategic vision and identify opportunities to grow the visitor economy.
- Acquire consumer-centric research and essential analytics to ensure a sound, effective marketing strategy.
- Maintain necessary committees and/or task forces to optimize industry engagement and address needs and opportunities of the DMO and the tourism industry.
- Maintain a reasonable level of transparency to ensure that stakeholders, including the private sector, media, government and citizens of Puerto Rico, are well-informed of the DMO's activities and plans.
- Prepare and/or publish essential documents, including an annual budget, audited financial statements, a strategic business plan, and all reports designed to ensure public accountability of the DMO.
- Develop, implement and promote marketing and sales opportunities for private sector partners.
- Maintain an adequate system of internal controls that ensure the appropriate checks and balances.
- Establish industry-standard policies and procedures to ensure efficient, effective operations.
- Develop and maintain an effective program of sales and marketing programs and services designed to attract private sector promotional investments that qualify for matching funds if these legislated funds are made available by PRTC.
- Implement industry-standard methods for acquiring and managing media assets for promoting tourism.
- Develop and implement a comprehensive publicity plan to secure positive earned media.

- Develop and implement a strategic sales program designed to attract meetings, conventions and events.
- Manage a system of services for professional planners that enhance their experience in Puerto Rico.
- Develop and implement a strategic leisure sales program designed to complement the core campaign of leisure travel promotion and publicity.
- Maintain a customer relationship management (CRM) system to support and enhance the DMO's sales and marketing programs.
- Maintain a crisis communications plan designed to protect the destination brand from adverse impact of events, actions or activities that may arise.
- Manage a reliable system of technology, data and information to enhance the DMO operation and position the DMO to achieve its strategic objectives.
- Maintain an adequate level of funds in the DMO bank accounts to ensure continuity of operations.
- Hire an external accounting firm to deliver an independent audit.
- Maintain adequate guidelines for brand definition, brand position and all creative assets.
- Develop, acquire and manage creative content and media assets using Industry standard methods.
- Meet the reporting requirements set forth in Act 17 and the Agreement for Destination Marketing Services (between the DMO and the Puerto Rico Tourism Company).



SECTION E

**Economic
Impact
Analysis**

Economic Impact Analysis

The travel sector is an integral part of Puerto Rico's economy. Visitors generate significant economic benefits for households, businesses and the government, representing a critical driver of Puerto Rico's future. Total direct business sales attributable to tourism are forecasted to be **\$9.8 billion** in the calendar year 2023, a 13.2% increase from the previous year's record.

2023 marked the third consecutive record year for Puerto Rico's tourism, which continues to be made possible primarily by a visitor base consisting mainly of domestic mainland consumers who can take advantage of easy access, a welcoming destination, and desired weather. The significant increase in marketing resources to promote the Island with federal funds has delivered record-breaking visitation and visitor spending in 2023.

With increases in nonresident overnight visitation (+13.8%) and cruise visitors (+18%), Tourism Economics forecasts that visitation will reach over 10.8 million, an increase of 13% from the prior year. Of these visitors, 6.7 million were from nonresident visitors, with internal tourism contributing 4.1 million visitors. Though nonresident visitors make up 61.9% of the visitor counts, they contribute 63.2% of visitor spending, given that their average trip spending is higher.

TOTAL VISITORS & SPENDING TO PUERTO RICO (thousands of visits and \$ millions) CY 2019 - 2023f

	2019	2020	2021	2022	2023f
Total visitors (000s)	8,303	4,873	8,109	9,579	10,823
Non-resident visitors	5,434	2,901	4,723	5,887	6,698
Resident visitors	2,869	1,972	3,386	3,692	4,126
Total visitor spending (\$ millions)	\$6,437	\$3,982	\$7,398	\$8,654	\$9,800
Non-resident visitor spending	\$4,128	\$2,429	\$4,582	\$5,447	\$6,198
Resident visitor spending	\$2,309	\$1,553	\$2,816	\$3,207	\$3,602

Source: *Tourism Economics*

*This is based on the forecast provided in January 2024.

The Bureau of Labor Statistics estimates that through March 2024, 98,300 jobs were supported by the Leisure and Hospitality sector, making it the fourth largest employment sector in Puerto Rico.

Compared to 2019, employment has grown significantly, adding more than 21 thousand jobs. This growth far outpaces other employment sectors.

EMPLOYMENT BY SECTOR

February 2024, Puerto Rico

	Jobs	Jobs Gained/Lost vs. 2019	% Change vs. Previous Year
Total Nonfarm	958.2K	86.7K	3.0%
Government	203.8K	1.3K	2.3%
Professional and Business Services	140.3K	17.8K	0.6%
Retail Trade	133.9K	8.5K	4.2%
Leisure and Hospitality	98.3K	21.3K	9.6%
Health Care and Social Assistance	92.2K	8.8K	3.4%
Manufacturing	84.3K	10.3K	2.6%
Construction	35.3K	9.4K	6.0%
Wholesale Trade	31.9K	2.0K	-1.5%
Finance and Insurance	31.8K	2.1K	0.0%
Transportation and Warehousing	20.2K	2.9K	4.1%
Other Services	19.1K	1.3K	2.1%
Information	13.7K	-2.8K	-11.0%
Mining and Logging	0.6K	0.1K	0.0%

Source: Bureau of Labor Statistics

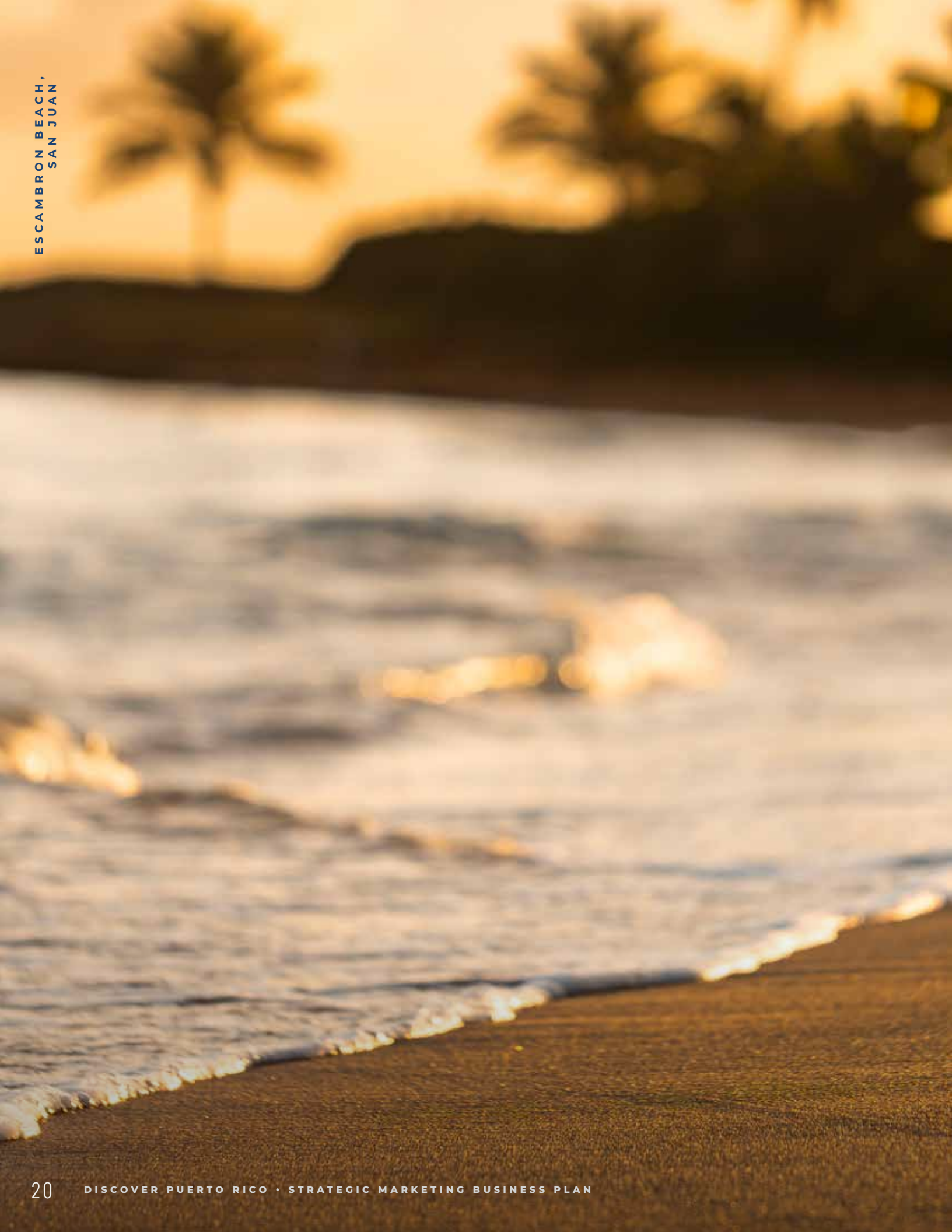
Most of the total employment in the Leisure & Hospitality sector is in the San Juan Metro area, but growth is observed throughout the Island. The Bureau of Labor Statistics reports that Aguadilla has observed a 55% increase when compared to 2019, Ponce has increased 27% compared to pre-pandemic levels, and San Juan has experienced a 23% increase.

LEISURE AND HOSPITALITY JOBS IN PUERTO RICO

Jobs Levels, % Change YOY, % Change vs. 2019

	Jobs	YOY	vs. 2019
Statewide	98.3K	10%	28%
San Juan-Carolina-Caguas, PR	70.0K	10%	23%
Ponce, PR	7.5K	4%	27%
Aguadilla-Isabela, PR	6.4K	7%	55%
Mayaguez, PR	3.4K	3%	10%

Source: Bureau of Labor Statistics



SECTION F

Situational Analysis



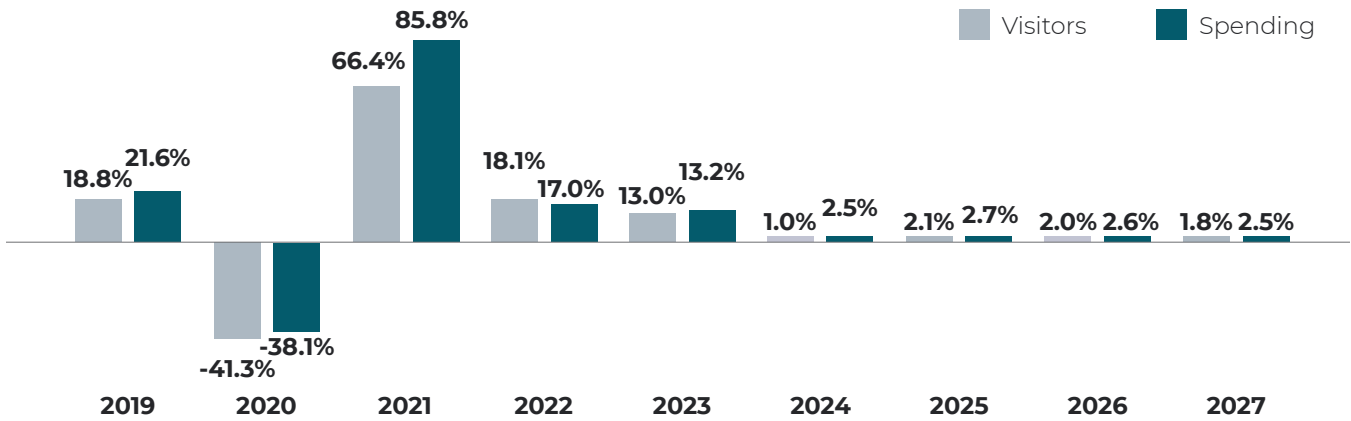
Situational Analysis

Building on the recovery post-pandemic, both visitor volume and spending set records for the year, according to forecasts from Tourism Economics. Its January 2024 forecast estimates that visitor spending in Puerto Rico increased 13% over 2022, with total visitors also increasing by 13%.

Tourism Economics has issued a modest forecast for 2024, with visitor spending increasing nearly \$250 million over 2023, or 3%. It also anticipates moderate growth for the U.S. domestic market.

PUERTO RICO BASELINE VISITATION AND SPENDING FORECAST

Visitors to and Spending in Puerto Rico, % change YOY

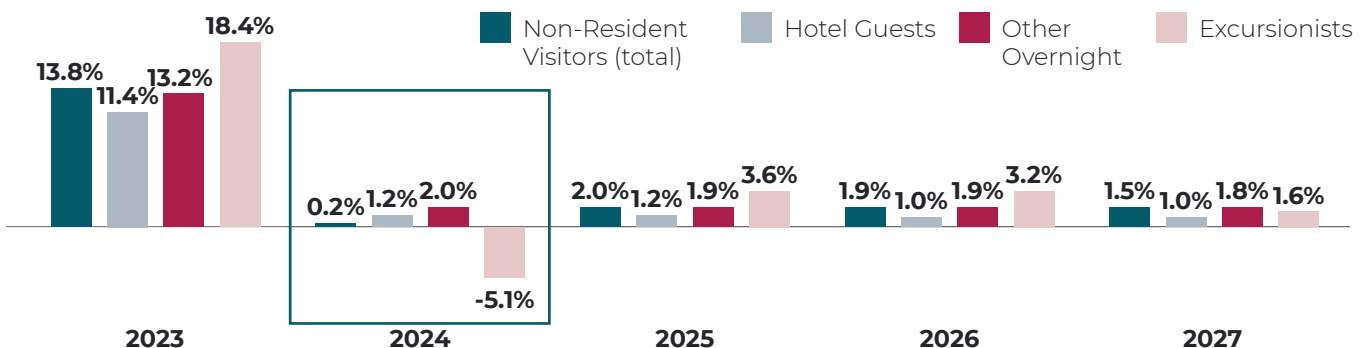


Source: Tourism Economics

The slowdown in growth anticipated in 2024 is primarily attributed to a decline in excursionists. Though the cruise industry has seen an increase in activity in the six months ending March 2024 (+4% vs. same period last year), scheduling changes in San Juan cruise port departures for two ships, Voyager of the Seas and Norwegian Epic, are expected to have a negative impact on excursionists in 2024. This segment will continue to lag pre-pandemic levels beyond 2027, according to the recent Tourism Economics' forecast.

PUERTO RICO BASELINE VISITOR FORECAST BY VISITOR TYPE

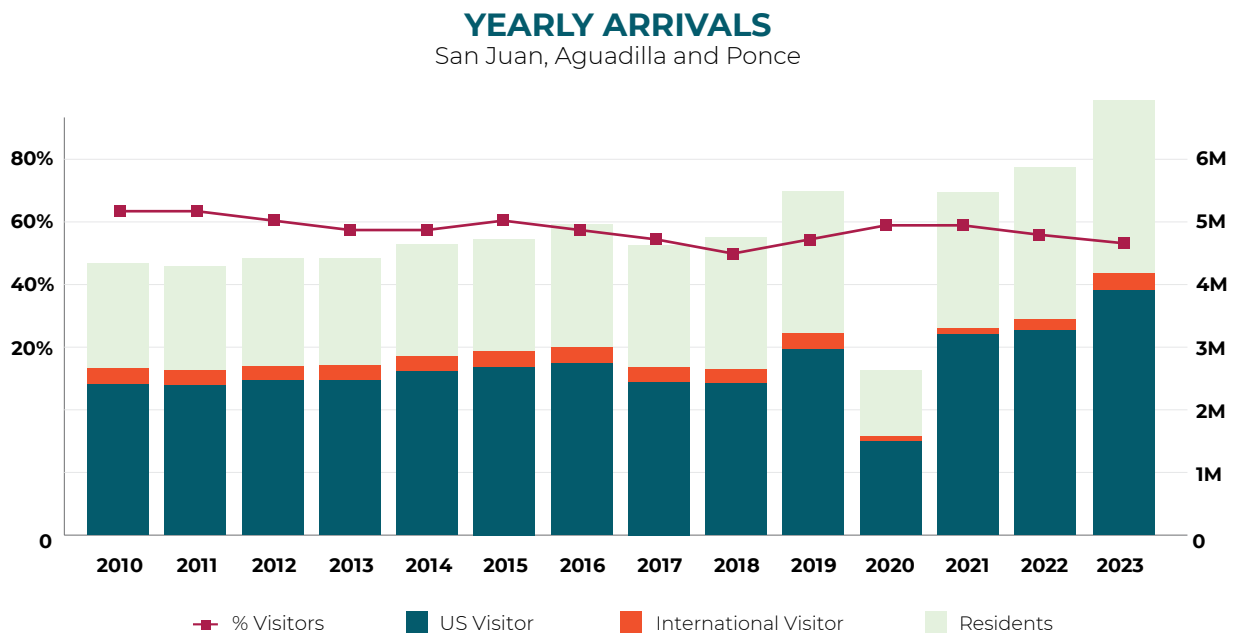
Non-Resident Visitation to Puerto Rico, % change YOY



Source: Tourism Economics

Puerto Rico's tourism has historically been primarily U.S. mainland visitors, who make up more than 90% of overall nonresident visitation. International markets began to open post-pandemic as COVID-19 testing requirements were lifted midyear in 2022. As a result, in 2023 there were 57% more international arrivals into Puerto Rico than in 2022, surpassing 2019 levels.

More international and U.S. mainland visitors combined for a record number of nonresident air passengers, at 3.8 million (+22%). Resident travelers also increased significantly to nearly 2.5 million passengers, up 13%.



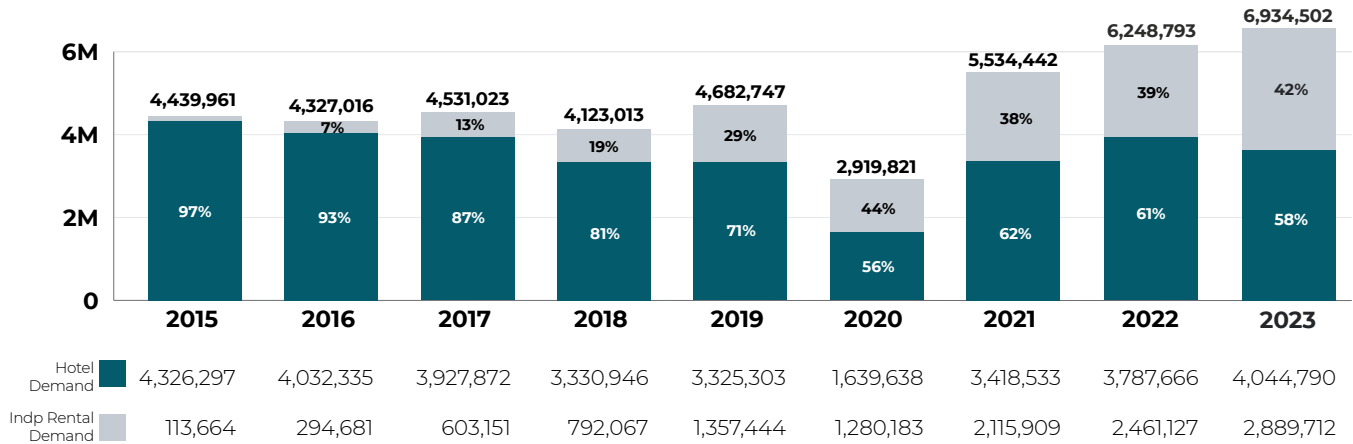
Source: Airline Data, Inc

Another record area in 2023 were lodging bookings, increasing 11% versus the previous year. Independent rentals continue to outpace hotels, with growth in both supply and demand. Rentals grew 17% year over year (YoY) while hotel demand increased by 7% over 2022.

With record visitation and higher rates, total lodging revenue for calendar year 2023 was over \$1.8 billion, a 14.5% increase YoY. This marks the third consecutive year that lodging revenues have surpassed \$1 billion.

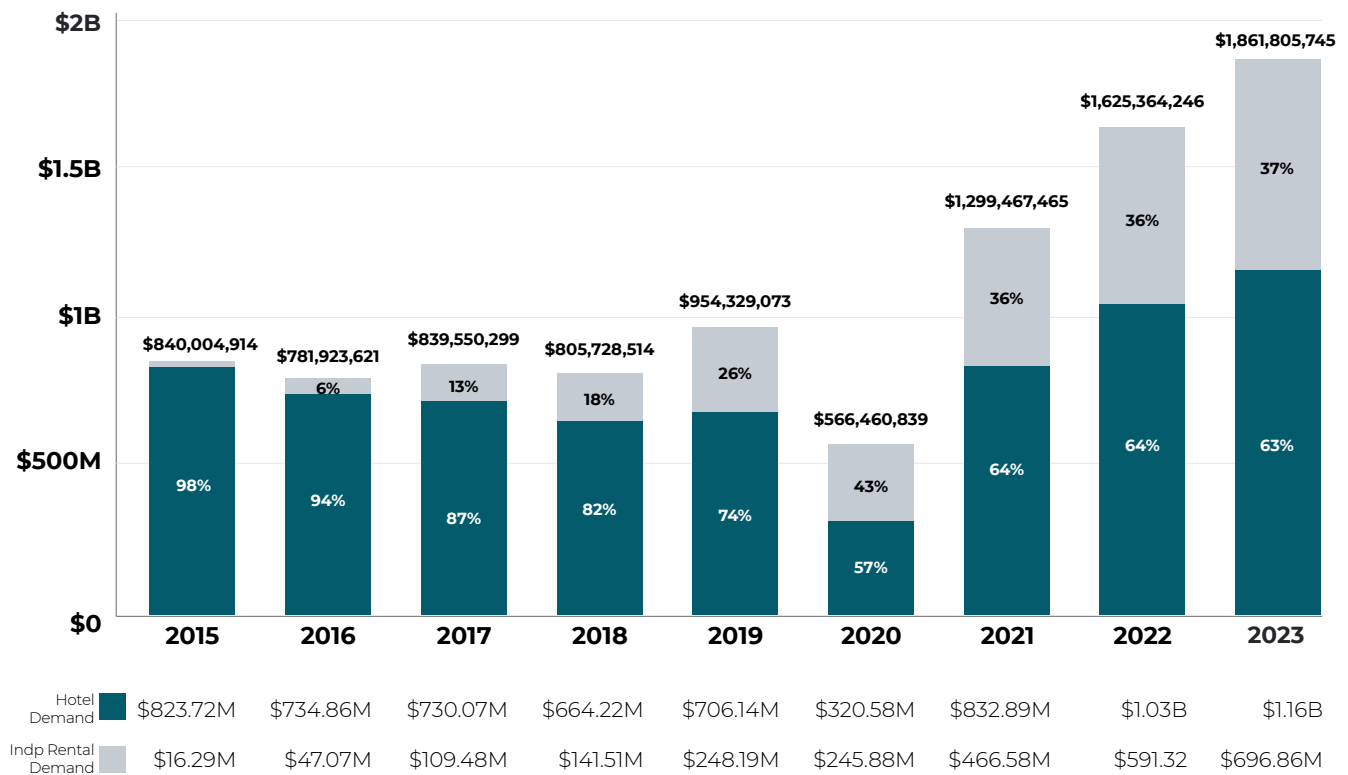
Hotel supply in Puerto Rico experienced little growth and with increased demand during 2023, the average daily rate for hotels was \$286, an increase of 5% year over year, while revenue per available room (RevPAR) at \$209, increased 11%. Independent rentals once again hit a calendar year high in 2023, with supply increasing 20.5% and, with solid demand growth, independent rental average daily rates were flat compared to the prior year, at \$232 (-1.1%). As RevPAR considers both occupancy and rate, it declined 3.7% YoY, driven primarily by the increase in supply and flat rates.

BOOKED LISTINGS CALENDAR YEAR



Source: STR & AirDNA

LODGING REVENUE CALENDAR YEAR

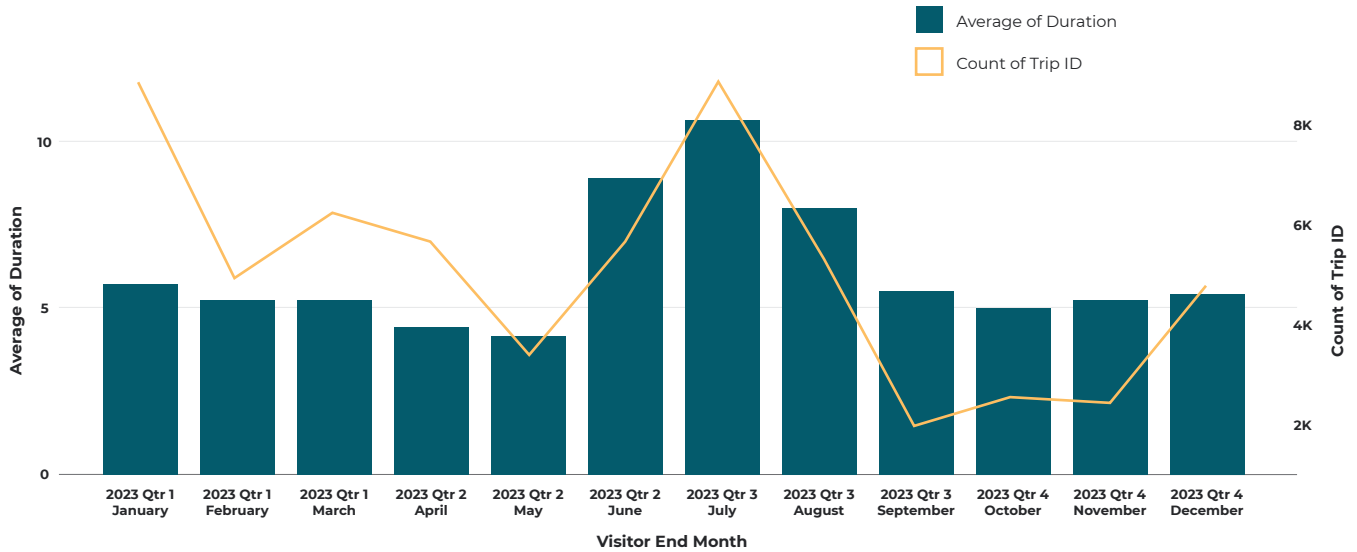


Source: STR & AirDNA

As is typically the case, Puerto Rico saw its largest percentage of visitors during the months of June, July and August, driven by summer vacations and diaspora visitors who travel to visit family and friends.

The top origins for visitors during 2023 were New York and Orlando/Daytona Beach/Melbourne.

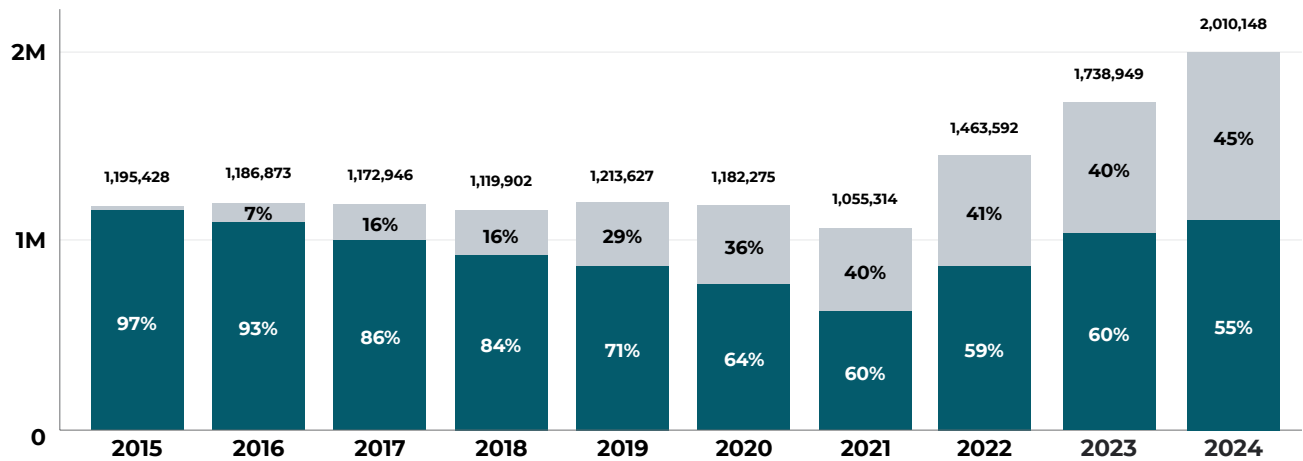
2023 MONTHLY VISITOR ARRIVAL DISTRIBUTION



Source: Apollo Geolocation – Future Partners

This year, 2024, is off to a strong start, with many tourism metrics once again reaching record levels. Through the first quarter, total lodging revenues have increased 18% to \$605.1 million over the same period a year ago. Year-over-year demand has increased by 6% for hotels and 31% for rentals. The increase is partially due to the shift in Easter holiday/Holy Week to late March in 2024. The average daily rates for hotels are 6% higher than in 2023, while rental rates are flat (-0.7%).

BOOKED LISTINGS YEAR TO DATE (March 2024)

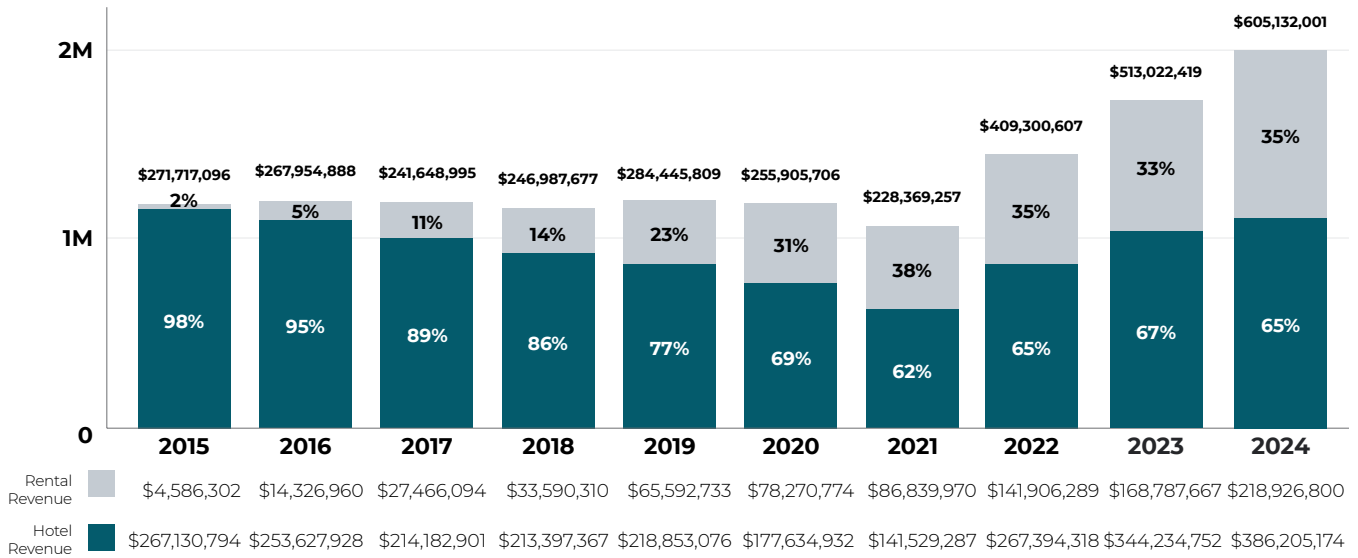


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hotel Demand	1,163,222	1,101,000	1,013,180	936,414	862,694	761,188	631,433	866,499	1,046,770	1,106,760
Rental Demand	32,199	85,870	159,765	183,488	350,933	421,087	423,881	597,093	692,171	903,384

Source: STR & AirDNA

YEAR-TO-DATE LODGING REVENUE

(As of March 2024)



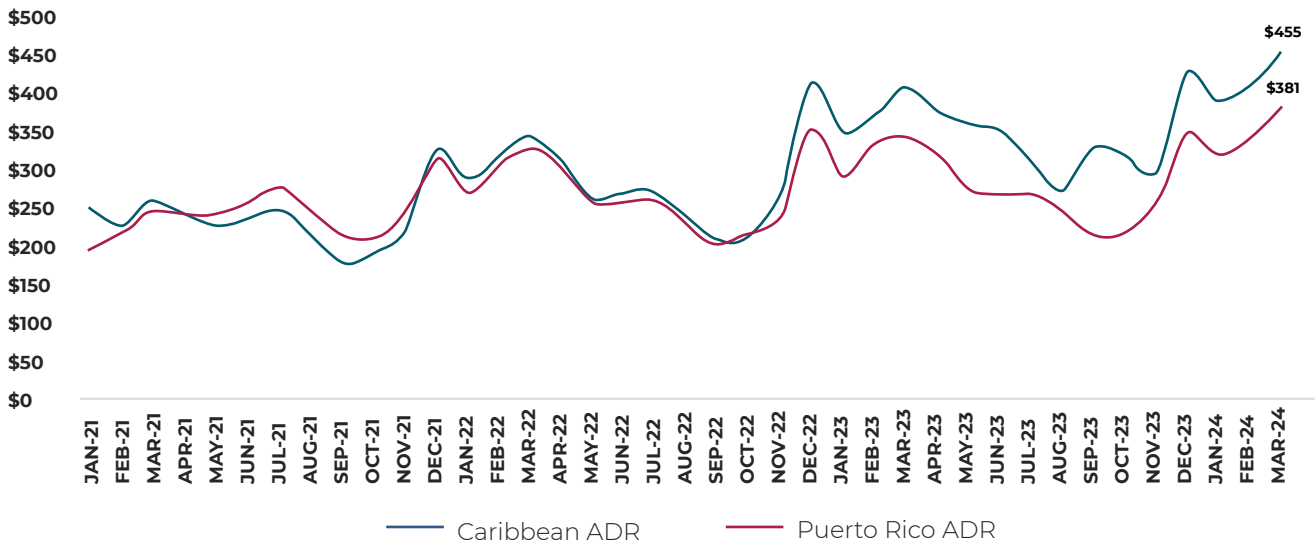
Source: STR & AirDNA

Puerto Rico's rates remained relatively comparable to the Caribbean average. However, toward the end of 2022, the Caribbean's average rates began to distance themselves from Puerto Rico's ADR, a trend that continues to be observed.

In March 2024, the most recent reporting month for competitive data from STR, the Caribbean average hotel rate was \$455, 19% higher than Puerto Rico's rate.

HOTEL AVERAGE RATES

(Puerto Rico vs Caribbean)



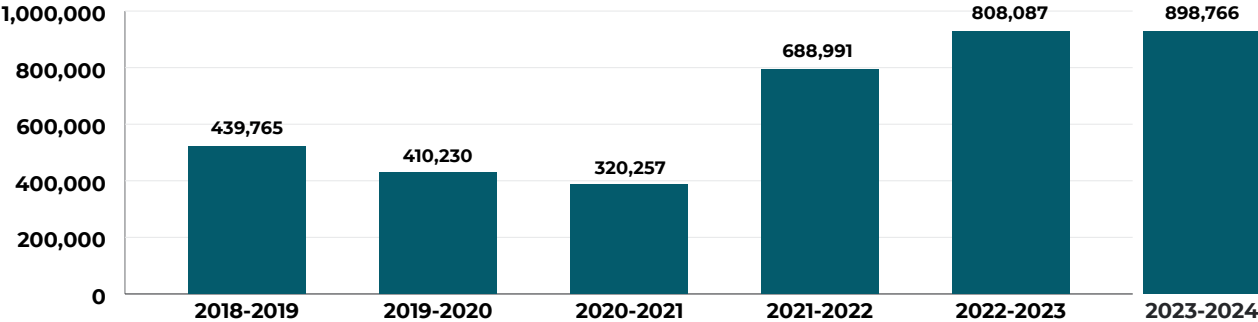
Source: STR & AirDNA

And while consumers are generally feeling more optimistic about their finances, and with concerns about a recession diminishing, many consumers cite high costs as the most persistent barrier to travel. In April's edition of *The State of the American Traveler*, Future Partners states that "travel being too expensive has been increasing as a deterrent over the past three months." However, there continues to be a "sustained enthusiasm as travelers remain optimistic about their future finances and travel expectations."

Nearly half of travelers feel that a year from now, their finances will be better off (47.8%), and over 8 in 10 express excitement about leisure travel in the next 12 months (86.6%). This drives many (59.2%) to prioritize spending on travel in the next three months as we head into the summer season, a number not seen since summer 2022. The excitement, optimism toward finances and prioritization of travel, coupled with inflation, likely pushes "expected travel budgets to jump sharply" to a post-pandemic high of \$4,887.

Traveler sentiment along with booking pace for hotels and rentals throughout the third quarter point to another strong tourism year in 2024.

FISCAL YTD REQUESTED GROUP ROOM NIGHT LEAD PRODUCTION BY FISCAL YEAR (July – March)



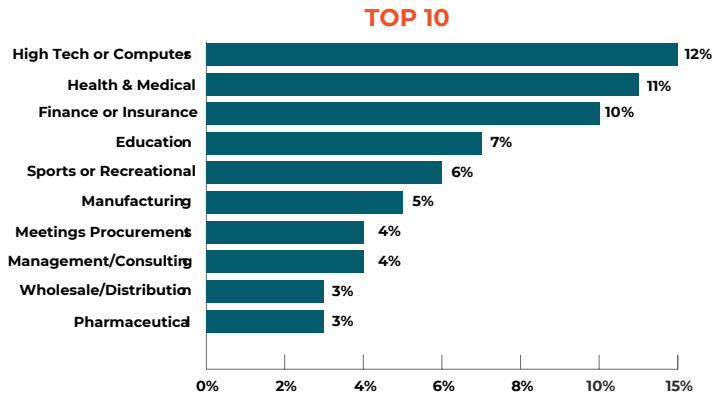
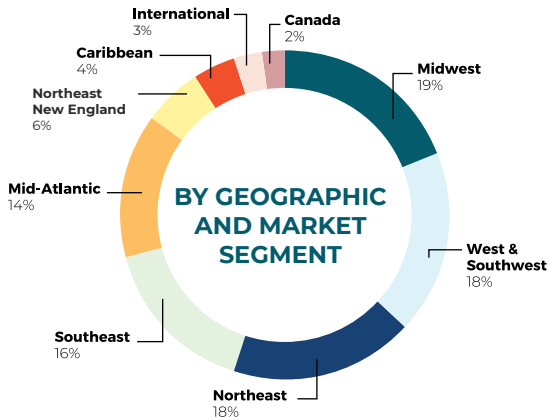
Source: Simpleview

As RFPs for specific meeting dates increase and booking windows continually change, we are carefully monitoring which geographic and business sectors appear to be most active in both the short and long term. Future pace and customer-generated pace reports will allow us to gain a deeper understanding of critical-need periods.

ADR growth in season and the number of events booked into shoulder and low season dates will be a good gauge of the Island's progress. Pace reports play an important role in need period and longer term planning. Ultimately, national sales directors will be measured against goals that were established to meet and exceed numbers both pre-COVID-19 and pre-Hurricane María.

GROUP LEAD PRODUCTION

July 2023 - March 2024



Source: Simpleview

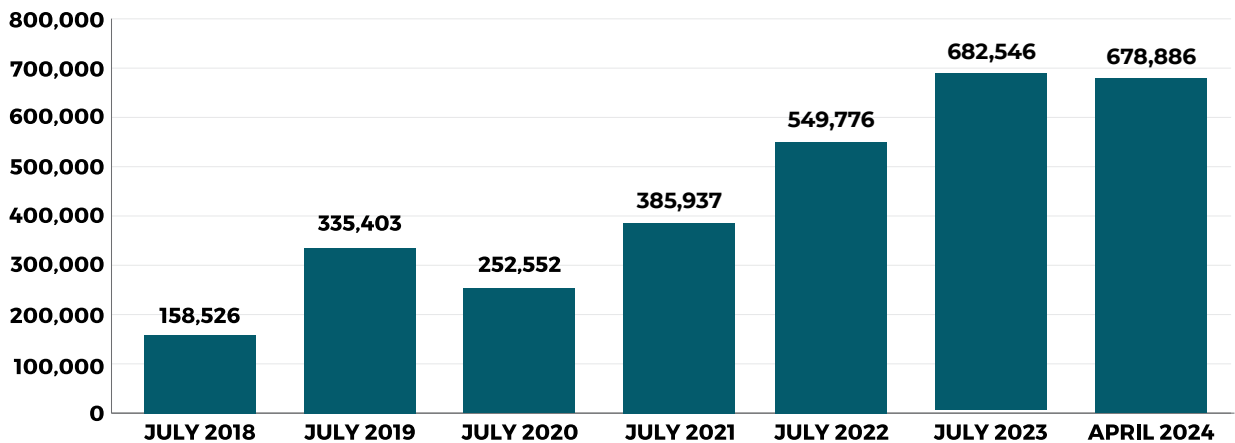
FUTURE GROUP SALES PIPELINE GROWING

The future sales pipeline represents the potential impact of all open, qualified leads in terms of potential room nights not yet contracted. Discover Puerto Rico inherited a relatively slim pipeline of 150k rooms in July 2018. By July 2019, the pipeline had surged by 111% to 335k rooms. Although the pandemic caused a 25% decline, our proactive engagement through relentless road shows, trade show coverage, site inspections and familiarization (FAM) tours enabled us to outpace the recovery speed of the U.S. mainland. By July 2023, the pipeline reached a record high of 682k rooms. We are on track to surpass this record in the 2024-2025 fiscal year, continuing to drive growth and visibility for Puerto Rico as a leading destination in the events industry.

GROUP SALES PIPELINE AS OF APRIL 2024

\$571.3M ECONOMIC IMPACT

REQUESTED ROOM NIGHTS



Source: Simpleview

LEISURE SALES INCREASING

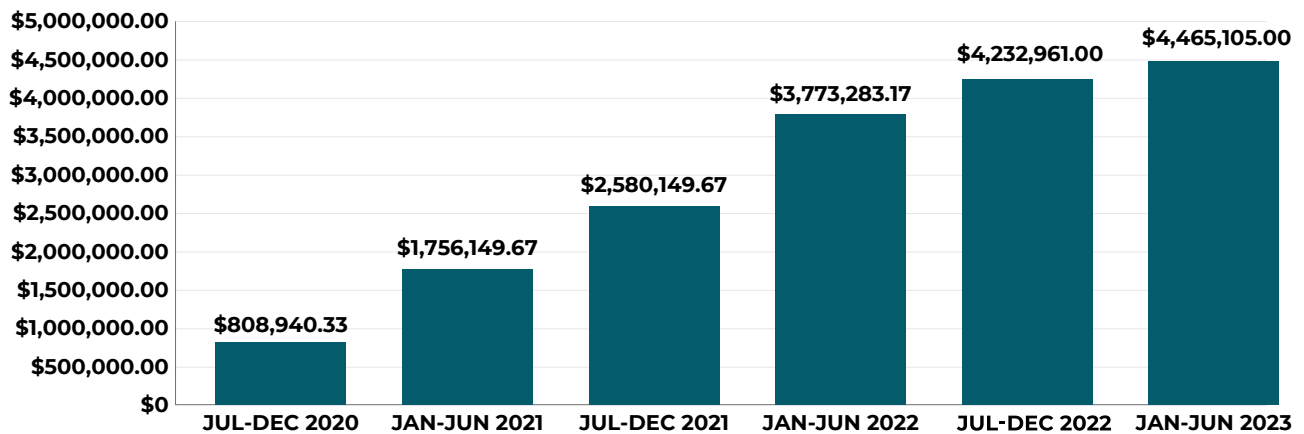
Discover Puerto Rico overhauled the previous leisure sales strategy, which was inefficient, ineffective and costly. With considerably fewer staff and promotions, we are focused on enhancing results with key providers, elevating the prominence of the destination in emerging/established channels, and growing the base of advisers booking Puerto Rico.

The new strategy, of course, coincided with many unanticipated challenges, such as earthquakes and the global pandemic. Nevertheless, the base of leisure sales in Puerto Rico has shown considerable improvement as we emerge from the pandemic, with the sales volume in the most recent six-month period +114% above the same period last year.

The monthly leisure sales have been continuously growing, thanks to our assertive co-op campaign strategy and increased presence in multiple feeder markets. The sales team has been agile, nimble and opportunistic in seeking opportunities amid a very challenging environment as all destinations have re-opened and are competing for the same business.

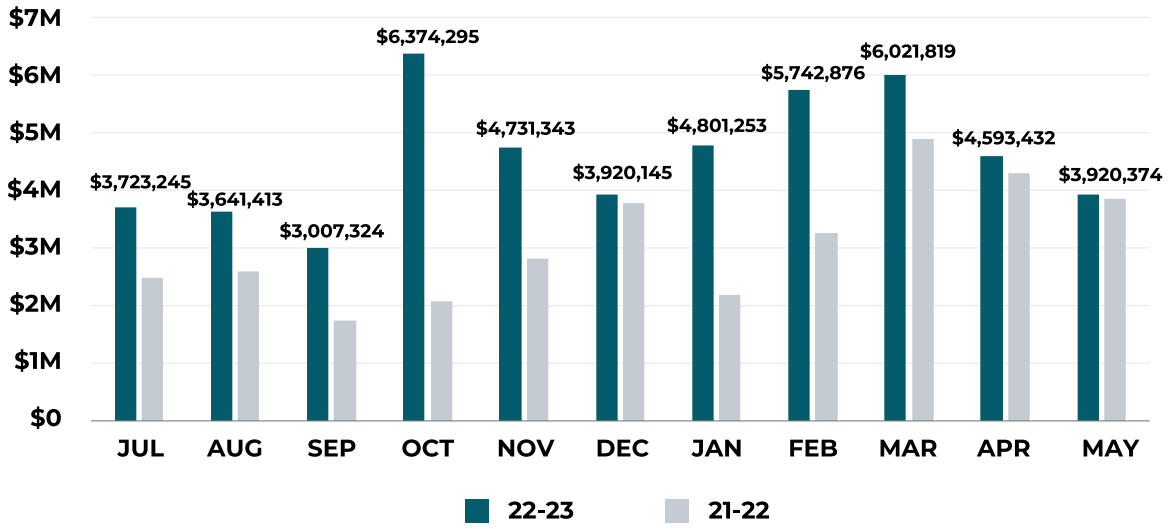
PERFORMANCE TREND BY MONTH (FISCAL YEAR 2022-2023)

AVERAGE MONTHLY SALES



Source: TravelClick

FISCAL YEAR 2023-2024 BY MONTH



Source: TravelClick



CONVENTION DISTRICT,
SAN JUAN

SECTION G

Strategic Resource Allocation

Strategic Resource Allocation

When the new DMO of Puerto Rico was created by law in March 2017, the primary focus and public discussion was on governance, structure, roles and responsibilities. The funding model was a secondary consideration defined in the latter stages of the legislative process and limited to two sources of funds: a defined dollar amount from the lodging tax collections and a matching grant that offers a 1:1 match on private sector contributions. While this was a bold step forward, it leaves several challenges yet to be addressed:

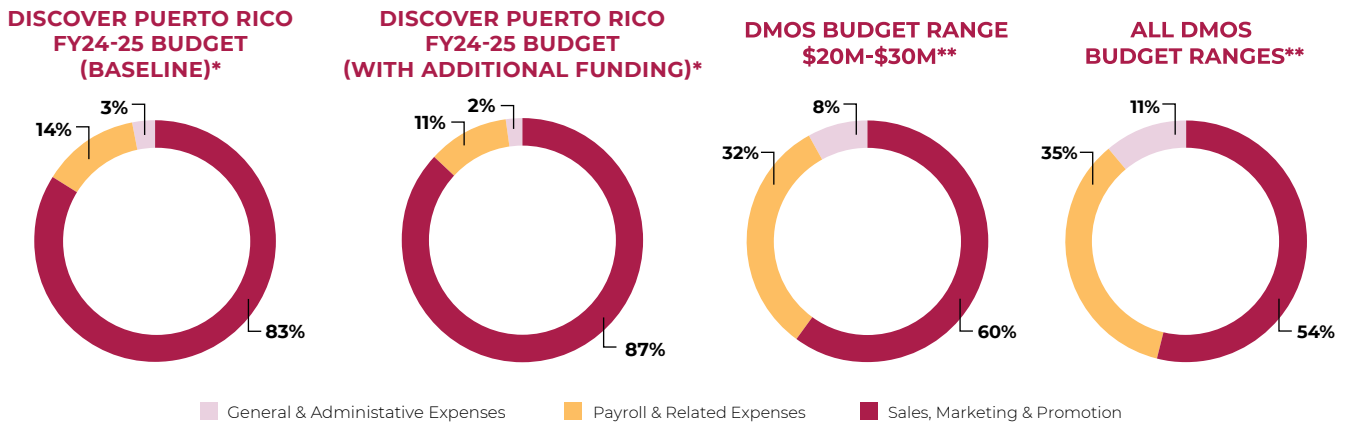
Discover Puerto Rico has achieved impressive results, showcasing a strong return on investment and remarkable efficiency compared to other DMOs. This success has driven a significant increase in tourism-related tax revenue, particularly lodging taxes, contributing substantially to the local economy. However, despite this growth, the DMO's funding model has not evolved accordingly, relying heavily on one-time funds and annual budget solutions. This financial instability hinders long-term planning and strategic development.

Compounding the funding challenge is the looming expiration of the DMO's contract, set to end in June 2028. As the DMO continues to market and attract business beyond this date, this contractual uncertainty creates potential risks and undermines confidence in future commitments. The data shows that a significant portion of leads and expected revenue extends beyond the current contract period, highlighting the need for prompt action to avoid disruption and maintain momentum.

Given these challenges, the DMO's key priorities are clear: first, establish a sustainable and competitive funding model that reflects the organization's growth and supports ongoing success; second, secure an early renewal of the contract to ensure continuity and stability. Addressing these priorities will be crucial for the DMO's ability to maintain its positive impact on tourism and contribute to the region's economic prosperity.

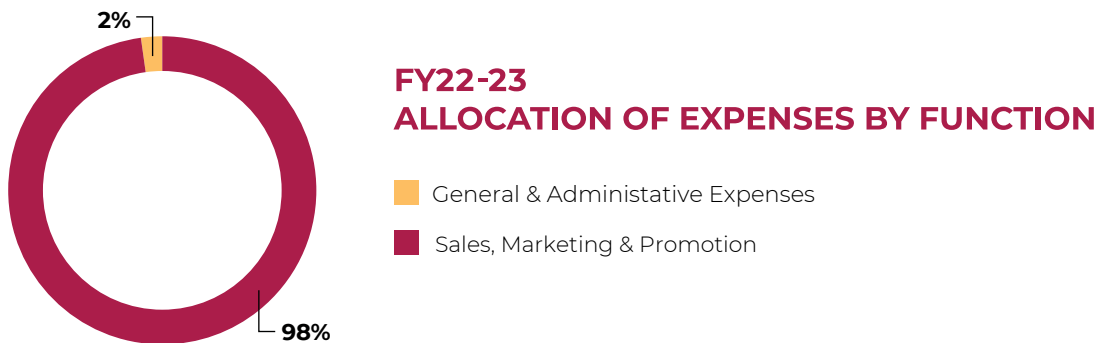


SYNERGY & EFFICIENCY



* Discover Puerto Rico estimates include local and federal funds
 ** Based on the Destinations International platform for Destination Organization Performance Reporting (2019 data)

The above chart demonstrates that Discover Puerto Rico maintains a lean operating budget compared to other DMOs. Yet, this comparison does not fully explain the level of efficiency achieved by Discover Puerto Rico, as most staff positions are marketing, sales or public relations. When allocating payroll and administrative expenses by function, 98% of the funds were invested in direct marketing, sales and promotional expenses, whereas only 2% were allocated to administrative support, as shown in Discover Puerto Rico’s most recent financial audit report. It’s important to note that Act 17 allows the DMO to allocate up to 50% of its budget on salaries, overheads and operating costs, so Discover Puerto Rico is allocating less than half of what is legally permissible to these expenses.



Source: Discover Puerto Rico’s Audited Financial Statements for FY2022-2023.

Third, Discover Puerto Rico has worked closely with the Puerto Rico Central Government to acquire federal funds (e.g., CDBG-DR, CARES, ARP) to propel our efforts to increase tourism and the results have been stellar.

To maintain past progress and be competitive in the domestic and key international markets, Discover Puerto Rico must maintain an annual budgeted investment in tourism promotion of \$65M-\$75M.



SECTION H

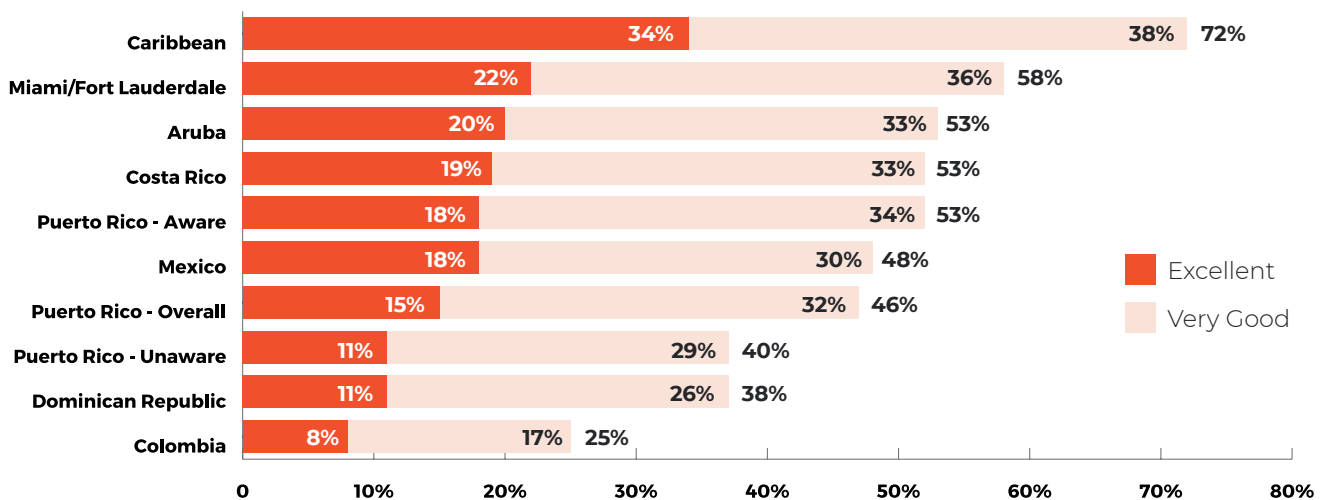
Brand Perception Analysis

Brand Perception Analysis

In addition to year-over-year gains in brand qualities, there is a more positive view of Puerto Rico as a vacation destination, particularly in markets where Discover Puerto Rico has invested.

The Live Boricua campaign's success in increasing familiarity and perception of Puerto Rico as a destination has transformed the Island's competitive position. After three years of investment, those who are aware of the campaign now rate Puerto Rico as favorably as Aruba and Costa Rica, and higher than Mexico and the Dominican Republic.

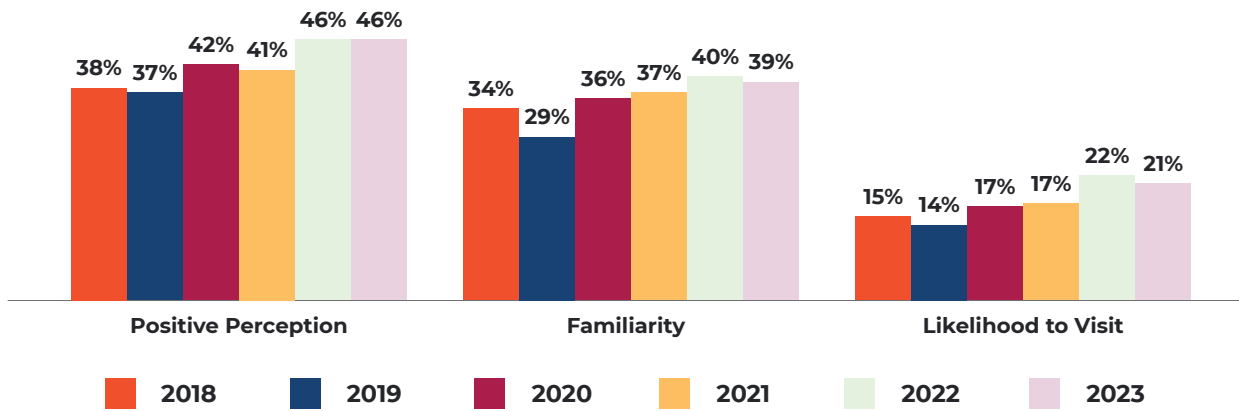
IMPACT OF PAID MEDIA ON DESTINATION PERCEPTION – BY SMARI



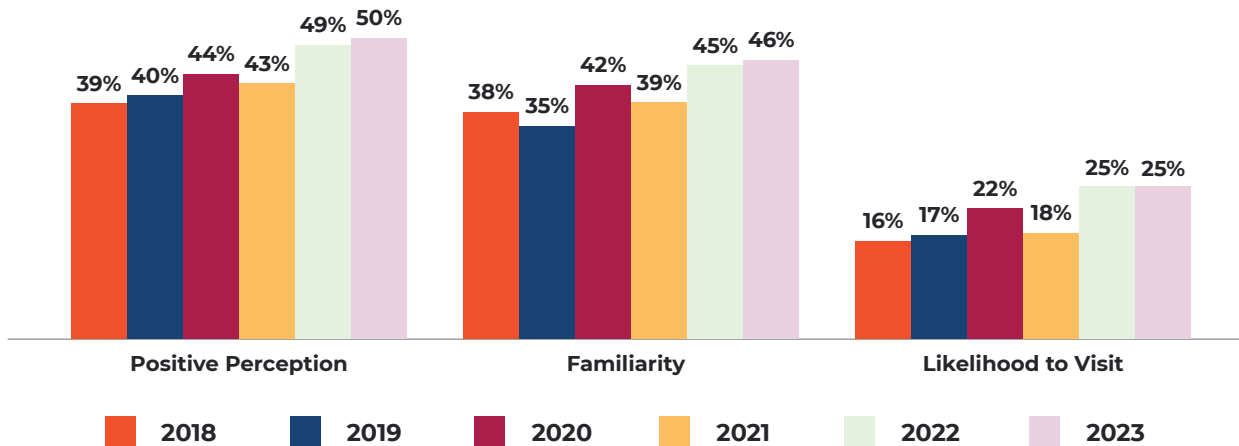
With the launch of Live Boricua in 2022, these metrics saw significant improvements versus previous years and have been able to remain stable for the past two years, with core markets leading the way.



CHANGE IN PUERTO RICO KPIS



YEAR-OVER-YEAR KPIS – CORE MARKETS



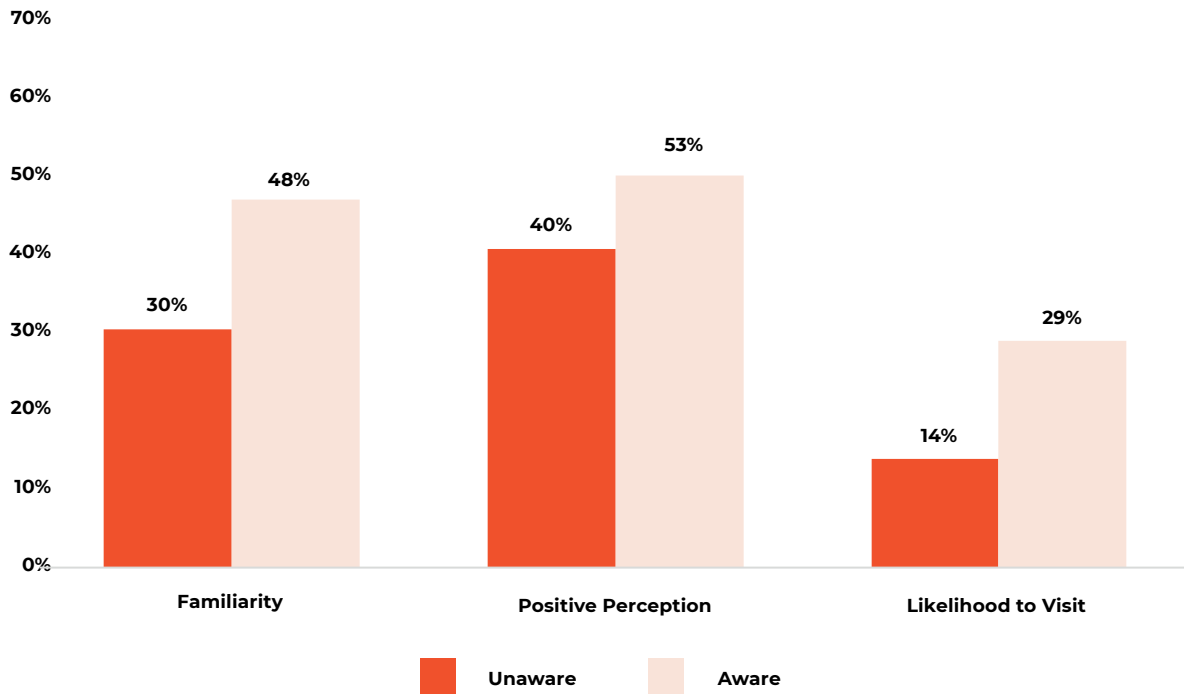
Strategic Marketing & Research Insights, LLC (SMARI) shows that the Live Boricua campaign has reached nearly 28 million domestic households and 3.3 million international households, driving over 828,000 ad-influenced trips and nearly \$2.7 billion in visitor spending since its launch in May 2022.

Destination marketing campaigns are measured on the incremental lift that they provide, with an understanding that there would be a base level of visitation, even without any paid marketing investment.

According to SMARI research as of December 2023/January 2024, 14% of households who were unaware of the Live Boricua campaign intended to visit Puerto Rico within the next 12 months, while 29% of those who remembered the campaign intended to visit, representing a 15-point increase in the key performance indicator of likelihood to visit.

Similarly, familiarity with Puerto Rico as a travel destination and perception of the destination has increased by 18 and 13 points, respectively.

PAID MEDIA IMPACT ON KEY PERFORMANCE INDICATORS



Source: SMARInsights, LLC

SECTION I

Marketing Plan

Marketing Plan

The strategies and tactics referenced herein represent the strategic direction of Discover Puerto Rico's marketing program, which is designed to establish a long-term brand position; improve brand health and brand equity; spur economic growth through tourism; and utilize industry standard DMO best practices. Discover Puerto Rico is committed to marketing and promoting the entire Island as a tourist destination through strategies and tactics that produce measurable success for Puerto Rico. This will optimize the economic results and ensure that Discover Puerto Rico's advertising and sales benefits are equally available to private sector partners.

This DMO's marketing plan provides an integrated, comprehensive marketing and communications approach, leveraging Puerto Rico's key appeals to drive increased visitation and improve overall perception of the brand. The strategies and tactics recommended encompass key opportunities for Puerto Rico's tourism industry, providing actionable tactics designed to deliver the highest level of success, including:

- Unified messaging and brand identity;
- Digital advertising targeting key consumer segments, including online banner ads, search text ads, online video ads, social media ads, travel partner promotion, over-the-top-TV, and content distribution;
- Broadcast advertising targeting key consumer segments;
- Collaborative marketing efforts with strategic partners;
- Customized promotion in key niche markets;
- A strategic publicity campaign targeting key influencers and media, generating a measurable return on investment.
- Select out-of-home (OOH) opportunities as budgets allow.

STRATEGIC MESSAGING

For the last several years, Puerto Rico has prioritized economic recovery and navigated the realities of weather events and the COVID-19 pandemic. Although demanding, this provided the DMO with an opportunity to reset and rethink how travel can reinvigorate the Island's economy, with a brand campaign that would elevate awareness, change consideration and drive visitation.

This approach to redefining and repositioning Puerto Rico's brand message was a research-driven, results-focused process that began with an extensive "discovery" phase to help inform the development of the Live Boricua campaign that continues today through a never-ending process of evaluation – examining and refining the brand messaging based on market feedback and results.

Live Boricua, the latest campaign from Discover Puerto Rico, highlights Puerto Rico's warm and welcoming culture, illustrating to travelers not only what makes Puerto Rico different, but also how visitors and locals share similarities: a desire for authentic, meaningful, memorable experiences every day. This campaign has

increased awareness and consideration by positioning a visit to Puerto Rico as more than what Puerto Rico has, but who Puerto Rico is, and making connecting with local culture a top driver of visitation. As Discover Puerto Rico's repositioning of the Island's brand continues to take root with the campaign, the DMO's marketing and messaging approach highlights every corner of the Island and exposes consumers to Puerto Rican products and experiences that go beyond the beaches and metro area, while providing strong continuity and differentiation. This expansion of our tourism offering, both in product and experientially, centered around culturally immersive travel, is key to enhancing brand perception and cementing what makes us different from our competition.

The next phase of Live Boricua, Live Boricua 3.0, launched in March 2024, builds on the initial campaign's success. Live Boricua 3.0 utilizes a storytelling technique featuring locals speaking directly to prospective visitors with warmth and pride about their home. The campaign evolution is designed to be used in rotation, with multiple 3.0 stories running simultaneously with Live Boricua 2.0 spots, giving visitors a deeper understanding and appreciation of the cultural experiences in Puerto Rico across nature/beach, gastronomy, music/dance and outdoor adventure.

DISCOVERPUERTORICO.COM

Discover Puerto Rico continues to lead with its innovative destination website, which has been recently enhanced to meet the evolving needs of today's travelers. Featuring a sleek, contemporary design and an adaptive user interface, this digital platform stands as a premier informational and inspirational hub. It effectively caters not only to potential tourists interested in exploring the Island's rich cultural and natural landscapes, but also to professionals in the meetings, incentives, conferences and exhibitions (MICE) industry. With ongoing updates and new features, the website ensures an engaging and seamless experience for all users, emphasizing Puerto Rico's commitment to blending tradition with modernity in its tourism offerings.

In 2023, Discover Puerto Rico further expanded its outreach by developing specialized content hubs tailored to unique travel niches. These hubs include Accessibility, Cruise, Family Travel, Sustainability, Sports, Weddings, and more, each designed to provide targeted information and resources to meet diverse traveler groups' specific needs and interests.

Complementing these hubs, our award-winning newsletter program plays a crucial role in engaging with potential visitors. With monthly deployments, we delivered highly relevant content to a dedicated subscriber base of nearly 140,000. Each newsletter is thoughtfully curated to resonate with specific interests, ensuring that every recipient finds value in our updates. This strategic approach keeps our audience informed and inspired about travel opportunities in Puerto Rico and significantly enhances the reach and impact of our niche content, fostering a stronger connection between the Island and its prospective visitors.

The calendar year 2023 showcased overall positive trends in user growth and engagement, with modest increases in some areas, but significant leaps in partner referrals. Year-over-year page views increased by 11.75%, organic users by 0.67%, and average session duration by 4.1%. Partner referrals experienced a robust growth of 62.79%.

Amid changes in Google's search results pages in 2023, such as the inclusion of AI-driven features and trip-planning tools for certain keywords, DiscoverPuertoRico.com saw notable growth in organic search activity. The

website achieved a 49.64% increase in the number of organic keywords ranking on page one compared to 2022. This improvement translated into over 5 million total organic clicks and a total organic search value of more than \$7.65 million, with an average cost per click for organic traffic at \$1.53.

In late 2023, Discover Puerto Rico began collaborating with a new tourism-focused marketing agency to enhance performance by leveraging advanced marketing technologies. Initiatives included updates to the Industry Portal, technical SEO and content optimizations to better align the website's content with consumer interests. Introducing a new email template and continued support for leisure and niche topic emails have helped boost engagement with our owned audiences and drive further interactions across our website and social channels. Close coordination with internal teams and external agencies has also enhanced our analytical capabilities and strategic planning.

Looking ahead to the upcoming fiscal year, Discover Puerto Rico aims to maintain its role as a thought leader in the tourism industry. The website will undergo enhancements to deepen potential visitors' engagement and guide them more intuitively through the site, incorporating AI technologies, an interactive map, shareable bookmarking capabilities, and social media integrations. Additionally, a new availability calendar will be introduced to display real-time hotel booking options aimed at driving sustainable travel by increasing off-season visitation and distributing tourists more evenly across the Island.

ARTIFICIAL INTELLIGENCE

In today's digital landscape, artificial intelligence (AI) presents significant opportunities to enhance business operations and refine content strategies. Discover Puerto Rico utilizes OpenAI tools, not for direct content creation, but to bolster our content quality and increase team efficiencies. These advanced tools streamline and expedite routine editing tasks and other processes, allowing our team to concentrate on producing high-quality, engaging content. This strategic application of AI optimizes our workflows and ensures the accuracy and relevance of our output, significantly boosting our overall productivity and the effectiveness of our content.

Looking ahead, Discover Puerto Rico is exploring the integration of Large Language Models (LLMs) into our website. Our goal is to leverage these powerful AI tools to serve accurate content in response to user queries and significantly enhance the user experience. By incorporating LLMs, we aim to provide personalized content that can dynamically adjust to user preferences and behaviors, influencing and enriching the travel journey. This forward-thinking approach promises to transform how we interact with visitors, making every digital encounter more helpful, engaging and tailored to individual travel needs.

DISCOVER PUERTO RICO WEBSITE TRAFFIC AND ENGAGEMENT

The calendar year 2023 saw overall positive trends compared to the previous calendar year: modest in user growth and engagement, but significant in partner referrals:

- 20,540,331 Pageviews (up 12% from CY2022)
- 4,074,731 Organic users (up 1% from CY2022)
- 727,299 Partner referrals (up 63% from CY2022)
- 2 minutes and 49 second average session duration on-site (up 4% from CY 2022)

ORGANIC TRAFFIC TO OUR CHANNELS

In a year when Google was actively playing with the user experience on search results pages (with AI and trip-planning experiences showing up for some terms), DiscoverPuertoRico.com saw substantial growth in organic search activity.

- Website increased in the total number of organic keywords it ranks for on page one, ending the year with 13,842 – up 50% from 2022.
- Website ended the year with 5.7M total organic sessions.
- Visibility and engagement on the Google Search Engine Results page improved in 2023, with total organic clicks of just over 5 million.
- Organic Search Value totaled over \$7.65 million, with an average cost per click of organic traffic at \$1.53.

Sources: GA4, UA, BrightEdge, GSC and Wordstream

DISCOVER PUERTO RICO SOCIAL MEDIA CHANNELS

In 2023, Discover Puerto Rico maintained the focus of its owned leisure social media channels on short-form video content as the predominant strategic approach. This method consistently yielded positive outcomes across key performance indicators such as the growth of net new fans, the engagement rate by reach, and the organic referrals to the website.

- Facebook – final fan count: 1,050,902
- Instagram – final follower count: 234,647
- TikTok – final follower count: 28,905
- LinkedIn – final follower count: 32,346

PAID MEDIA STRATEGY

Through 2023, two funding sources were in place to reach mature markets (Core) and new emerging markets (ARP). In both cases, a full-funnel media campaign was deployed to increase awareness of the Island and the Live Boricua campaign and “pull” consumers through to visitation. Effective December 2023, many of the ARP campaign efforts targeting new emerging markets were completed. However, some will extend until the end of 2024.

Starting in January 2024, paid media efforts are now planned and executed holistically, drawing stronger connectivity between traditional and digital media. Headed into FY2024-2025, the media strategy will continue to increase awareness and interest in the Live Boricua campaign, as well as leverage content to add dimension to the experiences travelers can gain while on the Island. Using a combination of both owned channels (e.g., social), as well as partnering with trusted brands to lend their own voice and validation to the appeal of Puerto Rico, will continue to showcase why travelers should visit. While a greater emphasis will support these branding and educational elements, additional digital efforts targeting travel intenders will round out the media

touchpoints. An important and notable shift starting January 2024, and one that will continue into FY2024-2025, is a focus on gaining incremental visitors instead of using paid media budgets to reach those who are already showing interest in visiting the Island. In addition to the general consumer efforts, paid media will continue to support market segments such as LGBTQ+ travelers and the MICE market.

We have been closely monitoring economic and other headwinds and will remain flexible and adapt as changing market conditions occur. As we have since the start of the DMO, paid media will continue to build on learnings and optimizations from the recent fiscal year's activations that will include things such as:

- Continued development of the “Conscientious Traveler” target audience.
- Focused communications to support brand dimensions such as nature, gastronomy and music.
- Ongoing testing – new partners, new tactics, data offerings, etc.
- Optimization of target markets based on airline seat capacity, among other factors.

Geographic Markets: New York; Philadelphia; Dallas-Fort Worth; Chicago; Atlanta; Washington, D.C.; Boston; Baltimore; Houston; Hartford; Harrisburg-Lancaster; Miami/Fort Lauderdale; Providence; Springfield

**ARP funds will be invested through December 2024.*

EARNED MEDIA STRATEGY

Discover Puerto Rico executes a robust communications strategy that elevates the Island to the critical mainland audience. While final performance figures are being tabulated for the totality of FY2023-2024, it has been a strong year as of March 2024, with earned media coverage garnering 21 billion total impressions, a 10.4% YoY increase, and \$406.3 million in earned media value, a 23.4% YoY increase. This momentum was driven by a strategy to underscore Puerto Rico's unique culture and accessibility from the U.S. mainland via Live Boricua and No Passport, No Problem campaigns by way of ongoing media outreach, signature events in emerging markets, partnerships with local tourism stakeholders to promote happenings on the Island, and a concerted effort to promote the DMO's successes and insights in business and trade press.

Looking ahead to the new fiscal year, our earned media strategy will consider the following opportunities:

- **Lifestyle Strategy:** Beyond Puerto Rico's current positioning in the travel space, we will tap into what makes the Island a unique cultural experience as we develop our strategy to position Puerto Rico as a lifestyle brand. This will increase consumer connectivity to and affinity of the Island.
- **Consumers' Desire to Experience Local Culture:** Puerto Rico's unique value proposition lies in its singular culture and natural wonders. Continuing to promote the third iteration of the Live Boricua campaign will be central to our media relations' efforts as this is the underpinning for answering the question of “Why should I visit Puerto Rico?”
- **On-Island, Promoting Tourism as an Engine for Prosperity:** We will continue to keep local sentiment at the forefront of our efforts to ensure that we consistently deliver on our mission to bring prosperity to the people of Puerto Rico. All of our activations and earned media efforts are created with an eye on local pride and protecting the work of our tourism sector.
- **Excellence in Thought Leadership:** We will build on our robust plan to tout Discover Puerto Rico's “first of their kind” ideas with strategic leadership at the helm. Our strategy will be informed by our landscape knowledge and competitive insights to ensure differentiation.

ACHIEVEMENTS & ACCOLADES

Our deliberate strategies resulted in a significant impact. We developed creative strategies to keep the Island prominent in travelers' minds to consider us as their go-to destination.

PUERTO RICO MADE TOP DESTINATION LISTS FOR 2023 AND 2024

We achieved remarkable accolades such as:

- **Condé Nast Traveler** – Our Edit of the Top Destinations to Visit in the World
- **Condé Nast Traveler** San Juan as one of 10 heritage cities in the Caribbean
- **The Telegraph** The 10 Best Caribbean Holidays For This Seasons Winter Sun
- **The Times Online** The Best Crowd-Free Caribbean Islands
- **Escapism** The best Volunteerism trips around the world for 2024
- **Salon Privé** The Best Valentine's Day Getaways
- **Group Leisure and Travel** Where You Should Travel in 2024 Based On Your Star Sign
- **Fuscia** - Cinco planes para disfrutar de manera confortable lo mejor del Caribe
- **Forbes** - Los mejores lugares para viajar en Estados Unidos en 2023
- **Smart Travel** - Las 10 empresas de viajes y hostelería más innovadoras de 2023
- **Expreso** - Seis nuevos restaurantes para saborear Puerto Rico
- **Travel Lemming** 50 Best Places to Travel in 2023
- **TravelPulse** Best Small Towns to Visit in Latin America in 2023
- **TripAdvisor** Popular Destinations - Caribbean
- **Conde Nast Traveler** The Most Colorful Places in the World
- **Glamour** 25 Best Romantic Weekend Getaways for Couples
- **Travel + Leisure** The 18 Cheapest Places to Travel in 2023
- **Good Housekeeping** 20 Best Cheap Places to Travel in 2023
- **Travel + Leisure** 29 Best Tropical Vacations Around the World
- **Lonely Planet** 8 Great Weekend Getaways for Couples in the USA
- **Thrillist** These Are the Top 2023 Spring Break Destinations
- **Travel Off Path** These Are the Top 5 LGBTQ+ Destination According to a New Study

- **CountryLiving** 41 Best Spring Break Destinations for Families
- **Travel + Leisure** 17 of the Most Beautiful Caribbean Islands
- **Travel + Leisure** 17 of the Best Beach Resorts for Families
- **TravelAwaits** Top 7 Cultural Destinations to Visit in the Americas This Summer
- **Caribbean National Weekly** Top 3 Most Visited Caribbean Islands
- **Travel + Leisure** 20 Best New Affordable Luxury Hotels
- **TravelAwaits** 15 Warm U.S. Destinations To Visit In April (2023)
- **Buzzfeed** The Ultimate List of Underrated Travel Destinations: 42 Must-Visits for 2023
- **Travel + Leisure** 25 Best Mother-Daughter Trips Around the World
- **Forbes** The Best Places to Travel in the US in 2023, According to Experts
- **TravelPulse** 10 Must-Visit UNESCO World Heritage Sites in the Caribbean
- **Travel Noire** The Most Beautiful Places in the World
- **Outside** The 36 Best Places to Visit in the US for Adventure
- **Travel Off Path** These 5 US Beaches Were Just Named the Best in the World
- **Travel Off Path** Top 3 Destinations To Visit Right Now According To Expedia
- **Forbes** The Best Places to Travel in the US in 2023, according to experts
- **The Expedition** 13 Best Family Beach Resorts
- **Travel + Leisure** The Best Family-Friendly Beach Resorts in the Caribbean
- **SmarterTravel** 5 Mind-Blowingly Beautiful Bioluminescent Beaches and Bays to Add to your Bucket List
- **Outside** The 36 Best Places to Visit in the U.S. for Adventure
- **TimeOut** The Best Pride Parades and Festivals in the U.S. to Celebrate LGBTQ Rights
- **Travel Off Path** These 5 U.S. Beaches Were Just Named the Best in the World
- **Reader's Digest** 26 Great Last-Minute Places to go for Memorial Day Weekend
- **Fodor's** 15 of the Most LGBTQ+ Friendly Destinations in the World
- **Today's Parents** 8 Best Family Resorts in Puerto Rico 2023
- **Travel Awaits** Top 10 Summer Vacation Destinations Around the World
- **CNT** 25 Best Places to Go Snorkeling in the World

- **BestLife** 8 Most Thrilling Waterfalls in the U.S. That Will Make Your Jaw Drop
- **The Points Guy** 4 Best Places to Travel Without a Passport from the US
- **The Points Guy** 12 Best Budget Beach Destinations in the US
- **xoNecole** Get Your Passport Ready, These are the Top 5 Black Girl-Friendly Places for Solo Travel
- **Cosmopolitan** The Best Girls Trip for All Your Group Getaway Needs
- **Real Simple** Most Affordable Places for a Beach Vacation Around the World
- **Travel + Leisure** Travel + Leisure Readers' 5 Favorite Puerto Rico Resorts of 2023
- **Travel + Leisure** Travel + Leisure Readers' 25 Favorite Islands in the Caribbean, Bermuda and Bahamas
- **Washington Post** 7 Less-Expensive Summer Beach Vacations
- **AFAR** 10 Favorite Puerto Rico Finds from Locals in Our United Voices by AFAR Program
- **Travel Age West** 16 of the Best Restaurants in San Juan, Puerto Rico
- **House Beautiful** 38 of the Prettiest American Beach Towns that Look Like Europe
- **Travel Off Path** - Top 10 International Destinations Gaining Popularity Amid Rising Travel Costs
- **Parade** 50 of the Best Girlfriend Getaways Around the World that are Serious #Goals
- **Conde Nast Traveler** 4 Best Places to Travel Without a Passport that Feel a World Away
- **Cosmopolitan** 40 of the Best Girls' Trip Destinations in the U.S. to Book RTF Now
- **Conde Nast Traveler** The Best Cities in the World: 2023 Readers' Choice Awards
- **Travel off Path** Top 7 Cheapest Warm Weather Getaways for Americans to Fly to This Winter
- **Parade** The 15 Best Travel Destinations for December, According to a Travel Agent
- **Outside** The World's Top 10 Tropical Adventures
- **Travel + Leisure** 25 Most Beautiful Places in the Caribbean – From Emerald-colored sinkholes to Private Islands
- **USA Today** The 10 Most Beautiful Caribbean Beaches in 2024 (and where to stay near each)
- **Travel Off Path** These are the top 5 most trendy Caribbean Islands to visit right now
- **Travel Off Path** These are the 10 most popular destinations for American travelers heading into 2024

And our most recent accolades for 2024, thus far can be seen below:

- **Escapism** The best Volunteerism trips around the world for 2024

- **The Times Online** The Best Caribbean Small- Ship Cruises
- **Condé Nast Traveller** The Best Holiday Destinations in March
- **Drift Travel** 10 Best Spring Break Destinations for Families
- **Travel Off Path** 10 Reasons to Visit Puerto Rico this Winter
- **The Travel** 10 Reasons San Juan Is an Amazing Winter Destination
- **The Vancouver Sun** Dishing Up Platefuls of Puerto Rican Delight
- **The Travel** 10 Super Romantic Puerto Rico Hotels To Book This V-Day
- **Hola! Viajes** - Puerto Rico: resplandor en la oscuridad
- **Pulzo** - Razones que tienen los jóvenes para viajar a Puerto Rico; mucho más que playa, sol y salsa
- **Condé Nast Traveler** - Isla Culebra, ¿el último paraíso virgen?
- **El País** - Cuatro maravillosas islas del Caribe para disfrutar de una luna de miel de ensueño
- **National Geographic** - Los planes que hacen de Puerto Rico el mejor destino de luna de miel
- **The Points Guy** The 5 Best Destinations You Can Visit on A Norwegian Cruise Line Ship
- **Condé Nast Traveler** The Best Caribbean Islands to Visit in 2024
- **USA Today 10Best** 10 restaurants in the Caribbean that you don't want to miss
- **USA Today 10Best** 10 amazing Caribbean golf courses you need to play
- **Family Vacationist** 10 Tropical Destinations You Can Visit Without a US Passport
- **USA Today** 10 Tropical Destinations You Can Visit Without a US Passport
- **Traveling Lifestyle** These Are The 4 Cheapest Caribbean Islands To Visit In 2024
- **Traveling Lifestyle** These Are The TOP 10 Spring Break Destinations For 2024, According to Travel Experts
- **Travel off Path** These Are The Top 7 Islands To Visit In The Caribbean For 2024
- **The Points Guy** The 5 best destinations you can visit on a Windstar Cruises ship
- **TravelPulse** Advisors Share Their Top Picks for Under-the-Radar Caribbean Destinations
- **TravelPulse** Affordable Caribbean Islands Offering Travelers the Most Bang for Their Buck
- **Travel + Leisure** Celebrating Equality: 15 Wholesome Pride Events In 2024 That Preach 'Love Is Love'
- **Insider Monkey** 20 Best Caribbean Islands to Visit for Families
- **Insider Monkey** 21 Best Luxury Resorts in the Caribbean for Adults

- **Traveling Lifestyle** 7 Incredible Hidden Gems In The Caribbean To Visit In 2024
- **Forbes** The 12 Best Spring Break Destinations For Families
- **Good Housekeeping** 20 Unique Bachelorette Party Destinations Around the World
- **AFAR** Want to Work from Anywhere? Here Are 9 Places We Can Personally Recommend
- **The Tech Advocate** The Best Caribbean Islands to Visit in 2024
- **Huffpost** 20 Underrated Destinations for Solo Female Travel
- **Outside** The 23 Best Places to Travel in 2024
- **Travel Noire** The Most Gay-Friendly Cities in The Caribbean
- **Travel off Path** These Are the 5 Most Popular Destinations in The Caribbean Right Now
- **The Tech Advocate** THE BEST CARIBBEAN DESTINATIONS FOR NIGHTLIFE
- **Outside** 5 Fun, Affordable Alternatives to Pricey Bucket-List Destinations
- **The Tech Advocate** Best Caribbean Escapes: Top 10 Travel Destinations for U.S. Travelers
- **Insider Monkey** 15 Cheapest Latin American Countries to Visit in 2024
- **The Points Guy** The buzziest summer travel destinations for 2024, according to Google
- **The New York Post** These Are the Top 20 Travel Destinations for Summer 2024, According to Google Flight Searches
- **Travel off Path** These Are The 6 Fastest Growing Destinations In The Caribbean Right Now
- **From Frugal to Free** 12 Bold Adventures to Inspire Your Next Journey
- **AFAR** These Are the Best Cruises for Solo Travelers
- **365 Atlanta Traveler** Top 10 Cruise Destinations for 2024
- **BroBible** These Are The Top 20 Summer Travel Destinations This Year If You're Curious How Basic You Are At Planning Trips
- **The Healthy Voyager** Top Spring Break Destinations for Adults and Families
- **Travel off Path** These Are The Top 5 International Destinations For American Travelers Right Now
- **TravelPulse** 13 Beautiful Golf Courses Around the World
- **Food&Wine** 15 Top Bars in the US, According to the Experts
- **Forbes** 8 Eco-Friendly Destinations To Celebrate Earth Month, April 2024
- **Traveling Lifestyle** These Are The 20 Most Trending Summer Travel Destinations, According to Google Flights

- **BRIDES** 8 Bachelorette Party Destinations That Are Trending in 2024
- **AFAR** 23 Incredible Road Trips in the U.S.
- **PureWow** 30 Awesome and Unique Bachelorette Party Destinations
- **ABC News** Google reveals top destinations for summer 2024
- **Good Morning America** Google reveals top destinations for summer vacation 2024
- **Wealth of Geeks** 10 Best Caribbean Islands to Visit
- **Newsbreak** Google reveals top destinations for summer vacation 2024
- **GoBankingRates** 8 Beach Vacation Destinations the Middle Class Can Actually Afford
- **GayCities** 9 Beautiful LGBTQ+ Friendly Caribbean Islands to Visit ASAP
- **Women's Health** The 30 Most Magical Island Getaways in the United States
- **National Geographic** 10 unmissable LGBTQ+ events in Latin America
- **Global Viewpoint** 12 Best Places to Travel Without a Passport from the US
- **Travel off Path** 10 Fastest Growing U.S. Summer Destinations Revealed in New Expedia Report
- **PureWow** The 16 Top Affordable All-Inclusive Resorts in Mexico, Caribbean and the U.S. in 2024, Vetted by a Travel Editor

In fiscal year 2023-2024, we were in hundreds of top-tier media outlets, ranging from business, hard news, MICE and trade, to lifestyle publications. The Island was featured in domestic publications such as: *Cosmopolitan*, *Fast Company*, *Forbes*, *Glamour*, *National Geographic Traveler*, *The Washington Post* and *AFAR*, among many others.

Dispersion Strategy – We continue to focus on dispersion, driving visitors beyond the San Juan metro area, and showcasing other regions and municipalities. As a result, 43% of our earned media coverage through May 2023 featured regions outside the metro area. During this fiscal year, we hosted media to explore all regions of the Island, extending beyond the metro area encouraging visitors to experience all 78 municipalities. This strategy further allows us to generate awareness for these regions and municipalities, as well as support our local businesses and partners.

NEWS ENGINE

Our approach to earned media relations is agile and far-reaching. Through our news engine, we provide a pipeline of information to a wide array of media – these include travel, culinary and art/design publications; national newspapers and broadcasters; and industry publications. Our news engine will focus on telling stories that are exclusively Puerto Rico – stories that highlight the people, experiences, culture and natural wonders that can only be found in Puerto Rico.

Key themes for our news engine efforts in FY2024-2025 will include:

- Spotlight the “Encantos” of Puerto Rico: Promote different aspects of the Island including gastronomy,

music, sports, art, culture and the natural wonders available throughout the Island, guided by Discover Puerto Rico's new lifestyle strategy.

- Leverage Newsjacking Moments: Maximize timely news, niche categories, cultural moments, seasonal holidays and trends for pitching opportunities.
- Capitalize on Trends: Tap into emerging trends like “solo traveler” and “sustainable travel” to highlight places and experiences that make Puerto Rico the perfect destination for these types of travelers.
- Elevate Underrepresented Communities: Spotlight Puerto Rico's unique musical and culinary traditions, while also shining a light on tourism leaders and entrepreneurs from underrepresented communities will be an integral part of our media outreach. We have seen great success in promoting these experiences and personalities on press FAM trips, and these person-led stories are the best testament to Puerto Rico's appeal.
- Capitalize on Numerous Tourism Wins: Promote record numbers of travelers, increased airlift, hotel development and openings, as well as large-scale events.

INFLUENCER MARKETING

To help reach potential visitors to the Island via social media, Discover Puerto Rico engages credible third-party influencers to drive a call to action to book a trip. While final performance figures are being tabulated for the totality of FY2023-2024, it has been a strong year in influencer marketing for the DMO. As of March 2024, influencers who visited the Island in partnership with Discover Puerto Rico drove 727,900 impressions, contributing to an influencer engagement rate of 5.82% (out-performing industry average of 2%). Top-performing social content focused on adventure and culinary offerings across the Island.

Plans to continue reaching our target audience through social media influencers across key platforms in the new fiscal year will be developed based on final performance figures and analysis of the campaign. As the DMO looks ahead, there is also opportunity to introduce innovation and new partnership principles by leveraging influencers to drive purchase to key retailers across the Island or incentivize influencers through an affiliate marketing model.

GOLF

Continue to promote Puerto Rico's golf narrative by highlighting the 18 state-of-the-art golf courses at 14 properties through earned media, an increased digital presence and golf-specific media press trips.

ISSUES & CRISIS MANAGEMENT

No destination is immune to tragedy. As part of our strategic account management and earned media strategy, we maintain a robust issues playbook that covers a variety of scenarios, including natural disasters, public health emergencies, crime, infrastructure issues and government issues among other scenarios.

ACTIVATIONS & PROMOTIONS

In FY2024-2025, we will host several large-scale events on the Island, including Travel Blog Exchange (TBEX)

North America 2024 in July. Beyond this, we will celebrate the 70th anniversary of National Piña Colada Day in partnership with popular gourmet ice cream brand, Van Leeuwen. Discover Puerto Rico will be the first DMO to create a custom flavor that includes Don Q Rum. In addition to the flavor's availability in the New York Tri-state Area, we will engage editors and MICE key opinion leaders to drive coverage as a result of celebrating the partnership and anniversary. We are continuing to explore partnerships with local brands and personalities to spotlight Puerto Rico's culture in the field of fashion, gastronomy and sports.

ONGOING AREAS OF FOCUSED OPPORTUNITY

Beyond the core target markets used to develop the proposed marketing plan, the use of branded, consumer-centric messaging will reach and influence consumers beyond the traditional base of travelers. Opportunities exist to develop or expand niche markets that will expand the visitor economy and potentially attract new audiences to the Island. These include:

Arts & Culture: As it relates to music, the DMO and its agency partners will explore how to connect tourism messages to the current zeitgeist around Puerto Rican music and its artists. The main point to uncover is the broader, crossover appeal of Puerto Rican music as a motivator for travel, and the on-Island experiences that allow travelers to connect with these traditions.

Gastronomy/F&B: The farm-to-table movement is strong in Puerto Rico, with a new generation of chefs and mixologists taking pride in their heritage by introducing endemic varieties of fruits and vegetables in dishes and cocktails while also honoring traditional agricultural practices. These are experiences that are available to visitors and provide rich storytelling opportunities.

LGBTQ+: The lesbian, gay, bisexual, transgender, questioning (plus) (LGBTQ+) market segment is a primary, high-opportunity customer base for Puerto Rico. With marriage equality, gender identity protections and anti-discrimination laws in place, Puerto Rico can grow its presence in this market. Puerto Rico is the most LGBTQ+ friendly destination in the Caribbean and LGBTQ+ audiences are more interested in visiting Puerto Rico than the general population of traveling consumers. Current industry research shows that travel decision-makers in this audience closely align with the travel environment and travel products that Puerto Rico offers.

Luxury: We will continue promoting Puerto Rico's luxury tourism product. Our Sunshine to Spare program allowed us to spotlight local creative talent and even execute an activation at New York Fashion Week, signaling that Puerto Rico is ready to welcome affluent travelers. In this new fiscal, we will look for new partnerships that allow us to talk about the destination in this context.

Diaspora: Much attention is paid to the 10 million U.S. mainland residents of Puerto Rican descent, many of whom maintain close ties to the Island and visit frequently. However, the overall Hispanic population exceeds 60 million. Third-party research suggests that this group of travelers could find Puerto Rico of interest because of their Hispanic heritage and Puerto Rico's history. The media strategies used to reach Puerto Ricans living in the U.S. mainland can easily overlap with Hispanic travelers, providing huge synergies and tremendous upside.

Family: When looking at visitor demographics, potential visitors often have children in the household. Puerto Rico is a strong option for multigenerational family travel. Delicious food, a wealth of history,

incredible beaches, El Yunque National Forest, and three of the world's most beautiful bioluminescent bays make this Island a paradise for every generation.

Medical Tourism: Medical tourism, including dental tourism, may present a unique opportunity for Puerto Rico. This emerging industry segment has the potential to deliver a completely new audience to the Island, exposing them to Puerto Rico's tourism product, thus establishing interest in future visitation. With a talented workforce, advanced infrastructure, generous tax incentives and low-cost medical care, our Island could become the health care powerhouse of the Caribbean. Puerto Rico's health care specialties range from cardiology and cosmetic surgery to neurosurgery and dental services, among others. There are several reasons why Puerto Rico is uniquely positioned to capitalize on growth in medical tourism.

- All hospitals in Puerto Rico are certified by the Joint Commission, which is the same level of accreditation as hospitals within the United States. Puerto Rico is the only place outside of the U.S. that offers this same standard of quality care.
- In 2019, PRISA Group, in collaboration with Johns Hopkins Medicine International, announced a \$107 million investment and the groundbreaking of Dorado Beach Health, a new, state-of-the-art hospital facility that will raise the standard of care on the Island and maximize its potential as a medical tourism hub for the region.
- Puerto Rico has a tradition of delivering the most advanced health care in the region. Facilities in Puerto Rico have had many notable "firsts" in the Caribbean, including the first to perform a heart transplant; first to acquire the da Vinci Advanced Robotic System; first to perform kidney and liver transplants; and first to perform neuro-endovascular surgical procedures.
- Puerto Rico's health care providers can deliver care to patients in fluent English or Spanish. This provides opportunities for a broader potential audience, geographically.
- Costs for medical and dental services are up to 40% lower than in the United States.

Competition in medical tourism is steep, as only a few top-tier destinations in the world compete in this space. Discover Puerto Rico has been diligent in its approach, initially weaving medical tourism into the overall wellness travel strategy. Our approach is to be thoughtful and practical, weighing the advantages and disadvantages we maintain as compared to destinations leading in medical tourism.

Sports & Outdoor Recreation: A growing number of travelers see sports activities and/or outdoor recreation activities as part of their planned travel experience. Puerto Rico can compete in this niche. As this is enhanced by natural assets, climate and recreational facilities, combined with unique experiences, Puerto Rico can expand its base of sports and recreation travelers.

Adventure Travel: Directly related to sports and outdoor recreation, adventure travel involves exploration and discovery with a degree of risk. This can include a wide variety of experiences, such as mountain climbing, bungee jumping, zip-lining, scuba diving, mountain biking and rock-climbing, etc.

Student Travel: Puerto Rico provides unique educational and cultural enrichment opportunities that can fuel student travel to the Island. The Island is well-positioned to attract students looking for historical, cultural and educational experiences, as well as fulfilling the opportunity to engage in meaningful missionary or volunteerism activities. Puerto Rico has been named one of the Top 10 North American Student Travel Destinations by the Student Youth Travel Association (SYTA).

This methodical, data-driven approach will ensure Puerto Rico builds a strategy that positions the Island for long-term growth in the appropriate markets.

Examination of Opportunities & Operational Realities: Conduct a big-picture analysis of the major trends impacting these niche markets to make certain that the final plan is future-focused juxtaposed against the budget, staff and resource realities that ensure the plan is realistically achievable.

Mission & Objectives: Defined, measurable objectives for new or expanded niche markets to create a baseline for future performance to aid in optimization and ensure accountability.

Priority & Target Market Identification: A four-part examination of each potential market against size, growth potential, quality of visitor and availability of partnerships. This data-driven approach provides an objective prioritization of markets for budget allocation.

Marketing Mix: For each niche market, Discover Puerto Rico will analyze the travel marketing channel landscape to understand how travel decisions are made and create the right mix of consumer media and travel trade spend to maximize short- and long-term growth.

Partnership & Industry Engagement: Discover Puerto Rico will create partnerships with a wide variety of organizations to extend its marketing reach in niche markets and create opportunities for Puerto Rico industry members to leverage the DMO's marketing efforts.

MICE

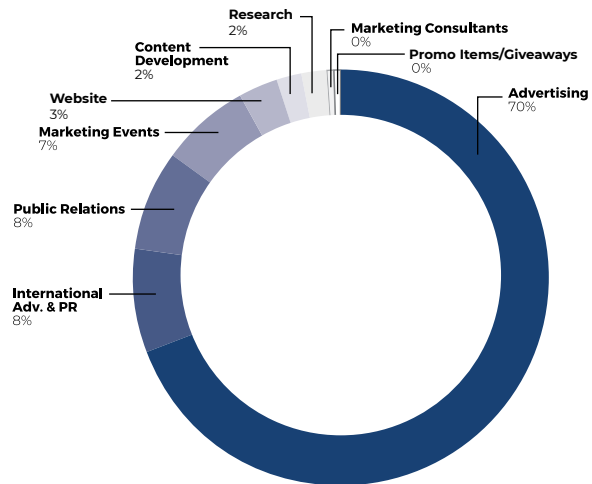
As the MICE segment continues to grow, Discover Puerto Rico will continue to promote the Island as a competitive meetings and convention destination. As new developments are completed in the Puerto Rico Convention District and new properties develop, remodel and open, we will add them to our promotional efforts including trade shows and events; MICE-specific media; key MICE strategic alliances; and public relations efforts that include speaking engagements, stage presentations and media relationship building.

Measuring Success of Earned Media Efforts

We will continue to look at the number of stories generated, impressions figures and earned media value to gauge performance. In addition, we look forward to taking an objective-back approach to measurement in FY2024-2025, enrolling new metrics in line with today's best practices across the discipline. These metrics include sentiment analysis, key message pull-through, destination award wins, and identifying breakthrough publication lists.

The current allocation of marketing resources is as follows:

MARKETING CORE BUDGET FY 2024-2025



OLD SAN JUAN,
SAN JUAN





SECTION J

Group Sales Strategy

Group Sales Strategy

During the 2023-2024 fiscal year, the Discover Puerto Rico Sales & Services teams successfully built on the momentum from the previous year. By March 2024, new group event leads had reached 1,319, a 7% increase over the same period in the 2022-2023 fiscal year, with new requested room-night lead volume up by 11% year to date. This growth occurred despite a slowdown in the U.S. MICE (meetings, incentives, conferences and exhibitions) market that began in late fall 2023 and continued into early 2024. Definite bookings and total room nights also grew by 7% and 27%, respectively, surpassing the overall recovery in U.S. aggregate demand, which remains slightly below the 2019 benchmark.

Planner optimism has rebounded from its more cautious stance at the end of 2023, showing considerable improvement as 2024 progresses. Additionally, the value of face-to-face meetings is increasingly recognized. The Event Value Index has returned to its peak level. Nearly two-thirds of all North American planners now consider their events more valuable to stakeholders than before the pandemic. Attendance is expected to rise, with diversity, equity, inclusion, sustainability and corporate social responsibility initiatives increasingly integrated into meeting agendas.

An aggressive travel and trade show schedule with high-profile activations at the most important events along with a road show schedule that will bring us to more than 30 U.S. cities will ensure that the value proposition of Puerto Rico is continuously reinforced in the marketplace. Additionally, we will continue to follow the research provided by each of our strategic partners and build relationships with their member planners. Strategically, the ARPA funds allocated to the sales team were invested in attracting some of the industry's most sought-after events to the Island in 2024. These pivotal gatherings include the American Express InterAction event, the Teneo Summit, Smart Meetings Leadership Summit, and Conference Direct's Diversity Summit. The infusion of these high-profile events is set to significantly boost the island's visibility. With the expected increase in site inspections and FAM trips, the outlook for FY2024-2025 is exceptionally promising, positioning Puerto Rico as a premier destination in the events industry.

PRODUCTION YOY COMPARISON

2023-2024 FISCAL YEAR JULY-MARCH 2024



\$126M in economic impact on rooms booked

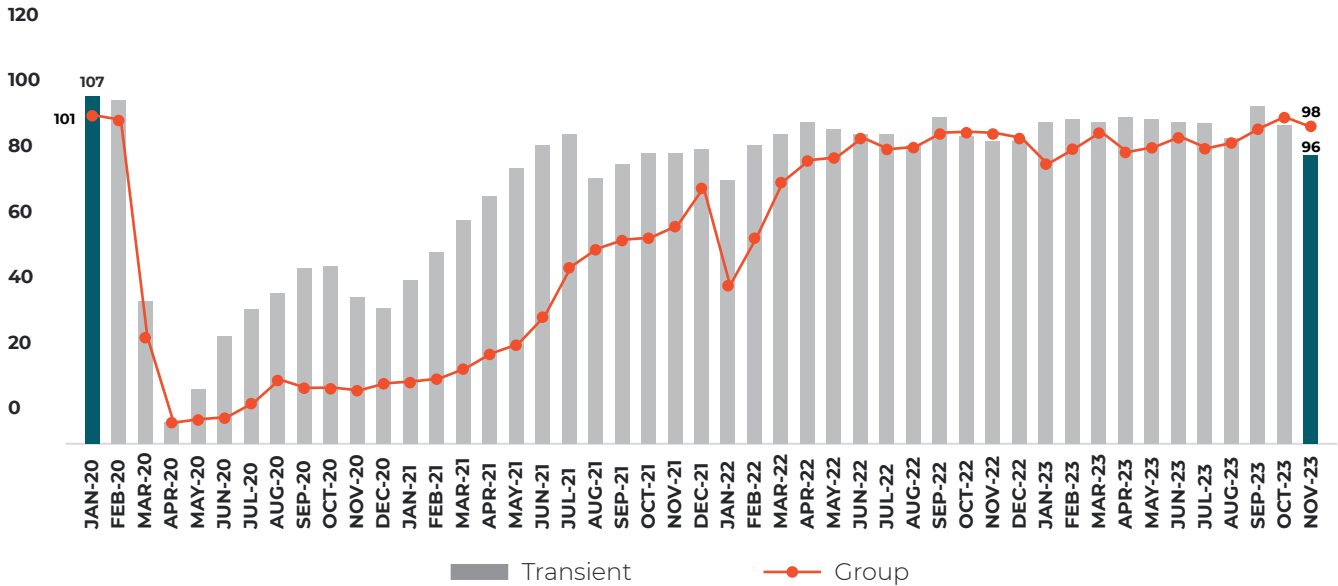
Source: Simpleview

U.S. AGGREGATE GROUP DEMAND

As of November 2023

Transient & Group Demand Recovery

U.S. transient & group demand, Luxury and Upper Upscale classes, 2019 (same month) = 100



Source: STR

The competitive set will be monitored via Cvent, STR, Future Pace and other globally utilized reports. Banner ads based on competitive searches will be placed in platforms like Cvent and Puerto Rico’s value proposition as a domestic destination will be amplified.

This year, the team is more aware than ever that a quick response, solid value proposition and great service experience will set us apart from the competition. We will continue to monitor customer sentiment through both internal and third-party research and customer focus groups, as well as through feedback from our industry-leading Customer Advisory Board.

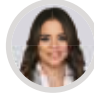
New meeting planner outreach is prioritized by market segment based on current lead volume, historical production and trending segments. Because the number of smaller-sized events has grown substantially, we have established a position to focus on smaller short-term opportunities while the national sales directors focus on larger events for the entire Island as a whole as well multiple hotel events using the convention center.

The current MICE sales deployment is reflected in this chart:

2024 GROUP SALES DEPLOYMENT



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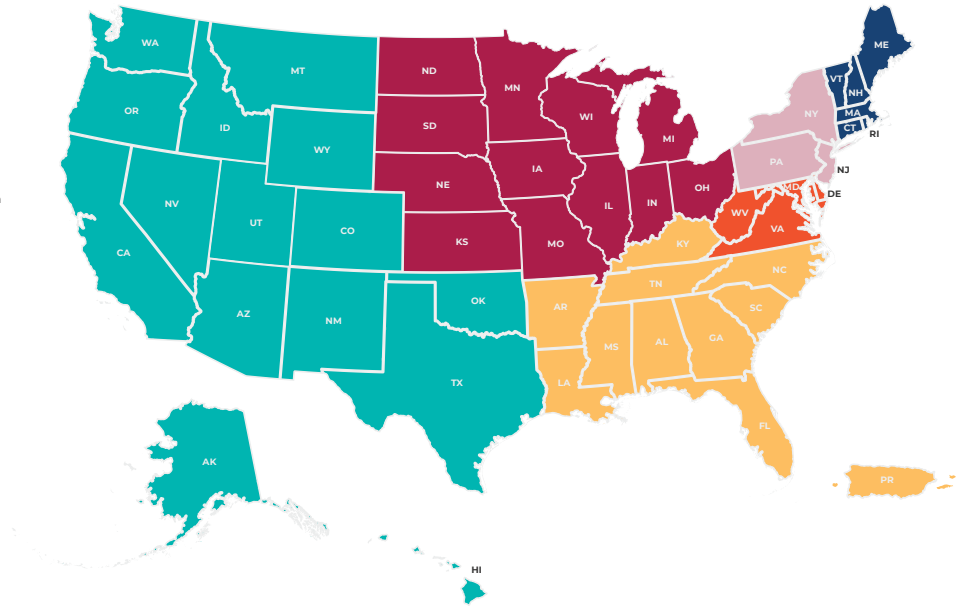
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TARGET BASED DEPLOYMENT

The Discover Puerto Rico group sales team was originally deployed based on historical analysis of several meeting and event planner databases including the database managed by the previous CVB, Meet Puerto Rico. Factors such as direct air service and vertical segmentation were also taken into consideration. Each National Sales Director is responsible for monitoring the trends of their respective geographic regions to include an analysis of which sectors appear to be leading the recovery of group meetings. One such sector where we see strong current interest is the Incentive sector.

INCENTIVE TRAVEL

Among the market segments where we believe Puerto Rico will be well-positioned in the post-COVID-19 world is the incentive market. Incentive travel is a key strategy that many organizations use to motivate their customers, suppliers and sales organization to meet and exceed revenue targets. This type of engagement cannot be duplicated in the virtual world. As a domestic destination with vast resources to create memorable experiences and a unique history and culture, Puerto Rico is extremely viable as an incentive destination. We have targeted key third-party incentive houses and specific incentive events through a dedicated director of incentive sales. We have also created a customer advisory board (CAB) that consists of high-level executives of several of the most important third parties and select corporations who run high-level incentive programs. This group brings industry best practices and a high degree of credibility to the Discover Puerto Rico sales team. Several CAB members have committed their own meetings to Puerto Rico.

SECTION K

Sales Initiatives

The bottom of the page features several overlapping, wavy, light-colored shapes that create a sense of movement and depth, resembling a stylized landscape or abstract waves.



Sales Initiatives

Specific sales and marketing efforts led by Discover Puerto Rico are crucial for success. This includes a broad schedule of Industry trade shows and exhibits, sales missions and destination familiarization trips to pique interest and grow awareness of Puerto Rico as a meetings and convention destination. Some sales initiatives are led by Discover Puerto Rico and include local stakeholders, whereas other sales initiatives will be exclusively managed and staffed by the DMO.

See appendix: Travel and Trade Show Calendar

MEETINGS AND CONVENTIONS INDUSTRY PARTNERSHIPS:

We have entered high-level partnerships with ASAE, MPI, PCMA, IAEE, HelmsBriscoe, ConferenceDirect and others. These partnerships allow Discover Puerto Rico to drive our message through all levels of these organizations. These include through in-person trade shows and events, digital and print media, market segment-specific newsletters and social media visibility. Also, this permits us to have additional visible touchpoints such as activations, one-on-one hosted buyer meetings and membership opportunities that provide additional benefits than being a stand-alone, one-time partner.

CYBERDYME VR GOGGLES PLATFORM

We have partnered with CyberDyme, a technology company that specializes in the development of visual AI through virtual goggles, where we will integrate our destination visuals and meetings and conventions product to heavily target potential meeting planners to build additional business and secure business to the Puerto Rico Convention Center and Island partners.

CRM PARTNER PORTAL

A reenergized partnership platform within our CRM will aggressively promote the 2024-2025 Trade Show Calendar, Road Shows and sales missions, and will improve hotel and non-hotel partner engagement and participation. In addition, we will incorporate database cleansing, retagging and general cleanup to develop and deploy targeted eblast and promotional campaigns.



SECTION L

Group Marketing Strategy



Group Marketing Strategy

Puerto Rico encompasses a diverse meetings and events product offering that caters to a wide range of companies and meeting planners. The Island has over 14,500 rooms and more than 1,000,000 square feet of meeting space across several high-profile hotels that include key brands such as Accor, Hilton, Hyatt, Marriott, Sonesta and Wyndham, and boutique and independently owned properties that cater to a diverse range of planners. Adding to this product, the assets making up the Puerto Rico Convention Center District enhance the footprint for the destination to host small- to large-scale events, programs and conventions in the region.

Overall, business events provide a slate of long-term legacy impacts for the host destination. One of the most significant is how the meetings sector performs as a front door to a destination to introduce groups of first-time visitors or those who have been away for a long time. As such, business events are powerful catalysts for accelerating return leisure visits, enhancing brand equity, and increasing customer lifetime value and the economic impact and tax collections they leave in the destination.

The Puerto Rico Convention Center District continues to be a unique product in a high-demand market. Managed by ASM Global, a top industry management company, and having the GBAC STAR and VenueShield certifications provide additional support and credibility to planners on the commitment of the venue and Puerto Rico in providing for a successful program. Distrito T-Mobile has added experiential capacity to host unique events and additional meeting space opportunities with a 4,000-person theater. Also, the suite of entertainment and gastronomic options with over 12 eateries for all visitors and attendees to the Puerto Rico Convention Center District permit, a one-stop shop for people who are briefly visiting the Island, but can get a glimpse of what Puerto Rico has to offer.

In addition, other resorts and hotels on the Island with a significant footprint of meeting space continue to be a great fit for small to midsize events and incentive programs. Additionally, as the Island's sports facilities continue to develop and reopen, we continue to provide the most up-to-date information to sports organizers looking to plan both indoor and outdoor events. Puerto Rico continues to expand on product offerings with new hotels opening doors and continuous investment in refreshing and remodeling the current product to offer attendees top-notch accommodations and services.

Research shows that planners are back to live in-person events and looking to grow their attendee participation. Puerto Rico makes this a desirable option by offering planners and attendees a destination with optimal weather, ease of access and venues that cater to different budgets and needs. Plus, there are the cultural and unique aspects that differentiate Puerto Rico from mainland U.S. destinations and other destinations in the Caribbean region.

Additionally, research in 2023 and 2024 shows how planners are focusing on driving attendee participation in their events. CEOs and executive directors are the main final decision makers for a meeting or convention to take place with the availability and quality of the meeting facilities and overall event cost as the main hot spots for them. Safety in a destination due to political concerns, and selecting destinations that support the event with a high level of service also play an important role in the destination selection.

Discover Puerto Rico's past campaigns have maintained a level of awareness of the destination in key markets. We had the "It's Time," "It's to Plan," "It's Time to Book" to promote to the meeting planner community the different stages of destination readiness during the pandemic era to continue bringing in groups to Puerto Rico. The current campaign, Make Your Meeting Boricua, uses the cultural aspect of Puerto Rico as a key draw to enhance the experience of a convention or event hosted on the Island. This campaign also has the opportunity to be tailored to the weddings, incentives, and sports audiences to target more specifically these audiences.

With these organizational efforts, in conjunction with the sales team efforts, the destination was able to make record numbers of booked group rooms on the Island and grow the economic impact of the destination from CY2021 with \$66,400,000 in economic impact to \$181,790,000 in CY 2023.

Within the business events industry, meeting planners, conference organizers and senior executives who source destinations are bombarded with media and marketing messages daily about new and newly upgraded facilities for hosting large business events across different markets. Puerto Rico continues to insert itself in this conversation via dedicated opportunities with a consistent brand and targeted marketing within the MICE industry segment. As we continue to maintain the momentum of the destination and continue to grow and attract different-sized groups to the Island's hotel partners, our group marketing efforts support the planners' key needs and, at the same time, showcase the diversity of the Island's meetings infrastructure offerings.

First, Discover Puerto Rico in collaboration with its partners has had the opportunity and will continue to position Puerto Rico's meetings product, including the Convention Center District as an entire urban lifestyle and meeting experience to maximize the demand for more multidisciplinary, "festivalized" meeting and event design in light of the meeting planners changing demands of having more thoughtful events.

Second, Discover Puerto Rico continues to maintain a unique ecosystem of sales, marketing, and content materials that convey the full, interconnected scope of the business and meetings events industry with the overall Puerto Rico meetings product and the Puerto Rico Convention Center District offerings. This provides planners with tools and the benefits of hosting a meeting in Puerto Rico by highlighting the ease of mobility and connectivity throughout the Island and the Puerto Rico Convention District, which are paramount to present the many pre- and post-opportunity experiences that are available for attendees.

It's critical to continually assist and provide thought leadership to conference organizers and destination procurement executives to define all of the logistical and experiential nuances of any destination. With the inclusion of AI in the industry and the interest planners present to use AI in their event planning, detailed and comprehensive content, both physical and digital, including new technologies such as virtual reality and chat platforms, could be deployed.

Third, we need to ensure a constant flow of news and fresh insight developed for meeting planners throughout the year, above and beyond public relations and marketing initiatives. Public relations and content development efforts for the meetings sector in Puerto Rico have traditionally relied too much on the tropical ambiance and leisure lifestyle to convey the entire value proposition for a meeting on the Island. The content needs to provide real value to buyers, first and foremost, highlighting business ROI for host organizations, stakeholders and their delegates.

Lastly, Puerto Rico's status as a U.S. territory is a significant value proposition for meeting planners with U.S. delegates, which should never be taken for granted or underutilized in sales and marketing materials. The fact that American citizens have the same commodities as in their home states, and do not require a passport, currency conversion or an international calling plan, is a powerful conversion trigger that should always be leveraged.

Discover Puerto Rico will continue to approach the MICE space with the same creativity and consistent messaging we use with our consumer marketing efforts. Content development for the website and social channels includes relevant content for the meeting planner audience that not only addresses their unique needs, but also includes creative ways that planners can immerse their attendees in our culture, outdoor offerings, gastronomy, art and mixology, which sets us apart from our comp set.

Print and digital advertising is strategically placed through targeted MICE and sports event media outlets and through our strategic partnerships. In tandem with our public relations agency, we continue to pitch relevant and creative stories to journalists in the MICE, sports events and incentive spaces. Throughout the past years, we have been able to garner significant coverage with trending topics such as the importance and return of the attendee experience, wellness and leisure travel, and the integration of new digital platforms. We also continue to utilize our meetings' social channels to keep the Island top of mind with our clients by pushing out current content. We will position Puerto Rico as a premier meetings and events destination with the following value propositions:

- Same business environment as the U.S. to host a meeting or convention.
- No passport is needed for U.S. residents; all flights to Puerto Rico from the U.S. are domestic.
- Culturally diverse, enticing gastronomy, lively music and memorable experiences for the attendees to take in.
- No currency conversion for U.S. travelers. The U.S. dollar is used.
- Both English and Spanish are spoken fluently across the Island.
- U.S. travelers don't need international cellphone plans.
- Hotels and venues have invested millions in renovations and improvements.
- The Puerto Rico Convention District offers a one-stop shop for meeting planners, including:
 - The Puerto Rico Convention Center incorporates many green initiatives and offers 600,000 square feet of total meeting space, making it the largest in the Caribbean region.
 - Distrito T-Mobile, an entertainment and gastronomic venue offering over 12 diverse restaurant options, additional meeting and gathering space, branding opportunities, and a central plaza to host events.
 - Marriott and Hyatt properties within walking distance of the convention center and other amenities.
 - Plazas, restaurants, green spaces, fountains and open-air fresh spaces for visitors and attendees to enjoy within the Convention Center District.
 - New hotel developments coming online in 2025 and 2026, adding to the room availability of the Convention Center District.

- Substantial direct air access from major markets in the U.S. with new routes and added service from existing markets added continuously.
- The Luis Muñoz Marín International Airport (SJU) is located just seven miles from the Puerto Rico Convention District and minutes away from all the main hotels and services products that cater to the MICE industry.
- Warm weather all year round (70°F to 90°F on average).
- Experience of an international destination with all the commodities of home.
- Professional service providers offering the same business level as U.S.-based companies.
- Access to key industry sectors that can elevate resources and attendance in pharma, medical, education and arts, to name a few.
- Turnkey planning assistance and support from Discover Puerto Rico's Destination Experience Team.

DESTINATION EXPERIENCE AND SUSTAINABILITY STRATEGY

The Destination Experience is not only about planning and executing productive, relevant and memorable site inspections and FAM trips for meeting planners and decision-makers, but also it's about being an integral piece in assisting the sales team to close the business. We also continue to plan and execute marquee events that are key for the destination in our recovery and positioning mission. Lastly, and no less importantly, we are positive ambassadors for the destination's hospitality sector. We are "connectors." We support the conference organizer during their program preplanning to ensure that their specific business goals are met. We become their partner to develop strategies, marketing and other initiatives.

To accomplish that, we are striving to create more strategic alliances outside the tourism and hospitality industry. We are also listening to our clients who are telling us they are placing a greater priority on themes such as diversity and inclusion, sustainability and their legacy impact in a destination long after the delegation departs. How we, as a DMO, can help deliver on those themes requires a different mindset and more strategic alliances with local organizations who are knowledgeable in specific sectors, ranging from life sciences to youth sports.

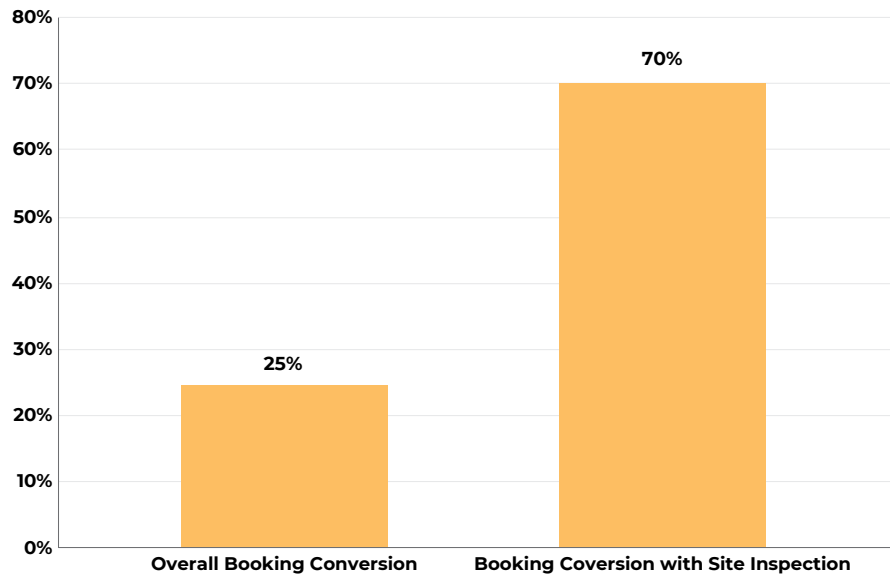
Today, the success of any event relies on open collaboration between stakeholders, both within and outside of the host destination.

As such, Discover Puerto Rico embraces its role as a true partner with conference organizers and their stakeholders. We are no longer selling just dates, rates and spaces; we are fostering a long partnership where trust and genuine commitment prevail.

We are also excited to announce our commitment to sustainability. Both the director of destination experience and the destination experience manager are becoming certified in sustainable events to better support our clients and act as a catalyst in responsible tourism on our Island. This certification underscores our dedication to ensuring that the events we plan and execute not only meet the highest standards in terms of experience, but also contribute positively to the local environment and community. By integrating sustainability into our destination experience strategy, we are not only shaping a better future for Puerto Rico, but we're also setting an example for the broader tourism industry.

LEAD BOOKING CONVERSION RATE

JULY 2023 - MARCH 2024



DISTRITO T-MOBILE,
SAN JUAN



SECTION M

Strategic Partnerships





Strategic Partnerships

Discover Puerto Rico continues to develop and manage many successful strategic partnerships that support our organization's strategies and tactics. Each partnership encompasses deliverables that support specific key performance indicators (KPIs) within the strategic marketing business plan. Many elevate our destination in the meetings, incentive, sports and travel adviser communities, as we align with industry leaders and influencers to expand our presence and stay top of mind with these important target audiences. These partners include several key trade and industry associations and leaders:

TOP-LEVEL INDUSTRY AND RESEARCH SEGMENT



MEETINGS AND CONVENTIONS



TRAVEL TRADE



NICHE SEGMENTS



Discover Puerto Rico also maintains a strong presence in high-producing group business platforms such as Cvent and PlayEasy, with targeted digital ads, refined messaging and prominent paid space. We have incorporated technology platforms like Threshold 360 and CyberDyme to support and enhance our destination promotion efforts.

SECTION N

Leisure Sales Strategy

Leisure Sales Strategy

Based on our success, Discover Puerto Rico has maintained and improved the Leisure Sales Strategy based on data acquired from qualified booking sources, encompassing the performance of over 300 hotels throughout the Island and the results provided by each of our strategic partnerships, and the TravelClick Performance 360 tool. The combination of both allows us to view past performance from all the segments that conform to the transient leisure segment, compare it to actual trends, and help us adjust our direction dynamically as required by those results.

These channels are most used by the Travel Industry and the local suppliers to channel business and secure reservations processes, culminating in consumer stays in Puerto Rico.

- Global Distribution Systems (GDS)
- Wholesale
- Direct
- Brand.com
- OTA
- Membership

To stimulate all the available channels as much as possible, we continue with the defined strategy aiming at thorough coverage by affiliation, education and participation. The following actions summarize our efforts:

- Enhance the destination's brand health by ensuring all leisure sales activities are aligned with leisure promotion and marketing strategies and tactics.
- Establish strategic alliances with top consortia, host agencies, industry associations, wholesalers, membership-based travel conglomerates and airline vacation programs.
- Reinstate and enhance the travel industry expert program by translating it into Spanish, adding key chapters to include paradors, small inns and bed & breakfast establishments, and implementing a Rewards Loyalty Program to entice bookings.
- Explore new technologies appealing to the new generation of travel advisers, a combination of new agents, and an emerging demographic seeking a livelihood in the fast-paced, growing travel industry.
- Sales activities, including sales calls, sales missions and trade show participation in key markets of opportunity targeting consortia, travel advisors, airline call centers, and other high-performing partners.
- Prioritize key markets and distributors through research and industry feedback.
- Implementation of B2B2C promotional and sales initiatives to enhance overall results.
- Optimize sales results through sound management of funding investment proven in action plans to secure a positive return on investment.
- Leverage key supplier relationships, attaining prominence and better destination positioning in all channels and among their memberships and their audiences.
- Maintain presence at key industry events with specific goals for each event.
- In all, become a key destination entering the mainstream of their distribution channels.

Year over year, the investment to production percentage ratio is reflected in the thousands. The revenues in the hundreds of millions of dollars have an indelible impact on all transient segments of the travel industry and the suppliers that benefit from this strategy, helping generate employment and new initiatives and activities not present or available before in the destination.

ACCOUNT	TYPE	GROSS SALES	AGENCIES/MEMBERSHIP	COVERAGE
AAA	B2C	500M +	1,000+ / 60M	US & Canada
ABC/CCRA	B2B	400M +	1,000 + agencies	US & Canada
ALG	B2B	5B	25,000 agencies	US & Canada
ASTA	B2B	Undisclosed	12,000 agencies	US & Canada
AVORIS	B2B	500M +	1,500 agencies	Spain
CARREFOUR	B2C	800M +	400 agencies	Spain
COSTCO	B2C	350M +	105M members	US & Canada
CRUISE PLANNERS	B2B	100M +	5,000 agencies	US & Canada
DELTA VACATIONS	B2B2C	Undisclosed	20,000 agencies	US & Canada
EDREAMS	B2C	800M +	Online agency	Europe
HOTELBEDS	B2B	100M +	Bed Bank	Worldwide
INTERNOVA	B2B	5B	10,000 agencies	US & Canada
VAX	B2B	1B	5,000 agencies	US & Canada
VIRTUOSO	B2B	30B	100,000 agencies	Worldwide

Additionally, we activate programs with several partners to stimulate sales, implementing multiple initiatives, and to invest in programs where our partners pay increased commission percentage points for bookings based on booking and travel windows, thus incrementing focus on the destination and driving sales.

LEISURE SALES DEPLOYMENT

SEGMENTS

- Leisure
- Luxury
- Weddings & Small Groups

ALL FEEDER MARKETS

- Direct lift to SJU

DISTRIBUTION

- Travel Agencies/
OnLine Travel Agencies
- Tour Operators
- Wholesalers
- Airline Vacation Programs
- Travel Consortia
- PRTE & Loyalty Program

LOCAL SUPPLIERS

- Hotels, Small Inns,
Vacation Rentals
and Paradores
- Receptive operators
(DMC)
- Other

THE TEAM



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PUERTO RICO TRAVEL EXPERT & LOYALTY PROGRAM

- We launched the program in Spanish to broaden our reach of agents in LATAM and Spain, home of three nonstop flights: Bogota, Panama and Madrid.
- We added a new chapter on Paradores, Vacation Rentals and Small Inns.
- We implemented and activated the Loyalty Program, turning a learning only platform into a booking tool as well.

As travel advisers more than ever are the first point of contact for consumers, we chose to continue reinforcing our partnerships with key agencies, consortia, airline vacation programs, wholesalers and other buyers who consistently book Puerto Rico.

Incentives were replaced by the Rewards program, and at the close of FY2023, there are 4,000 new enrollments and 2,200 graduations. This brings the grand total of enrolled advisers close to 32,000, and 17,726 Puerto Rico Travel Expert graduations.

Like everything else, evolution takes over, and staying with the times we have taken yet another major step with our Travel Expert program.

We are revamping, simplifying and joining AI technology, adding mobile tools that will enable the new generation of travel advisers to not only learn about Puerto Rico faster, but also to share the data on the program with their clients, enhancing the sales experience and providing thorough information on the destination, making it easier for the consumer to follow their itineraries and know beforehand what they will be doing while visiting our beautiful Island.

The platform is undergoing a complete revamp to bring our new specialist program to par with current AI and mobile technology, re-launching in July 2024.

SECTION 0

Domestic Leisure Sales



OLD SAN JUAN,
SAN JUAN

Domestic Leisure Sales

Discover Puerto Rico will rely heavily upon consumer advertising and publicity to drive awareness and visitation. However, a domestic sales program will be utilized to complement the general promotion. The domestic sales program encompasses the following:

- Prioritize key markets and distributors through research and industry feedback.
- Maintain presence at key industry events with specific goals for each event.
- Where optimal and impactful, use B2B or B2C activation and/or sales initiatives to enhance overall results.
- Leisure sales missions in key markets of opportunity targeting consortia, travel advisers, airline call centers and other high-performing partners.
- Reinstate and enhance the travel industry expert program.
- Continue strategic alliances with top consortia, wholesalers and airline vacation programs.
- Optimize sales results through sound management of key supplier relationships.
- Enhance the destination brand health by ensuring that all leisure sales activities are aligned with leisure promotion and publicity strategies and tactics.

Progress continues with travel advisers booking through multiple distribution systems. In 2022-2023, sales showed a positive recovery and ramped up figures close to 2019, making 2022-2023 surpass 2021's already excellent recovery results.





SECTION P

International Leisure Sales



International Leisure Sales

Discover Puerto Rico has continued our partnership with MMGY Hills Balfour to provide support on both sales and public relations coverage in our most important European, Canadian and Latin American markets. We initially prioritized these markets based upon the availability of direct air service and the potential for the market based on their arrival figures into the USA and Caribbean. As airline programs have grown and new flights have been introduced, we've learned that our strategy must not only focus on direct air service, but also include the additional traffic through other gateways, offering various connecting options to SJU as the final destination.

Puerto Rico presents a compelling destination for international leisure travelers. As we craft our strategic sales approach, our aim is to spotlight Puerto Rico's unique allure – its vibrant culture, stunning landscapes and warm hospitality. This strategy hinges on leveraging the Island's accessibility and diverse offerings not only to attract, but also to captivate a global audience.

Our mission is to transform the way Puerto Rico is perceived and experienced by international visitors. By focusing on targeted actions such as travel agent training (both in person and virtual, and via the Puerto Rico Travel Expert Program), engaging in cooperative marketing efforts with key trade and media partners, and enhancing awareness of the destination through product development with key trade partners. This concerted effort will drive awareness to the trade, stimulate interest and, ultimately, increase bookings, positioning Puerto Rico as a key international leisure destination.

We will maintain a strong presence with our key strategic consortia, wholesale and other partners by actively engaging with their audience of travel advisers through networking and educational events outlined within our partnership agreements as well as presence at key industry trade shows and events. Through collaboration, innovation and targeted marketing, we aim to unlock Puerto Rico's full potential as a top-tier travel destination on the international stage.

The primary focus markets for 2024 and beyond include:

- Spain (direct flight service with Iberia)
- Colombia (direct flight service Avianca)
- Canada (direct, seasonal flight service with multiple airlines)
- United Kingdom (currently, no direct flight service but indirect options available through Madrid with Iberia or East Coast USA with multiple airlines)

The secondary focus markets for 2024 are:

- Brazil, Italy and Ireland via connecting flights
- LATAM and Mexico: more than 30% of Copa Airlines coming to SJU from several Mexico gateways through Panama – markets to include Argentina, Brazil, Chile and Peru.

The international leisure sales strategy has four key goals:

1. Continue driving awareness and increase familiarity with Puerto Rico.
2. Foster incremental sales, length of stay and expenditure.
3. Drive long-term growth by supporting the increase of airlift and capacity.
4. Highlight travel as a force for good (supporting local community, stakeholders and benefiting the economy).

KEY MARKETS

FOCUS ON TOP PRODUCING COUNTRIES

DIRECT AND FEEDER MARKETS		
LATAM <ul style="list-style-type: none">• Colombia• Mexico• Brazil• Chile• Peru• Argentina	EUROPE <ul style="list-style-type: none">• Spain• U.K.• Emerging	AIRLINES <ul style="list-style-type: none">• Avianca• Copa• Iberia• Gol• JetBlue
Airlines facilitate base rates to enable wholesalers to package air + ground services.		

KEY WHOLESALERS AND TRAVEL AGENCY NETWORKS:

- Education via PRTE & Rewards program
- Familiarization trips
- Assistance contracting services at destination
- Sales calls and participation in key trade shows

In order to achieve these key goals, we will:

- Emphasize Puerto Rico's unique culture and diverse offering to audiences, including conscientious travelers, high household income travelers, families with children, DINKs, single solo travelers and cruise-goers.
- Highlight the Island as a hybrid destination; the benefits of being a Caribbean Island with U.S. infrastructure.
- Reinforce the messaging of Puerto Rico as a vibrant, open and welcoming destination with a wide variety of products on offer – from the outdoors and nature to city buzz. With multiple accommodation options available – from five-star hotels to boutique stays.

Our tactics center around the trade, consumer and trade media and consumer marketing including partnerships with Brand USA:

The role of the trusted travel trade has never been more important. Through our integrated marketing activities, we will continue to educate, motivate and incentivize the international travel trade to promote and sell Puerto Rico to its customers.

Our tactics will include virtual and face-to-face training, FAM trips, sales and training incentives, event participation, product development with key tour operators in-market and communicating our key messages through the trade to the consumer. We will also implement consumer-facing, sales-driving campaigns with travel trade and airline calls to action, building a data pool of engagers for future retargeting.

We will continue to work with partners such as Brand USA in our key markets to elevate awareness of Puerto Rico, extend destination reach and amplify in-market presence through partnership activities and events. Aviation, while not currently under the DMO's charge, will continue to be a critical focus for the international strategy. Discover Puerto Rico has strongly emphasized to PRTC the need to consolidate relationships with existing routes, as well as establish new routes across European, Canadian and Latin American markets in order to drive long-term growth and visitation.

AIR SERVICE

ACTIONS TO SUPPORT NON-STOP LIFT

B2B2C STRATEGY



EARNED MEDIA

As we move from a collective state of inspiration to invitation, now is the time to increase the country's share of voice and visibility through the power of public relations, positioning Puerto Rico at the forefront of the international travel conversation in 2024-2025 and beyond.

We will reeducate, inspire and excite international media (and in turn trade and consumers) to experience the heart and soul of the Caribbean. Via targeted earned media tactics tailored to each market, we will move the needle on international travel interest to Puerto Rico: creating compelling stories around Discover Puerto Rico's key messaging pillars, securing impactful coverage in target titles across the international markets; securing multi-market thought leadership opportunities for senior representatives from Discover Puerto Rico to communicate Puerto Rico as a safe, innovative and unique destination; identifying and communicating relevant news hooks including new openings, key anniversaries and timely events to promote in each market; amplifying campaign messaging via earned media across the international marketplace; and facilitating visiting journalists ensuring the right media from the right markets visit Puerto Rico.

Seeing is believing! Targeted top-tier media and influencer visits are essential for securing large, dedicated coverage spreads and posts. MMGY Hills Balfour and international agencies will identify and work with targeted titles to ensure a continuous stream of appropriate media to Puerto Rico, working collaboratively with the journalists and Discover Puerto Rico team to develop bespoke itineraries which highlight the diverse range of experiences available across the Island. Itineraries will showcase what travellers can do outside of San Juan, supporting the Dispersion Strategy to highlight other regions and municipalities across the Island whilst supporting local businesses and partners.

Trade and consumer shows are an important platform for announcing new campaigns, destination news and provide thought leadership through interviews. Discover Puerto Rico will continue to have a strong presence at key trade shows throughout the year in our key international markets including FITUR, ANATO and IPW, to ensure that the destination is kept front of mind among key players in the trade and media landscape. This presence will be uplifted further by having the governor or secretary of state in attendance with the organization of interviews and profiling opportunities to further raise awareness of Puerto Rico in these key markets.

LEISURE TRAVEL INDUSTRY TRENDS & OPPORTUNITIES

The biggest trends reshaping global tourism today transcend experiential travel. Consumers are seeking inspiration along a shared and connected personal journey – before, during and after the travel experience – that supports their aspirational goals. Rather than an “experience” being an end for more people of all ages, travel is a platform for connecting with communities of aligned interests, ultimately leading toward self-discovery and self-actualization.

We will continue connecting communities through La Idea and *Conversatorios*’ activities where we have been successful in engaging local stakeholders and communities to help define the region’s scope of visitation options and provide destination marketing and management to support the efforts with the local stakeholders and regional organizations to help them promote specific travel products to specific segments of consumers.

Primarily, Discover Puerto Rico is looking at connecting visitor segments with communities of creative and innovative people in our destination. Whether it’s culinary, cultural, wellness, medical, luxury or soft-adventure tourism, each of those niche markets is saturated with endless options for travelers throughout the Americas. Rather, the people driving innovation in those markets are what differentiates a destination. They provide a unique identity and storytelling that engages audiences at scale.

Those creatives and innovators – or what more and more destinations call “makers” – are the new influencers in travel. Successful chefs, for example, have been the face of dining in cities for years, versus the inventory of restaurants. Destinations are now leveraging that same idea for every segment because they’re attempting to attract a higher value customer that will explore beyond the main tourist areas and spend incrementally more with local independent operators. Highlighting local makers is proving to be one of the most powerful methods for increasing visitor engagement, dispersal, loyalty, average spending, and length of stay.

Puerto Rico’s defining characteristic is Puerto Ricans. Most destinations trumpet how their people are their most valuable resource to help attract visitors, but nowhere is this more apparent than in Puerto Rico. Discover Puerto Rico and its partners, therefore, have a huge opportunity to elevate and delineate the Island’s visitor economy brand by leveraging the spirit and accomplishments of locals working in both the leisure and business event segments.

While it will always be paramount to promote the incredible array of travel experiences available from coast to coast, those alone can only differentiate Puerto Rico to a degree in a region with so many other warm-weather destinations. The opportunity to build on that begins with the creative and innovative Puerto Rican people who can inspire communities of visitors worldwide.

Whether travelers are trying to cut down their carbon footprint, are looking for more meaningful interactions with local cultures and places, or are looking for new layers of adventure, slow travel is no longer a trend, but a necessity. With benefits from seeing more of a destination and connecting with it on a personal level, to leaving a lesser impact, travelers are expected to continue to slow their travels through 2024 and beyond.

PRE- & POST-CRUISE OPPORTUNITIES

Developing and enhancing cruise line partnerships has long been a priority for Discover Puerto Rico and its partners. With the continued rise in demand for unique, immersive and experiential travel, however, we are collaborating more strategically with cruise companies to design onshore product customized to different segments and markets.

PRTC reported that from July 2022 through June 2023, we received 1,262,193 cruise ship passengers.

With such a captive and voluminous audience arriving in Puerto Rico every week – similar in size to many conventions in the city, per ship, DPR can collaborate more strategically with the cruise lines to enhance the Island brand and experience. We are presently looking at helping develop new day itineraries for different cruise traveler segments and new digital and physical formats to promote them.

The more passengers we can get to explore Puerto Rico, the more we can entice them to return as overnight visitors. The cruise lines are eager to partner with Discover Puerto Rico to develop more immersive experiences, so the commitment on both sides is already in place. This is a vastly under-nurtured opportunity to drive incremental visitor spend to more small businesses on-Island, both in the short- and long-term future.

We can also advocate for a more dynamic welcome experience when cruise passengers first depart the ship. For many cruisers, this is their first experience of Puerto Rico as a tourist destination, and so, it is incumbent upon both public and private sectors to make that welcome much more memorable and exciting. The cruise-ship docks and surrounding area can be enhanced, especially with new digital wayfinding and storytelling technology, to provide greater engagement between cruisers and the soul of Puerto Rican culture.

CRUISE STRATEGY & OPPORTUNITIES

The cruise industry continues its comeback story. The focus for 2024 was twofold: pay down its enormous pandemic-related debt and return to profitability. Demand remains strong, with both yield on ticket prices and onboard revenue up. The 2024 wave season beat 2023 records and bookings are strong, indicating that the cruise industry will meet its 2024 financial goals.

The Caribbean continues to dominate market share, accounting for 40.4%, up from 38% last year. With global capacity at 441 ships – 707,784 berths – the industry is poised to generate \$61.4 billion in revenue in 2024. Recently there have been several announcements of new ships ordered. By 2028, global capacity will reach 487 ships.

In addition to meeting its financial goals, the industry has a laser focus on sustainability and reducing its

environmental impact. Itinerary planners are experiencing a shift in strategy to meet environmental goals. Larger ships on shorter cruises and sourcing destinations that can bunker LNG or connect to shore power are important elements in their decision-making. With the U.S., and particularly Florida, representing the most popular home ports, the Caribbean will be the beneficiary of the shorter itineraries, but will also be under the most pressure.

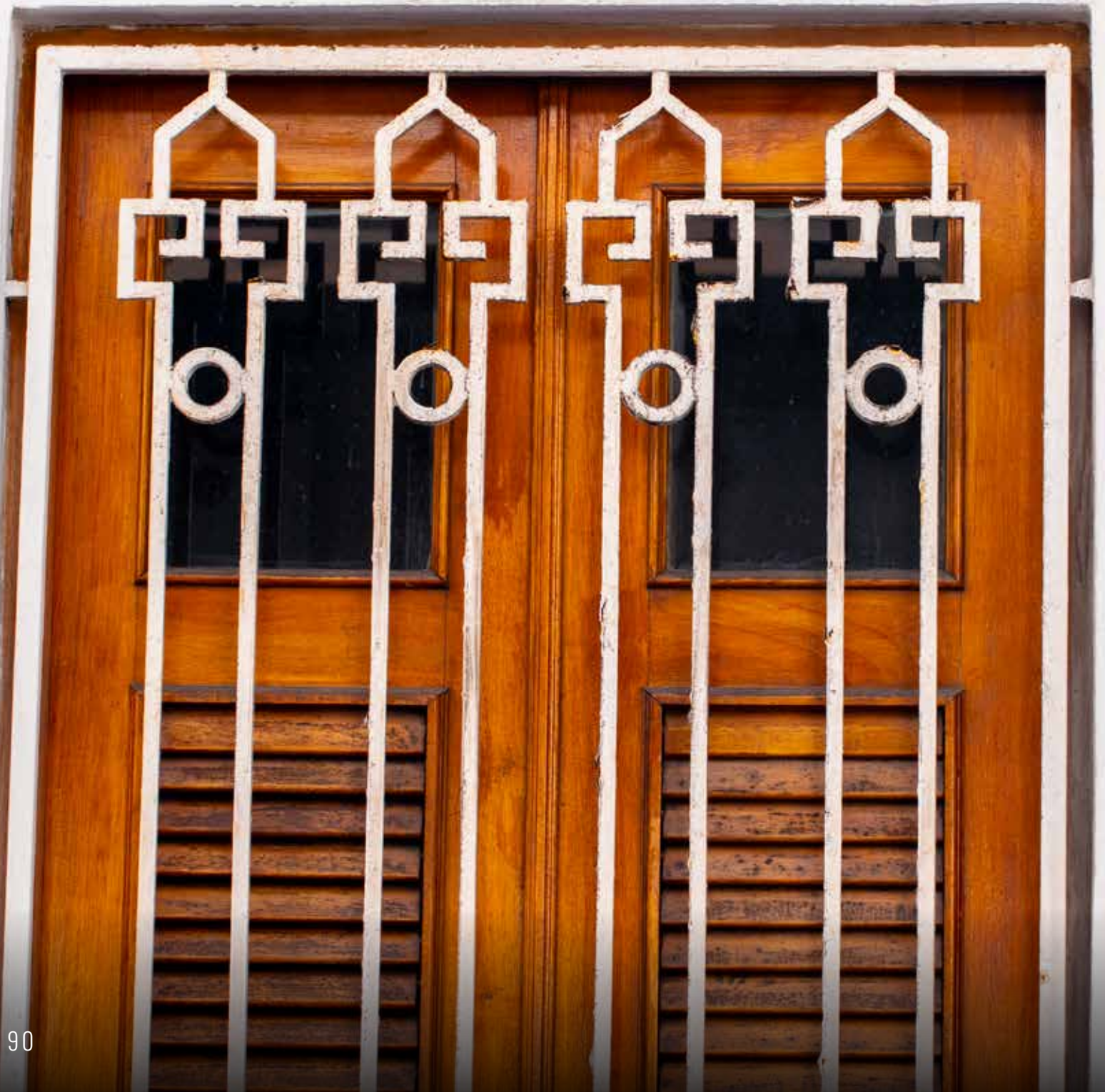
For San Juan, the privatization of the port provides a much needed opportunity to enhance port infrastructure, allowing the port to accommodate larger ships and improve the services and guest experience provided to ships calling and homeporting in San Juan.

Enticing cruise visitors to explore outside of San Juan is an opportunity to spread the benefits to communities like Ponce, Mayagüez and Boquerón. There is so much opportunity to highlight the unique offerings of these destinations. Culebra and Vieques continue to be captivating, with their own unique histories and offerings. These destinations prove particularly appealing to the growing luxury segment of the market, and the ability to offer them as itinerary options will be a huge draw for the luxury segment.

Discover Puerto Rico has a vibrant and successful Live Boricua campaign that appeals to multiple generations. In working with influencers, they appeal to the Gen Z market, adventure seekers curious about food, and people. The Boomer generation looks for immersive cultural experiences that make them feel like they understand the people and places they visit. The Gen Z market is discovering cruises, and the Boomers have long been fans. The Live Boricua campaign hits all the marks appealing to these important demographics for cruise.

At their recent annual conference in Miami Beach, the cruise industry's focus was clearly on sustainability and opportunities and challenges for the Caribbean. It's estimated that between now and 2028, there will be a 13% increase in capacity. Destination growth, however, does not meet that demand, and destination development takes years. It's no longer a question of improving existing infrastructure; it requires investment in new destination experiences. Private destinations will be critical. There are currently several destinations under development in the Bahamas, and demand for these new experiences is so high that in some cases, additional construction is being planned before the first one is completed.

Caribbean destinations engaging the support of local governments and public-private partnerships will have a competitive edge in the opportunities offered by a growing cruise industry. This includes a supply chain of human capital that can deliver the services and experiences required to make a destination successful.



SECTION Q

Research Plan

Research Plan

Discover Puerto Rico relies upon primary research, industry-standard metrics, and a robust series of KPIs to guide its investments and decision-making.

A dashboard is maintained with dozens of key metrics continuously updated. This dashboard includes various measures, such as:

- Weekly Hotel Occupancy, Demand and ADR
- Monthly Hotel Supply, Demand and Revenue
- Monthly Independent Rental Supply, Demand and Revenue
- Competitor Lodging Demand and Revenue
- Monthly Air Arrivals Into SJU and Regional Airports
- Air Arrivals by Origin Market
- Air Arrivals by Carrier
- Cruise Ship Passenger Visitation and Ship Count Data
- Employment Data
- DiscoverPuertoRico.com Visitors, Pageviews and Bounce Rates
- Monthly Meetings & Convention Sales Leads and Booked Events
- Monthly Meetings & Convention Sales Requested and Booked Room Nights
- Quarterly Distribution of Visitors by Region
- Quarterly Distribution of Visitors by Municipality

Discover Puerto Rico has a commitment to both primary and secondary research, collecting and disseminating data to the industry regularly. In addition to the most up-to-date research on consumer sentiment, other measures include:

Brand Development Research

- Brand Health Quantitative
- Brand Mark Qualitative
- Campaign Development Qualitative and Quantitative

Niche Product Research

- Golf
- LGBTQ+
- Luxury

Economic Impact

- Baseline Metrics for Volume, Spending and GDP
- Organization's Return on Investment

Industry Performance

- STR Hotel Data
- AirDNA Independent Rental Data
- TravelClick Demand 360
- Airline Data, Inc.

Campaign Performance

- Adara Impact
- Geo-location Tracking
- Halo Impact
- Brand Impact
- Campaign Recall & Influence

Meetings & Conventions

- Planner Perceptions
- Lost Business
- Post-Convention/Events
- Post-FAM/Site Selection

Travel Advisors

- TravelClick Agency360
- Perception

Discover Puerto Rico also uses several sources of information, including:

- STR Hotel Tracking
- AirDNA Independent Rental Tracking
- Tourism Economics
- Travel Click Demand 360
- Travel Click Agency 360
- Simpleview FuturePace
- Arrivalist
- Adara
- Knowland Group
- Airline Data Inc.
- Longwoods International, LLC
- Strategic Marketing & Research Insights, LLC
- Forward Keys
- Key Data
- Future Partners (formerly known as Destination Analysts)

Discover Puerto Rico uses a broad set of KPIs. In fact, over 200 performance indicators are tracked regularly. These include:

Organizational	Marketing and sales spend, fiscal YTD, \$K Administrative spend, fiscal YTD, \$K Payroll spend, fiscal YTD, \$K
Industry Outcomes	Total stays booked (hotel), K Occupancy rate (hotel), % RevPAR (hotels), \$ RevPAR Index against Caribbean Total stays booked (indp lodging), K Occupancy rate (indp rentals), % RevPAR (independent rental), \$ RevPAR Index against Caribbean Air arrivals SJU, Aguadilla, Ponce, K
Marketing & Communication Outcomes	Hotel Revenue Generated from Media, \$M Website Sessions, K Website Pageviews, K Website Referrals, K LinkedIn Clicks, K Facebook Video Views, 3-second views Facebook Ad Clicks, K Google Ad Clicks, K Google Video Views, K Marketing partnerships with industry Off-island earned media impressions, M Off-island earned media value, \$K Local earned media impressions, M Local earned media value, \$K Industry e-mail open rate Press FAMs
Visitor Outcomes	% of visitation outside of San Juan Average length of visitor stay (hotel), all visitors days Average length of visitor stay (hotel), visitors exposed to Discover Puerto Rico media, days Average length of visitors stay (independent lodging), all visitors, days Average length of visitor stay (independent lodging), visitors exposed to Discover Puerto Rico media, days Per person, per day spending Per person, per day spending visitors exposed to Discover Puerto Rico media
Meetings & Sales Outcomes	Contracted Events Contracted Room Nights Leads Generated Room Nights Requested MICE cancelled leads MICE cancelled room nights MICE postponed leads MICE tradeshow MICE Sale missions, networking events, virtual events Leisure tradeshow Leisure sales missions networking events, virtual events MICE FAM Attendees Leisure FAM Attendees Site Visits

Finally, Discover Puerto Rico reports the following metrics monthly to the Fiscal Oversight Management Board through AAFAF.

CATEGORY	KPI	SOURCE
Operational	Marketing and sales spend, fiscal YTD, \$K	Discover Puerto Rico
	Marketing and sales spend, CARE Act fiscal YTD, \$K	Discover Puerto Rico
	Administrative spend, fiscal YTD, \$K	Discover Puerto Rico
	Payroll spend, fiscal YTD, \$K	Discover Puerto Rico
Marketing & Sales	Return on investment, all Discover Puerto Rico marketing campaigns, calendar YTD, \$M	Adara
	Average length of visitors stay(total)	Adara
	Average length of visitor stay (hotel), calendar YTD, visitors exposed to Discover Puerto Rico media, days	Adara
	Average length of visitor stay (independent lodging), calendar YTD, K	AirDNA
	Total stays booked (hotel), calendar YTD, K	STR
	Total stays booked (independent lodging), calendar YTD, K	AirDNA
	Hotel RevPAR, calendar YTD \$	STR
	Occupancy rate (hotel), calendar YTD, %	STR
	SJU Air arrivals, calendar YTD, all, K	Aerostar
	# of roomnight for meetings and conventions hosted in Puerto Rico*	Simpleview
	Contribution to GDP, hospitality and tourism sector, % of Puerto Rico GDP*	World Travel and Tourism Council (Puerto Rico profile)
	Contribution to employment, hospitality and tourism sector, % of Puerto Rico labor force*	World Travel and Tourism Council (Puerto Rico profile)

QUENEPAS, PARQUE
DE BOMBAS,
PONCE



SECTION R

Finance and Administrative Plan



Finance & Administrative Plan

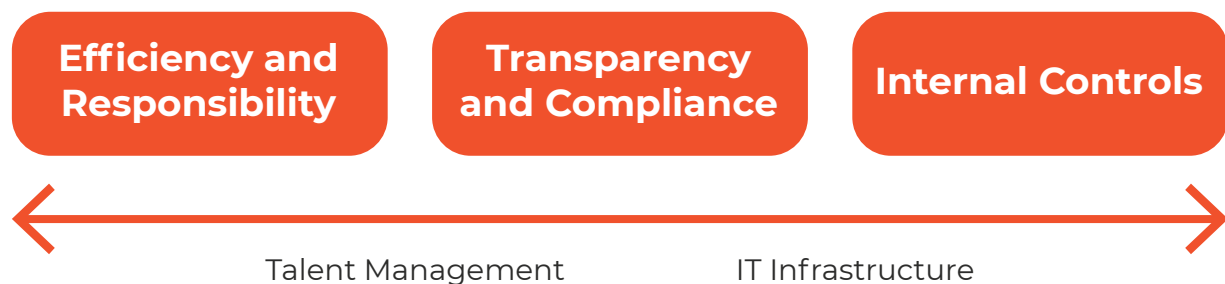
The Finance and Administration department is essential to our organization's remarkable success in promoting Puerto Rico and establishing it as a world-class destination marketing organization. With a dedicated team of highly skilled professionals, advanced technology and rigorous financial management practices, the department has been instrumental in our journey to excellence. The invariable commitment to strategic priorities and clearly defined goals has driven our success and contributed to Puerto Rico's transformation through tourism.

STRATEGIC PRIORITIES

Our finance and administration strategy is anchored on three key pillars that drive our success:

1. **Maximum Efficiency and Responsible Financial Management:** We are persistent in our commitment to operating with maximum efficiency and managing funds with the highest level of responsibility. This approach ensures effective use of resources and underscores our dedication to financial stewardship.
2. **Internal Controls and Compliance:** Our robust internal controls framework ensures compliance with generally accepted accounting principles, federal agency requirements, and all other statutory obligations. Through our meticulous processes, we generate financial information that is transparent, accurate and timely, providing a clear view of the organization's financial position.
3. **Exceptional Talent and Advanced IT Infrastructure:** Our success is primarily due to our talented team and the advanced IT infrastructure that underpins our operations. We prioritize nurturing and empowering our people, fostering an environment where they can deliver outstanding results. Our state-of-the-art technology allows seamless operations, enabling us to meet and exceed our strategic objectives.

Adhering to these strategic priorities has made the finance and administration department a supporting element behind our growth and success.



ORGANIZATIONAL EXCELLENCE

We are dedicated to maintaining our international accreditation by consistently implementing industry best practices and standards of excellence. This commitment fosters accountability, transparency and credibility within our organization. Through meticulous planning, precise execution, and innovative marketing and sales techniques, we strive to surpass performance targets in all critical areas of sales, marketing and promotion. Our unwavering adherence to laws, regulations, guidelines and contract requirements guarantees full compliance and upholds our commitment to ethical conduct. Furthermore, we operate with a high degree of transparency, providing stakeholders with comprehensive information about our mission, plans, activities and measures of success. We believe in providing relevant information that enables stakeholders to understand how public funds are invested in our mission. Together, these efforts solidify our reputation as a trusted and successful DMO dedicated to the growth and prosperity of Puerto Rico.

TALENT MANAGEMENT

Deliver exceptional individual and team performance through individual development plans, assertive goal-setting and impactful training and development.

Offer a safe workplace and a dynamic culture that prioritizes people and performance, ensuring that inclusivity, diversity and equity are central to who we are and what we do.

Maintain updated knowledge of local and federal labor laws developments to keep our staff informed and provide them with guidance, ensuring compliance of our policies and procedures.

TECHNOLOGY

Our exceptional accomplishments in maintaining a cutting-edge technology plan have paved the way for unparalleled efficiency and impact. By prioritizing strategic investments in technology and office equipment, we have struck the perfect balance between organizational needs and available resources. This approach has allowed us to achieve remarkable results while staying ahead of the curve. Our unwavering commitment to adequate security and internal efficiency has created an environment that fosters high productivity and empowers our team to deliver exceptional performance.

FINANCE

Our persistent commitment to responsible and efficient financial management has been instrumental in driving our organization's success. We are proud to have achieved optimal and effective resource use through rigorous budgeting, careful capital expenditure control, and sound cash flow management. This dedication to financial discipline has laid a solid foundation for our organization, providing the stability and continuity necessary to pursue new initiatives confidently.

The reliability and precision of our financial reporting are central to our approach. We ensure that our financial reports are issued promptly and that their information is accurate. This dedication to transparency and accountability has enabled us to make well-informed decisions and has been pivotal in earning unqualified audit reports, underscoring our commitment to excellence. Compliance with accounting standards and the specific requirements of government funding remains a top priority, reinforcing our standing as a trusted organization.

Our continuous efforts to strengthen internal controls are key to our success. Refining our control systems guarantees effective funds administration, adhering to internal policies and program requirements. This relentless focus on robust controls has built confidence among our stakeholders, assuring them that their investments are managed with the utmost care and integrity.

While we are proud of our accomplishments, we acknowledge the ongoing challenges associated with budget planning, particularly without a stable funding structure. We have meticulously incorporated the two budget scenarios into our financial planning to ensure adaptability and resilience. With potential funding ranging from \$60.5 million to \$80.5 million, we are prepared to adjust our plan implementation to align with either outcome. Our strategy prioritizes optimizing return on investment and maintaining brand health, regardless of the budget scenario. This flexible approach enables us to focus on delivering maximum value while preserving our core objectives.

To accomplish this, we have developed scalable action plans depending on the final budget allocation. These plans are designed to ensure the continuity of our operations while allowing for growth and innovation where resources permit. Our team is prepared to implement strategic adjustments that align with the available budget while maintaining the highest standards of quality and impact.

This flexibility allows us to respond to funding variability and position us to make the most of every opportunity. We can navigate funding uncertainties by emphasizing efficiency and effectiveness without compromising our mission or vision. This adaptability, combined with our commitment to responsible financial management, underscores our readiness to succeed regardless of the financial landscape.



BOMBA BARRELS,
LOIZA

SECTION 5

Looking Ahead

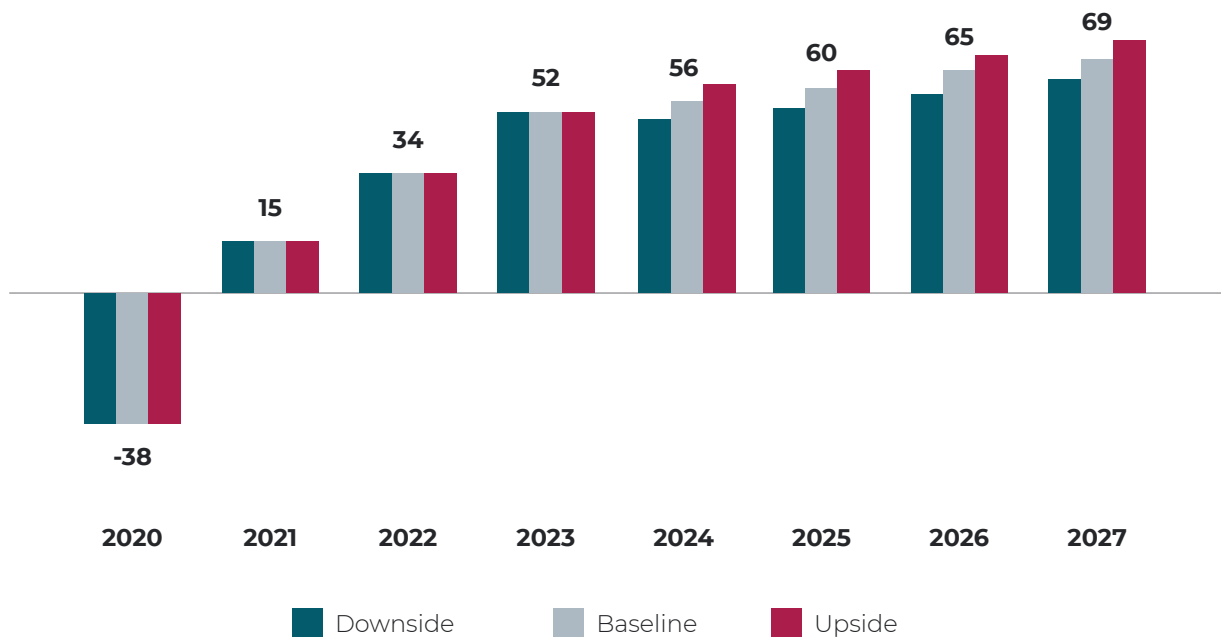
Looking Ahead

Tourism Economics' 2023 end-of-year forecast stated, "High-frequency travel indicators for Puerto Rico show robust activity in 2023 and stronger growth in visitation than our August 2023 forecast. Our model suggests Puerto Rico welcomed 10.8 million visitors in 2023, surpassing the 2019 benchmark by 30%."

The visitor economy of Puerto Rico is still expected to grow this year, but elevated economic uncertainty and San Juan cruise port schedule changes (Voyager of the Seas changed departure port from San Juan to Galveston and Norwegian Epic from San Juan to Port Canaveral) will slow growth this year to an annual average of 1%-2%.

Anticipating a slowdown in growth following three consecutive record years, the forecast for direct visitor spending is expected to reach \$9.8 billion for 2024 and reaching \$10.9 billion by the end of 2027. The baseline forecast assumes global GDP growth to taper off from 2.6% to 2.1% in 2024, the increase in perceptions that a recession will be avoided, and a slowdown in consumer spending driven by inflation, as well as sluggish growth in household's real incomes.

PUERTO RICO VISITOR SPENDING PERCENT CHANGE RELATIVE TO 2019

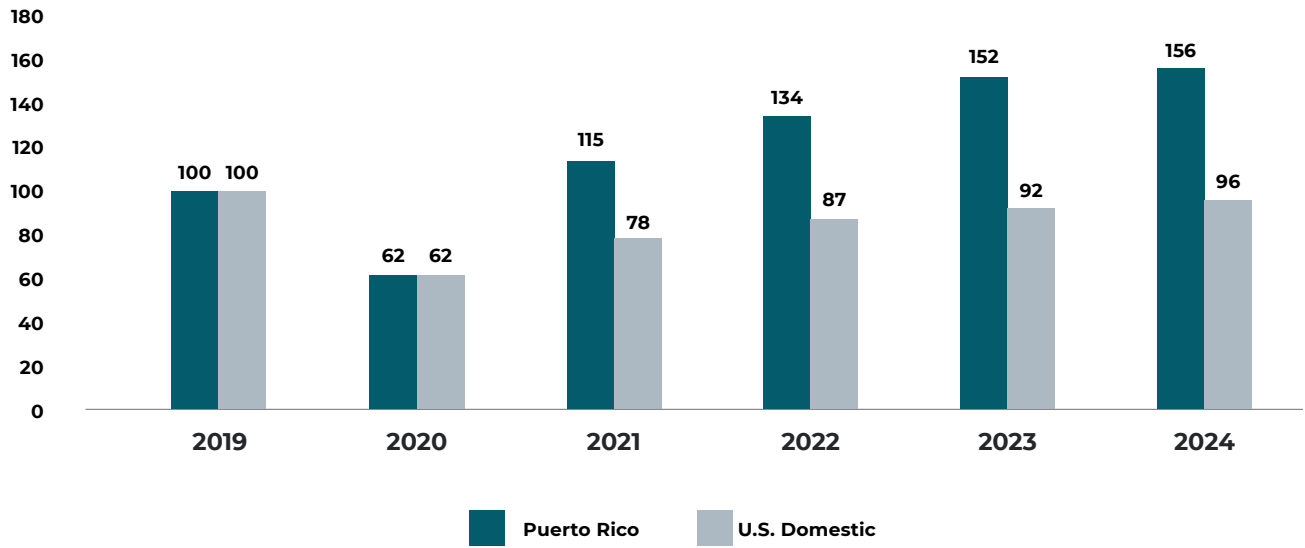


Source: Tourism Economics

And while Tourism Economics forecasts Puerto Rico's tourism growth to slow in the upcoming year, it also projects that the Island will continue to outpace the growth observed in visitor spending for the mainland.

FORECASTED VISITOR SPENDING

(2019 = base of 100)



Source: Tourism Economics



CRASH BOAT,
AGUADILLA

COLLABORATION

Discover Puerto Rico is a collaborative organization that works closely with partners throughout our local, national and global industry, as well as with public sector partners on our Island. These partnerships include:

Puerto Rico Fiscal Agency and Financial Advisory Authority: Ongoing measurement and reporting submitted.

Central Office for Recovery, Reconstruction and Resiliency – COR3: Close alignment and coordination on the strategic planning and marketing related to the massive investment of FEMA funds related to post-María recovery.

Puerto Rico Department of Economic Development and Commerce: Close alignment and cooperation on all matters impacting the economic health of the tourism industry and economic development initiatives, including the International Air Transit Hub project. (See Appendix.)

Financial Oversight and Management Board (FOMB) for Puerto Rico: Ongoing measurement and reporting submitted, and inclusion of FOMB-designated goals in our annual planning (See Appendix.) related to the board's efforts to grow the economy and enhance the ease of doing business in Puerto Rico.

Invest Puerto Rico: Ongoing communication and collaboration on opportunities that involve tourism and economic development, including the International Air Transit Hub project.

Department of Natural Resources: Ongoing communication and coordination on matters related to promotion of the Island's natural resources and government-owned tourist attractions.

Ports Authority: Coordination and collaboration on matters related to the Island's airports, cruise ports and the International Air Transit Hub project.

Puerto Rico Tourism Company: Inclusion of PRTC leadership in DPR board, committees; ongoing coordination related to on-Island promotional events (e.g., Puerto Rico Open).

Department of Health: Ongoing communication and coordination and act as a liaison with municipalities officials.

Road and Transportation Authority: Ongoing communication and coordination and act as a liaison with municipality officials.

LUMA Energy: Act as a liaison with municipality officials.

The Puerto Rico Aqueducts and Sewers Authority: Ongoing communication and coordination and act as a liaison with municipality officials

Carolina Campus, University of Puerto Rico: Signed a memorandum of understanding (MOU) with the institution to collaborate in the development of future tourism industry professionals.

Carolina Campus, Ana G Mendez University: Continued our collaboration with this university, helping with workshops, providing student workshops and collaborating on special projects.

Junte Boricua: Collaborated with GFR Media in the amplification of the Junte Boricua promotions, amplification and event integration. This is a heritage tourism initiative calling for the Puerto Rican diaspora to travel to the Island during the summer 2024.

La Parguera Businesses Association: Worked closely with this commerce organization to integrate better its offerings into the destination’s promotional efforts and built local business competencies on digital marketing.

Puerto Rico Popular Bank: Discover Puerto Rico coproduced content with Banco Popular for its business newsletter platform. The content gave an overview of the industry’s performance and the tools Discover Puerto Rico provided to local business free of charge.

Comedor de Bien Centro Madre Teresa de Calcuta Supplies Donation: During the 2023 Christmas season, Discover Puerto Rico’s employees collaborated to provide supplies to this organization, which provides food and basic supplies to low-income families and individuals in Naguabo.

Aguadilla Municipality Tourism Campaign: Discover Puerto Rico had a contract with the municipality to produce the campaign ads. We also co-sponsored the campaign launch in Puerto Rico and New York City during Puerto Rican Parade week.

Discover Puerto Rico also maintains an active, ongoing relationship with municipalities to ensure the inclusion of all 78 towns in our ongoing promotion. This entails the development and distribution of the Municipal Guide (Guía para el Desarrollo Económico Municipal), educational sessions for Municipal Tourism Directors, meetings with tourism directors, meetings with merchants in each town and mayors, among others.



GROWTH OPPORTUNITIES

Talent Philosophy

We focus all our efforts on hiring the best-in-class candidates. We prioritized local talent and reflected diversity in all the organization. 86% of our employees are Latinos/Puerto Ricans, 72% are women, and 58% of these, are with management positions.

We also get to organizational excellence through a performance-based and a results-oriented culture based on three main pillars:

- *Hiring* – To find the best available talent in the industry and high-caliber employees.
- *Providing Competitive Compensation* – To be aligned with the industry.
- *Supporting their Professional Development* – Through different resources helping employees to develop their skills and motivate them to reach organizational goals.

We hired employees who comply with each position's requirements. Today we have a diverse workforce with different backgrounds and generations to enrich and better support our business strategies. We combined knowledge and expertise: 61% of the workforce are millennials, and 41% are a combination of Gen X and Boomers. Of our employees, 100% possess a college degree.

Our employees are also recipients of various awards and recognitions within the tourism industry. As a result of their development, nine young professionals have been part of the 30 Under 30 Program from Destinations International, and one of them was admitted into the 30 under 30 Alumni Council. This program recognizes and invests in young professionals and provides them with exposure and education in leadership.

Most recently, our Destination Experience Team has been honored with the prestigious Sales Support Team of the Year award in the gold category. This recognition is an additional testament to the hard work and dedication of our team.

We continually support and enhance our workforce skills, which at the same time help us to drive our business strategy and our organizational excellence through their performance and results-oriented approach.

DMAP ACCREDITATION

In recognition of its continued commitment to industry excellence and accountability, Discover Puerto Rico was awarded the Destination Marketing Accreditation Program (DMAP) seal by Destinations International in late 2020. DMAP accreditation is a rigorous process that evaluates a destination organization's performance and accountability against a set of industry standards. The organization was awarded "Accreditation with Distinction", the highest possible recognition for a destination organization, indicating that it far exceeded the minimum requirements for accreditation.

DMAP accreditation is not a one-time achievement, but an ongoing commitment to excellence. To maintain accreditation, destination organizations must undergo a renewal of standards process every four years. This process involves a comprehensive review of the organization's performance and accountability against industry

standards. By committing to this ongoing process, Discover Puerto Rico demonstrates its dedication to industry excellence and accountability. In February 2024, Discover Puerto Rico submitted for the DMAP reaccreditation, and committed to maintaining Accreditation with Distinction.

Since receiving DMAP accreditation, Discover Puerto Rico has continued to make strides on the global stage of top DMOs, creating headlines and achieving results never-before-seen from the Island. The organization joins the ranks of over 200 destination organizations that have obtained DMAP recognition, demonstrating its commitment to excellence and accountability; only 10 have the Destination Marketing seal Accredited Organization with Distinction.

Overall, DMAP accreditation signifies that Discover Puerto Rico has developed robust strategies for the direction of the destination and policies and procedures to safeguard the use of public dollars. The accreditation program requires a destination organization to successfully comply with many mandatory and voluntary standards that span various performance areas, including governance, finance, human resources, sales, communications, destination development, and research. The accreditation with distinction shows that Discover Puerto Rico has met or exceeded these standards, demonstrating its dedication to industry excellence.



MERCADO LA CARRETA,
OLD SAN JUAN



SECTION T

Appendix

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Appendix I.

BUDGET - FY 2024-2025

	CORPORACIÓN PARA LA PROMOCIÓN DE PUERTO RICO COMO DESTINO, INC.				
	Operational Fund	Supplemental	PRCDA*	Federal Funds (ARP)*	Consolidated
Revenues					
<i>Public Funds</i>					
Room Tax Revenues	\$ 25,000,000				\$ 25,000,000
Room Tax-Private funds match	5,000,000				5,000,000
Group Incentive Fund					-
Public Fund - other	25,000,000	20,000,000	2,570,000	2,440,797	50,010,797
<i>Reserves from Prior Years</i>					-
<i>Private Funds</i>					
Coop Advertising/Sponsorships	300,000				300,000
Donated Services					
Interest	180,000	20,000			200,000
	\$ 55,480,000	\$ 20,020,000	\$ 2,570,000	\$ 2,440,797	\$ 80,510,797
Payroll & related benefits	\$ 8,354,990	\$ 278,503			\$ 8,633,493
Administrative/ Operating Expenses					
Facilities Expense	298,760				298,760
Legal fees	75,000	8,000			83,000
Consulting fees	115,200				115,200
Accounting & Audit	76,600				76,600
Depreciation	350,000				350,000
Recruiting and relocation expenses	10,000				10,000
Office Supplies/Misc. equipment	24,000				24,000
Equipment rental and maintenace	12,600				12,600
Licenses/Telephone/Internet	192,602				192,602
Training and Development	125,000	50,000			175,000
Insurance	120,000				120,000
Other	217,193			41,000	258,193
	\$ 1,616,955	\$ 58,000		\$ 41,000	\$ 1,715,955

Sales/Marketing/Promotion					
Trade Shows and Conferences	2,200,000	340,750			2,54,750
Sites Inspection	200,000	100,000			300,000
Destination Reviews	950,000	300,000			1,250,000
Sales Consultants	155,000				155,000
Marketing Consultants	231,200				231,200
International Sales & Marketing	2,775,000	975,000			3,750,000
Advisory Boards	160,000	40,000			200,000
Sales/Marketing Event	4,222,150	1,592,943			6,364,890
Advertising	21,215,012	10,805,822		549,797	33,720,834
Strategic Alliances	2,875,500	1,782,000			4,657,500
Industry/Community Engagement	352,000	48,000			400,000
Government Affairs	110,000	20,000			130,000
Public Relations	3,111,500	601,000		150,000	3,862,500
Group Incentive Fund	3,300,000	2,160,834			5,460,834
Promo Items/Collateral	200,000	75,000			275,000
Website Development	1,015,000	138,917			1,153,917
Digital Content Development	600,000	300,000			900,000
Research	890,020	109,980			1,000,000
Booth expense	140,000	50,000			190,000
S&M Technology (licenses)	275,000	10,000			285,000
Sales & Marketing Training	40,000	10,000			50,000
PRCDA Expenses			2,570,000		2,570,000
Other Sales and Marketing	100,000				100,000
	\$ 45,117,382	\$ 19,460,246	\$ 2,570,000	\$ 2,399,797	\$ 69,547,425
Total Expenses	\$ 55,089,327	\$ 19,796,749	\$ 2,570,000	\$ 2,440,797	\$ 79,896,873
Capital Expenses	\$ 100,000	\$ 50,000			\$ 150,000
Reserve	\$ 290,673	\$ 173,251			\$ 463,924
Net Change in Assets	\$ 0	\$ 0	\$ -	\$ -	\$ 0

*Restricted use funds

**Allocation of Revenues and Expenses is subject to funding distribution currently under the Governmental Bodies and Fiscal Oversight and Management Board evaluation.

Appendix II.

KEY PERFORMANCE INDICATORS

OUR GOAL

Establish a performance structure with:

- Consistency
- Impact (e.g., useful in driving results)
- Linkage to individual performance
- Balance between internal goals and external commitments
- Potential to evolve (with the DMO & destination)

MEASUREMENT STRUCTURE

- **EXTERNAL PERFORMANCE:** Broad + General + Static
- **DMO PERFORMANCE:** Deep + Specific + Dynamic
- **INDUSTRY PERFORMANCE:** Broad* + Specific + Consistent

**Need to evolve with industry segmentation and layered measurements, over time.*

AUDIENCE ENGAGEMENT

AUDIENCE ENGAGEMENT					
	Staff	Board	Govt	Media	Industry
External Goals	X	X	X	X	X
DMO Performance	X	X	0	0	0
Industry Performance	X	X	0	0	X

X = Regular Reporting 0 = As Appropriate

EXTERNAL PERFORMANCE

- Maximize the economic impact of travel and tourism to Puerto Rico.
- Exceed three-year average growth in visitor expenditures (subject to baseline analysis and excluding extraordinary factors).
- Exceed average growth in national travel in target markets (subject to baseline analysis and excluding extraordinary factors).
- Optimize the brand health of Puerto Rico.
- Exceed targeted level of positive earned media coverage for the destination (subject to baseline and excluding extraordinary factors).
- Deliver increased brand awareness and favorability in target markets.
- Establish a culture of organizational excellence with a culture and values that are aligned with the mission and vision of the organization.
- Build and develop a dynamic team of professionals guided by a strategic, goal-oriented plan to grow the visitor economy of Puerto Rico.
- Ensure continuity of operations and position the organization for targeted levels of community awareness, Industry engagement and best-in-class standards of operation.

Note: Can set stretch goals for internal targets.

DMO PERFORMANCE

Organizational

- Industry Accreditation Org, Individual
- Accolades Org, Individual
- Establish/manage Strategic Advisory Board
- Establish/manage Client Advisory Board
- Industry Portal
- Transparency
- Response Time (to Industry Partners)

Accounting/Financial

- Performance vs. Budget
- Reserves
- Cash Flow
- Closing Timeframe
- Audit Opinion

IT

- Internal response time
- Internal System Performance (Load/Capacity, Utilization)
- Certifications – IT, Staff
- External Industry Analysis (Time Committed, Analysis Completed)

Talent Management

- Retention
- Competitive Staffing Analysis
- Competitive Salary Analysis
- Individual Development Plans
- Organizational Training & Development Plans
- Evaluation of Training

Advertising

- Social media posts/interactions
- Page views/unique page views
- Users/engagement per platform
- Click-thru per platform
- Video gallery activity
- Photo gallery activity
- Destination blog: # written, views and engagement
- Strategic ally performance
- Email database size, activation, engagement

- Emails delivered, bounced, open, click-thrus, subscribe, unsubscribe
- Web stats: sessions, unique sessions, repeat visit, click-thru per source, page views, avg time of use
- Digital performance: referrals in by source, referrals out, SEO performance, conversion rate
- Views/engagement with digital ads

Publicity

- Ad Equivalency Value (AEV)
- Media Impressions
- Number of Media/Influencers Hosted, Coverage
- Attained
- Number of Media/Influencers Hosted, Coverage
- Attained

Communications (Local)

- Coverage generated from press releases
- # Positive Mentions of/by DMO
- Newsletter/e newsletter (Distribution, Views)
- Community/Industry Meetings (Coverage Area, Attendance)

Partnership Marketing

- Funds Committed (\$)
- Retention Rate (# investors)
- Partners Engaged (# businesses)

MICE Sales

- Economic Impact of MICE business Indirect & Induced
- Number of Leads Generated (by segment)
- Conversion Rate on Leads Generated
- Number of Bids Generated (by segment)
- Number of sales calls (by NSD)
- Room Nights Booked DMO Lead, Assists
- Economic Impact from Citywide bookings

- Room Nights from PRCC Events Booked
- Number of Site Inspections
- Conversion Rate on Site Inspections
- ROI on Each Trade Show
- Number of Appointments at Each Trade Show (where applicable)
- Number of Leads Generated At Each Trade Show (where applicable)
- Economic Impact on MICE Incentive Plan including Government ROI
- Booking Data per strategic partner
- Simpleview Metrics

MICE Services

- Number of Groups Serviced
- Number of Service Referrals Generated
- % Pre- & Post-Stays
- Post-Meeting Survey – % positive responses, likelihood of returning

General Economic Impact

- Tourism Industry Direct Economic Spend
- Economic Analysis
- Tourism Industry Total Economic Value WTTC basis
- Consumer Spend Analysis

Lodging Sector

- Average Daily Rate
- Occupancy Rate
- RevPAR
- Reservations Forecast

Air Service

- # Deplanements
- Load Factors
- Demand vs Capacity

Brand Health

- Tone Analysis
- Destination Accolades
- Likelihood to Visit
- Familiarity
- Perception

Industry Employment

- Number Employed

Visitor Analysis

- Number of Visitors
- Average Length of Stay
- Average Spend
- Origin Market
- Demographic

MICE

- Overall MICE economic impact
- Convention Center MICE (non-local) economic impact
- Convention Center Room Nights Generated
- Convention Center Utilization by Non-Local Groups
- Group Attendees Experience Rating



Appendix III.

DISCOVER PUERTO RICO TENTATIVE CALENDAR OF EVENTS FOR FY 23-24

Event Name	Start Date	End Date	Location	Description
B+M DPR Roadshow	7/8/2024	7/11/2024	New York and NJ	Appointments coordinated by Bennett+Mercado. Discover Puerto Rico will be with the following properties throughout the roadshow: WYNDHAM GRAND RIO MAR RAINFOREST BEACH & GOLF RESORT / WYNDHAM PALMAS BEACH & GOLF BOUTIQUE RESORT, Fairmont El San Juan Hotel, El Conquistador Resort
SITE Incentive Summit Americas	7/15/2024	7/18/2024	St. John's, Newfoundland, Canada	The annual SITE Incentive Summit Americas (ISA) is an exclusive opportunity that brings together cross-functional, influential incentive travel leaders to network, share learnings and grow business.
ABC-CCRA PowerSolutions	7/24/2024	7/24/2024	Jersey City, NJ	Our regional events are designed to get you connected with the products and solutions you need to power up your travel agency business. From social media and business training to top suppliers presenting the best of what they have to offer you, you'll walk away with a refreshed strategy, new business relationships and maybe even a fabulous prize to boot!
SmartMeetings Immersive Experience	7/28/2024	7/30/2024	Aventura, FL	Smart Meetings one and three-day events provide meeting planners and suppliers alike with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Event attendees will enjoy informative and entertaining educational sessions, expert speakers, networking sessions and prescheduled back-to-back appointments.
AMCs Engaged	7/30/2024	7/31/2024	Montreal, Canada	AMCs Engaged! is tailored to meet the unique challenges of the AMC community and help professionals prepare for the changing business landscape. Whether you're part of the leadership team of an experienced association management company, a new owner navigating the first few years, or an entrepreneur investigating the strengths of the AMC model, you can join your peers for a day and a half deep-diving into current trends and topics impacting the AMC community.
Cruise Planners Luxury Forum	8/5/2024	8/7/2024	Mexico	The Luxury Forum is a luxury travel focused event aimed at helping advisors either grow their luxury sales or begin selling more high-end luxury brands. The event offers expert speakers, product knowledge, supplier one on one time and more.
ASAE Annual Meeting & Exposition 2024	8/10/2024	8/13/2024	Cleveland, OH	The 2023 ASAE Annual Meeting & Exposition is where thousands of association professionals and industry partners gather to exchange knowledge, resources, strategies, solutions, and more. Over three days of learning, growing, and finding inspiration, attendees are equipped with a year's worth of support in their daily responsibilities as leaders in the association industry.
Virtuoso Travel Week	8/10/24	8/16/24	Las Vegas, Nevada	Virtuoso Travel Week brings together thousands of top luxury travel professionals and providers from over one hundred countries. During one-on-one appointments, professional development, and compelling events, this hybrid event fosters authentic engagement that drives business in a powerful way.

Canadian Meetings + Events Expo 2024	8/13/2024	8/14/2024	Toronto, Canada	The Canadian Meetings + Events Expo is the largest and longest running tradeshow for meeting and event professionals. CMEE expo allows you to network with suppliers from Canadian, US and International destinations, venues, tech companies, décor and more. Our Meeting Marketplace allows for innovative and smaller suppliers to join so you can discover that unique something special for your next meeting. Canadian Meeting Education programming is designed to share key insights, lessons learned and to continue to assist you in building your skills so you can deliver better meetings and events and achieve long term success.
SmartMeetings - Smart Women Summit & Gala	8/15/2024	8/16/2024	Las Vegas, NV	Smart Woman Summit is a celebration of leadership in the hospitality industry. The full-day event will advance careers and launch friendships that change lives. Then a star-studded gala will recognize the individual contributions of a new cohort of Visionaries, Innovators, Entrepreneurs, Stellar Performers, Industry Leaders and Rising Stars.
Destination Southeast	8/18/2024	8/20/2024	Point Clear, AL	The leading hosted-buyer event for top-level, pre-qualified meetings and incentive professionals looking to book business in the Southeast.
SmartMeetings Culinary Experience	8/18/2024	8/20/2024	Las Vegas, NV	Smart Meetings one and three-day events provide meeting planners and suppliers alike with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Event attendees will enjoy informative and entertaining educational sessions, expert speakers, networking sessions and prescheduled back-to-back appointments.
CMITE 2024	8/19/2024	8/22/2024	Anguilla	Over two days of focused meetings, Caribbean Meeting and Incentive Travel Exchange (CMITE) connects pre-qualified, fully hosted North American meeting planners & incentive buyers with leading Caribbean & Mexico-based suppliers to cultivate meaningful industry relationships.
ASTA Caribbean Showcase	8/24/2024	8/27/2024	Curacao	Join your peers in the travel industry for an immersive and educational experience exploring this new Sandals property in Curaçao, at the ASTA Caribbean Showcase 2024. Enjoy the tranquil blue waters and take time to explore the adults-only all-inclusive resort experience at Sandals Royal Curaçao. Wander around the colorful colonial buildings of Willemstad, relax at beautiful beaches and snorkel in turquoise waters. Explore the island from the comfort of this beautiful resort and you don't have to worry about a thing. Food, drinks, water sports, and world-class entertainment are all included, always unlimited. We look forward to seeing you in paradise.
Maritz Activate 2025	8/26/2024	8/28/2024	National Harbor, MD	Activate brings together supplier partners and Maritz team members for networking, commerce, education and engagement. Through interactive sessions, thought leadership and bold experiments, we strive to spark new thinking and make connections that lead to mutually beneficial business outcomes.
ABC-CCRA PowerSolutions	8/27/2024	8/27/2024	Tysons, VA	Our regional events are designed to get you connected with the products and solutions you need to power up your travel agency business. From social media and business training to top suppliers presenting the best of what they have to offer you, you'll walk away with a refreshed strategy, new business relationships and maybe even a fabulous prize to boot!

SITE Classic	9/9/2024	9/12/2024	Miami Beach, FL	SITE Classic is SITE Foundation's flagship fundraiser. Incentive travel professionals come together to raise money in support of research, education, and advocacy for the benefit of the incentive travel industry.
AMEX INTERaction 2024	9/9/2024	9/12/2024	San Juan, PR	INTER[action] brings together the global team from American Express Meetings & Events and their suppliers for three days of meetings, networking, and celebrations. The strength of the Meetings & Events industry is based on the relationships and personal connections we have with our clients, partners, and suppliers.
2024 HPN Global Partner Conference	9/16/2024	9/19/2024	Houston, TX	Attendees will learn more about HPN Global through our Best Practices session, and through connecting with our industry leading sales associates. We'll offer pre-scheduled appointments and open networking to cultivate the relationships we all need to get business done.
ASTA Legislative Day	9/16/2024	9/18/2024	Washington DC	Are you looking to make a difference? This is your opportunity. ASTA's Legislative Day — an exclusive member event — will take you to Capitol Hill to meet with your Members of Congress and their staff to educate them on the importance of supporting travel advisors and the travel industry.
SmartMeetings Leadership Experience	9/22/2024	9/24/2024	Fajardo, PR	Smart Meetings one and three-day events provide meeting planners and suppliers alike with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Event attendees will enjoy informative and entertaining educational sessions, expert speakers, networking sessions and prescheduled back-to-back appointments.
Motivation Luxury Summit	9/22/2024	9/26/2024	Mexican Caribbean	Motivation Luxury Summit is a luxury event designed exclusively for the luxury incentive travel industry. It brings together fifty qualified hosted buyers from the United States, Canada, Mexico & Internationals, and fifty incentive travel luxury suppliers. The MOTIVATION LUXURY SUMMIT combines business meetings, training, motivational experiences and networking. It allows real business opportunities with companies and destinations from Latin America & the Caribbean.
TEAMS '24 Conference & Expo	9/23/2024	9/26/2024	Anaheim, CA	TEAMS attracts more than 1,000 attendees including CEOs, executive directors and event managers from sports organizations as well as representatives from sports commissions and convention bureaus, corporate sponsors, event suppliers and other hospitality industry opinion leaders. For more than 20 years, TEAMS has helped define the sports-event and appointment-based trade show industries.
Affluent Traveler Symposium and the Global Conference	9/24/2024	9/29/2024	Marco Island, FL	This consortium of luxury travel agencies, owned by American Marketing Group, will hold its symposium at the JW Marriott Marco Island Beach Resort in Florida. Agencies will gather to hear presentations, get training and network with top luxury suppliers. This conference, held every two years, gathers travel agencies and travel advisors who are members of American Marketing Group's travel agency groups—TravelSavers, NEST and The Affluent Traveler Collection—at the JW Marriott Marco Islands Beach Resort in Florida. They engage in general sessions, training seminars, supplier presentations and much more.
Virtuoso Connects	10/8/2024	10/8/2024	Monterrey, Mexico	Smaller, local events that may last for a few hours to a half-day, Virtuoso Connects are networking events that offer preferred partners the opportunity to meet with local advisors in a specific region.

Virtuoso on Tour	10/9/2024	10/11/2024	Mexico City, Mexico	Virtuoso is bringing what you love most, networking and professional development training, to a city near you. Each event offers plenty of networking and professional development, but each agenda is slightly different. Login to select an event, and review the agenda before you commit to attend.
Cruise Planners Annual Convention	10/8/2024	10/11/2024	Fort Lauderdale, FL	Cruise Planners Annual Convention is their biggest event held every year, hosting their advisors, suppliers from all major cruise lines, tour companies and resorts. The annual convention discusses company performance, as well as announcements of new technology, marketing and sales tools to set their advisors up for success in the coming year.
IMEX America 2024	10/8/2024	10/10/2024	Las Vegas, NV	Thousands of suppliers from every sector of the global meetings industry come together in Las Vegas every year. You'll meet US domestic suppliers, global tourist offices and convention bureaus, major hotel companies, conference and exhibition centers, cruise lines, airlines, spa resorts, technology providers, event management specialists and many more.
Brand USA Travel Week U.K. & Europe	10/21/2024	10/24/2024	London, U.K.	Bringing together U.S. Exhibitors and U.K. & European for a week of B2B meetings, networking, and enrichment, Brand USA Travel Week, Media Forum, and CEO Summit U.K. & Europe will host key players in the U.S., U.K. and European travel industry. In addition to B2B meetings, attendees will discuss trends, challenges, innovations, and the opportunity to drive future visitation to the United States. Join us at London's iconic County Hall for three premier events over the course of one week!
SmartMeetings Luxury Experience	10/27/2024	10/29/2024	Newport Harbor Island Resort	Smart Meetings one and three-day events provide meeting planners and suppliers alike with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Event attendees will enjoy informative and entertaining educational sessions, expert speakers, networking sessions and prescheduled back-to-back appointments.
Small & Boutique Meetings – Fall	10/27/2024	10/29/2024	South Lake Tahoe, CA	The premier hosted-buyer event designed to connect top suppliers and destinations with planners looking for creative solutions to elevate their small and boutique-sized meetings in the U.S. and beyond.
TravelSavers Elite Retreat at Sea	10/27/2024	11/3/2024	At Sea	The Travelsavers Elite Retreat is a celebration of the sales achievements of these outstanding advisors. It's also an ideal way for our consultants to gain firsthand knowledge of these destinations and travel styles, so they can design even more exceptional vacations for their clients.
Global Incentive Summit	11/4/2024	11/7/2024	Killarney, Ireland	The global hosted buyer event for the incentive travel industry brings together the most highly qualified incentive travel buyers with top hotels/resorts, cruise lines, DMCS, DMOs and tourism offices from around the world.
River X-Change	11/9/2024	11/14/2024	Basel	The River X-Change® is a combination of business appointments bringing TOP MICE Buyers and Suppliers together for 1-to-1 meetings with opportunities for social networking at dinners, receptions and excursions. Proving to be a perfect formula to promote business among friends.

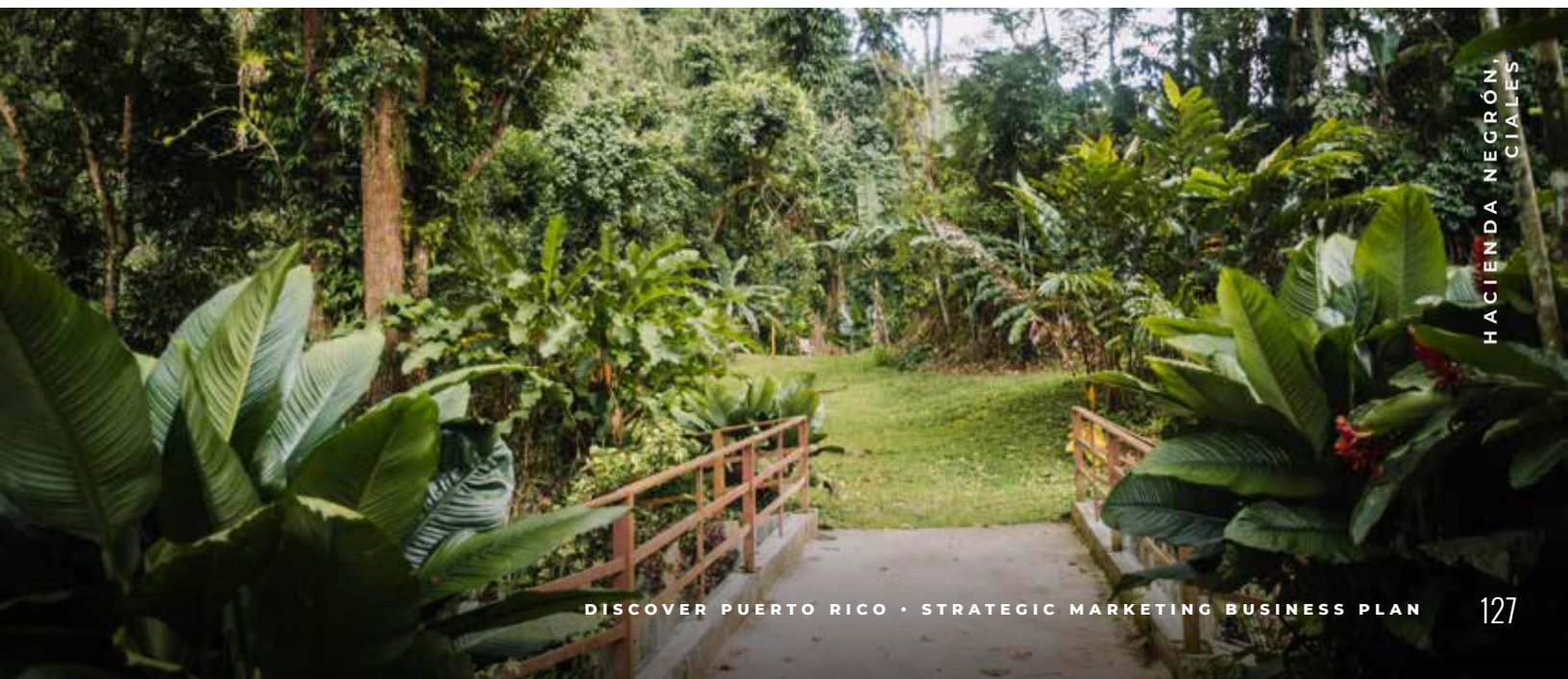
2024 FICP Annual Conference	11/10/2024	11/13/2024	Denver, CO	Financial & Insurance Conference Professionals (FICP®) provides access to education, experience and resources targeting the needs of financial services and insurance professionals from across North America. FICP offers first-rate conferences, symposia, virtual networking and educational opportunities to assist the development of high-caliber meetings professionals. These resources also serve to help meetings professionals increase their success and strategic value. FICP boasts a community of 1,500 meetings and events professionals and hospitality partners and maintains a
NCBMP Annual Convention	11/13/2024		Birmingham, AL	The NCBMP Annual Conference will guide you to new industry relationships, understanding current events, introduce you to progressive education and challenge your intellect.
Conference Direct CD Forum	11/13/2024	11/16/2024	Orlando, FL	CD Forum brings together Corporate Meeting Planners along with the CD Associates and partners with for two days of education and networking.
AAA NE Threads Massachusetts	11/14/2024	11/15/2024	Massachusetts	THREADS brings together over 200 Travel professionals from New York, New Jersey, Connecticut, Rhode Island and Massachusetts.
Connect DC 2024	11/20/2024	11/22/2024	Washington DC	Connect D.C. is the ideal place to build lasting connections and business relationships. Association, Corporate, Faith and Medical event professionals will join in the nation's capital for three days of highly curated one-on-one appointments, networking and education.
Association Forum - Holiday Showcase 2024	12/4/2024	12/5/2024	Chicago, IL	Holiday Showcase 2023 Incubate is your opportunity to: Discover a fresh approach or a new concept Translate lessons into insights. Have a voice in discussions and decisions that will impact our industry. Ignite change in yourself or others. Elevate your skills or acquire new ones. Discover technologies, strategies, tools, and networks that accelerate your professional and personal growth. Regroup, reinvigorate, reinvent. Be energized by your community, inspired by your experience
SmartMeetings Incentive Experience	12/8/2024	12/10/2024	Phoenix, AZ	Smart Meetings one and three-day events provide meeting planners and suppliers alike with the opportunity to meet with targeted prospects. Suppliers can network with qualified meeting planners who have active RFPs, while planners can convene with preferred hotels and destinations. Event attendees will enjoy informative and entertaining educational sessions, expert speakers, networking sessions and prescheduled back-to-back appointments.
IAEE Expo! Expo! 2024	12/17/2024	12/19/2024	Los Angeles, CA	We bring together the global meetings industry, with everyone having that one common purpose – to meet the right people that can create better business results for their organisation. Build face to face connections with the right people, gain key industry insight and of course, engage in unrivalled networking opportunities over the three days.
PCMA Convening Leaders 2025	1/12/2025	1/15/2025	Houston, TX	Discover why thousands of business events professionals and community leaders from around the world come to Convening Leaders every year to explore, through leading-edge education, research and networking, how business events generate economic and social legacies for businesses and communities.

FITUR 2025	1/22/2025	1/26/2025	Madrid, Spain	FITUR is the global meeting point for tourism professionals and the leading trade fair for incoming and outbound markets in Ibero-America. It is a global reference in the tourist sector including great diversity and talent, enabling areas that are totally specialized to be at this event
AMCI Annual Meeting 2025	2/19/2025	2/21/2025	Tampa, FL	The Annual Meeting is AMCI's premier in-person business event to connect members, partners, and industry leaders. Held early in each new year, it is designed to provide opportunities to learn, share, and grow our AMCs.
Conference Direct APM 2025	3/16/2025	3/20/2025	Philadelphia, PA	The Annual Partner Meeting connects our most valued Partners with our Associates in one convenient event. Partners attending have the opportunity to meet and conduct business with over 150 qualified ConferenceDirect Associates under one roof. The elements of APM include an All- Partner General Session, reverse trade show and Networking Reception to assist Partners in developing more business from ConferenceDirect
Sports ETA Symposium 2025	4/14/2025	4/17/2025	Tulsa, OK	The Sports ETA Symposium is the annual meeting of the Sports Events & Tourism Association, the only non-profit 501(c)3 association for the sports events and tourism industry in the United States. Hundreds of sport tourism professionals and industry partners gather to exchange time, resources, strategies, solutions, and more. The Symposium features dozens of education sessions, countless networking opportunities, and business development appointments in the Sports Marketplace, all to help our members produce measurable ROI for their organization, elevate their sports events, and improve the quality of life in their destinations.
IMEX Frankfurt 2025	5/20/2025	5/22/2025	Frankfurt, Germany	IMEX is where the global business events community comes together for four exhilarating days every year. Where more than 3,800 meeting planners meet with 2,900 suppliers from every corner of the globe. This is where powerful business connections that offer real ROI are made.
IPW 2025	6/14/2025	6/16/2025	Chicago, IL	U.S. Travel Association's IPW will continue to reunite and rebuild the global travel industry, providing an in-person platform to conduct business and renew our relationships around the world. As the leading inbound travel trade show, past IPWs have generated more than \$5.5 billion in future travel by connecting U.S. travel exhibitors with travel buyers and media to promote their product and negotiate future business, securing America's position as a foremost global travel destination and showcasing the best of what the U.S. has to offer.
Esports Travel Summit 2025	6/16/2025	6/18/2025	Bloomington, MN	The EsportsTravel Summit is the world's largest gathering of esports tournament and video-game event organizers and the only event focused on the travel side of the esports industry.
2025 FICP Canadian Seminar	TBD			FICP brings together Canadian meetings professionals and hospitality partners in person for the FICP Canadian Seminar each summer. This annual event is filled with education focused on trends and challenges unique to the Canadian meetings and events industry and networking with fellow Canadian event professionals.
SITE Canada Exchange 2025	TBD			The event will bring together a maximum of 25 pre-qualified incentive buyers hosted buyers from Canada mostly, with some from the U.S.A., who will be matched with up to 25 suppliers for 1 on 1 appointments.

IPEC 2025	TBD			The IPEC program for independent planners provides the perfect mix of education, networking and meetings with suppliers, with options for hosted and nonhosted buyers. Those booking new business will meet with myriad suppliers who are eager to host the buyers' future events. Sessions and guided discussions will focus on current topics of importance.
Sports Express Conference 2025	TBD			The Sports Express Conference is centered on maximizing your interactions with the industry's most active meeting planners and event rights holders. Our proven model brings you and keeps you in front of these high-level decision-makers to assure you receive the highest Return on your Time and Money Investment. Our unique format is focused around limiting attendance to assure a 2-to-1 ratio of sellers vs. buyers and from this enhance the relationship-building opportunities including quality appointments, multiple casual social functions, and abundant interaction opportunities over the course of four days.
SITE Global Conference 2025	TBD			Global Conference is SITE's signature event, the annual meeting point for the global community of incentive travel professionals to connect, learn and discover and collaborate to shape the future of the industry.
Pharma Forum 2025	TBD			Pharma Forum is the largest, most influential annual forum dedicated to uniting life sciences meeting and event professionals to navigate the future of medical meetings. In this shifting COVID- 19 era, it serves as the ideal platform to address compliance implications for virtual interactions, the need for flexibility in contracting and re-entry strategies for face-to-face live and hybrid events.
Prestige Partner Conference 2025	TBD			This event allows partners to join Prestige associates and supplier partners for networking and learning.
Sports ETA Women's Summit	TBD			Developed by top women leaders in the sports events and tourism industry, the annual Women's Summit will inspire you to achieve your career goals. The Sports ETA Women's Summit encourages attendees learn how to strengthen their community relationships, advocate for themselves, and polish their leadership skills.
Conference Direct APM 2025	3/16/2025	3/20/2025	Philadelphia, PA	The Annual Partner Meeting connects our most valued Partners with our Associates in one convenient event. Partners attending have the opportunity to meet and conduct business with over 150 qualified ConferenceDirect Associates under one roof. The elements of APM include an All- Partner General Session, reverse trade show and Networking Reception to assist Partners in developing more business from ConferenceDirect
Showcase 2025	TBD			Showcase offers you the opportunity to reconnect with your best business partners. To maximize engagement and relationship-building, you'll find Conversation Starters, networking lounges, the Cocktails & Conversations Mimosas Bar, and Beverages & Bites Networking Lunch, among other activities
Cruise 360	TBD			Our biggest professional development event of the year, Cruise360 features a week's worth of professional development, ship inspections, networking and the latest industry trends. As the largest and only official conference of the cruise industry, Cruise360 brings together travel professionals, cruise line representatives, ports & destinations, industry suppliers and CLIA preferred partners for a truly panoramic view of the cruise industry.

Sports ETA Facilities Summit 2025	TBD			Developed by industry leaders in sports facilities, events, and tourism, the Sports Facilities Summit provides education and networking to sports tourism professionals through expert presentations, facilitated discussions, case studies and networking. The Sports Facilities Summit is valuable content for facility developers, sports facilities personnel and vendors, destination professionals and sports event owners.
HelmsBriscoe Annual Business Conference & Partner Fair	TBD			The Annual Business Conference for HelmsBriscoe reunites the association's planners with suppliers to engage in business sessions and networking.
MPI World Education Congress 2025	TBD			WEC is the premier education and networking conference for meeting and event professionals, featuring cutting-edge topics and business opportunities
ASTA Global Convention 2025	TBD			ASTA events are designed to meet the needs of the travel agency community. You'll find local chapter events as well as national and international meetings. Many members say that the chance to connect socially with peers and the people they do business with is one of the most valuable parts of all ASTA meetings.
PCMA EduCon 2025	TBD			EduCon's energetic, immersive and provocative program attracts thought leaders, event marketers, experience designers and business events strategists from around the world. EduCon is known industrywide for its innovative approach to education and the small-group learning that builds lasting relationships.
Incentive Research Foundation Invitational 2025	TBD			The IRF Education Invitational is the premier industry event dedicated to education and networking.
Cvent Connect 2025	TBD			Cvent CONNECT is an annual user conference and industry event for production pros, experience makers, and engagement experts. Experience cutting-edge event tech innovation and leave with new ideas, best practices, inspiration, and creative strategies to maximize your total event program.
Connect Spring Marketplace 2025	TBD			Unlock unparalleled opportunities for growth and success at Connect Spring Marketplace, the paramount event designed exclusively for event professionals. With a rich history of fostering transformative connections, this gathering promises a remarkable 2.5 days that could reshape your career. Join over 2,000 passionate event experts from around the globe for unparalleled networking, one-on-one business meetings, innovative education sessions and a dynamic tradeshow overflowing with the latest event solutions.
CSCAA Annual Meetings and Convention 2025	TBD			The College Swimming and Diving Coaches Association of America (CSCAA) Convention and Annual Meetings includes a full slate of keynote speakers, educational opportunities and invaluable networking for College Swimming and Diving Coaches across all divisions including Division I, II, III and NAIA.
SYTA Summit 2025	TBD			SYTA Summit is a unique networking retreat for student group tour operators and key industry partners to connect and recharge during an immersive learning experience.
FICP Strategic Partners Leadership Forum	TBD			FICP's Strategic Leaders Event brings together senior meetings professionals for two days of education, networking and relationship building.

FICP Education Forum 2025	TBD			Financial and insurance industry meetings professionals and hospitality partners are invited to this immersive virtual experience that includes thoughtful insights from industry leaders, an exciting Speaker Showcase, and unique opportunities to connect with peers while test-driving virtual networking platforms.
Incentive Live 2025	TBD			The “must-attend” incentive, loyalty and motivation event welcomes you! The biggest trends, the biggest influencers, the biggest spenders – all come together for three highly productive days.
Maritz Elevate 2025	TBD			Elevate brings together executive-level clients, supplier partners and select Maritz team members for an exclusive, fully immersive experience designed to challenge norms and encourage design thinking. In addition to providing access to top events industry leaders, this client-focused event offers opportunities for experimentation, education and the exchange of ideas.
NYSAE Meet New York 2025	TBD			Meet NY is a one-of-a-kind client-customer showcase which attracts attendees from all over the northeast and includes the support of other associations such as ESSAE and NYPCMA. Qualified senior executives and planners are hosted complimentary to attend cutting edge industry education, a mini tradeshow and cocktail reception, and all under the NYC theme of Broadway.
2025 FICP Winter Symposium	TBD			The FICP Winter Symposium is a can’t-miss occasion to bring together meetings professionals from financial and insurance companies located on the east coast.
Vitrina Turística ANATO 2025	TBD		Colombia	ANATO’s Vitrina Turística, acts as a meeting point where all tourism sectors such as airlines, hoteliers, tour operators, tourist representation offices and Travel Agents of Colombia know, promote and sell their tourism products and services. In the same way, the Vitrina Turística promotes the dynamization of receptive tourism and the generation of emissive currents towards the participating countries.
CHTA - Caribbean Travel Marketplace 2025	TBD	TBD	TBD	Caribbean Travel Marketplace affords tourism suppliers the opportunity to meet face-to-face with wholesalers from around the world selling Caribbean vacation travel over the course of two days of business meetings.



Appendix IV.

FINANCIAL OVERSIGHT AND MANAGEMENT BOARD OBJECTIVES FOR DISCOVER PUERTO RICO

Fiscal Year	Objective	Status
2019-20	Establish visitor surveys to assess industry performance and visitor satisfaction; establish quarterly and annual reporting of key metrics.	COMPLETED / ONGOING: Ongoing reporting of industry and organizational metrics is in place; Puerto Rico Tourism Company has assumed responsibility for all visitor surveys.
2019-20	Establish system of benchmarks to compare Puerto Rico to other destinations, including top Caribbean performers.	COMPLETED / ONGOING
2019-20	Drive 5% annual growth in direct contribution of tourism to GDP and 5% annual growth in direct contribution to employment	COMPLETED / ONGOING: Exceeded this level of performance in 2019, COVID Pandemic and related government actions inhibited performance in 2020 & 2021 thus far, but DPR is targeting performance above this level going forward
2019-20	Improve tourist service infrastructure score of 5.4 (2015) by 10% by improving number and quality of lodging services	COMPLETED: Discover Puerto Rico completed analysis of tourism infrastructure, but PRTC has assumed responsibility for all tourism product analysis, reporting and management
2019-20	Establish exit surveys to measure visitor satisfaction, length of stay and spend for tourists to highlight key areas of improvement and focus for DMO	COMPLETED: PRTC has assumed responsibility for visitor surveys, but DPR tracks length of stay and average spend using industry-standard measurement tools
2020-21	Establish Air Hub Working Group	COMPLETED / ONGOING
2020-21	Publish Annual Performance Report	COMPLETED / ONGOING
2020-21	Create and share Puerto Rico's Travel & Tourism Competitiveness Scorecard with Fortaleza, the Legislature, PRTC, and the Oversight Board	COMPLETED / ONGOING
2020-21	Design Air Hub strategy with Oversight Board; discuss with FOMB	COMPLETED - Published study which includes recommendations; funds have not been made available to implement proposed plans.
2020-21	Finalize all required to transfer airline and event marketing responsibilities to DPR (PRTC to DPR)	Discover Puerto Rico completed transition plan, but government has chosen not to pursue this.
2020-21	Transfer all internal, airline and event marketing responsibilities and associated funding from PRTC to Discover Puerto Rico.	Discover Puerto Rico completed transition plan, but government has chosen not to pursue this.
2020-21	Publish promotional plan for upcoming calendar year	COMPLETED / ONGOING
2021-22	Participate with PRTC in the development of internal tourism marketing strategy (Discover Puerto Rico/PRTC).	Discover Puerto Rico is prepared to manage this
2021-22	Participate with PRTC in development of airline marketing strategy (Discover Puerto Rico/PRTC).	Discover Puerto Rico is prepared to manage this
2021-22	Implement 1st and 2nd phases of Small and Medium Enterprise (PYME) recovery plan; generate overall \$12:1 ROI with this program	PLAN COMPLETED - Seeking funding
2021-22	Implement destination visitor research program (DPR, PR & Federal Government)	COMPLETED AND ONGOING
2021-22	Implement fully funded co-op marketing campaign	Guidelines submitted to PRTC and approved; first application submitted
2021-22	Implement destination visitor research program (Discover Puerto Rico, PR, & Federal Government).	COMPLETED AND ONGOING
2021-22	Implement island wide creative content collaboration	La IDEA has been launched; seeking funding for creative content application

Appendix V.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ALIGNMENT

FOUNDATION TO PUERTO RICO'S ECONOMIC GROWTH:

VISION

We seek a sustainable economic development and the improvement of quality of life for our people through a robust business ecosystem and a global-class economy based on innovation and knowledge.

- Discover Puerto Rico's Vision Statement is closely aligned with the Department of Economic Development and Commerce (DEDC): Become a transformational, results-oriented and innovative destination marketing organization, powering sustainable economic growth.
- **Sustainable Economic Development:**
 - Seek to positively impact our Island, local businesses, and the quality of life of our Island's residents by growing tourism throughout the entire Island, thereby enhancing the success of businesses and residents of Puerto Rico.
 - Positively impact the economy of Puerto Rico by increasing the number of visitors, as well as their length of stay, average daily spend and visitation throughout the destination. By promoting all 78 municipalities and dispersing visitors throughout the Island, we can achieve record growth that is sustainable.
 - Work closely with public and private sector partners at the local, regional and national levels to identify common objectives and achieve progress together.
- **Innovation & Knowledge:**
 - Rely upon research, analysis and applied knowledge from best-in-class external sources to guide, shape and improve marketing and sales strategies and tactics.
 - Seek to be a leader in the utilization of technology to spur innovation, enhance results and ensure efficient use of resources. (e.g., CRM database by Simpleview, DiscoverPuertoRico.com)
 - Incorporate innovation as a key value when we recruit, hire and develop our team, and when we evaluate external partnerships.

WHAT DOES DEDC BELIEVE IN?

The private sector is the main driver of economic growth. We believe in empowering entrepreneurs and making life easy for them to make their businesses be global players. Our main goal is to eliminate unnecessary regulations and lower the cost of doing business.

- Discover Puerto Rico was created to be more than just an advertising agency for the destination. It was created to benefit local businesses of all sizes and industry segments by working hand in hand with owners, operators, developers and other tourism leaders, and providing them with tools for growth and success. This is the core of what we so passionately do.

- **Promotion:**
 - Position Puerto Rico as a premier business and leisure travel destination, offering world-class attractions and one-of-a-kind experiences to visitors.
 - Promote the entire Island by highlighting each of the 78 municipalities' unique and diverse offerings, exceptional experiences, service and hospitality.
 - 5,148 businesses and tourist attractions in Puerto Rico have a profile on the website, gaining visibility with the hundreds of thousands of users who visit DiscoverPuertoRico.com every month.
 - Work hand in hand with municipalities and their tourism directors to ensure that profiles are updated and all businesses are represented on our website.
 - Connect likely travelers and planners who respond to our advertising and promotions to the website and social channels of the municipalities, attractions and listed businesses.
 - Continually publish information about Puerto Rico's communities, attractions and unique experiences, drawing national and international attention to our Island. To date, we have written more than 445 articles on tourist attractions around all of Puerto Rico by our local editorial team.
 - Provide partnership access allowing small and medium businesses to leverage complementary strengths and achieve more, faster.
 - Discover Puerto Rico offers PYMES the following free tools:
 - DiscoverPuertoRico.com
 - DiscoverPuertoRico.com/industry
 - Events calendar
 - Asset library
 - Social media
 - Local news engine
 - Familiarization trips
 - Industry updates
 - Collaborative seminars
 - Workshops and training
 - Opportunities in the MICE segment (lead generation, site visits, deals section on website)

- **Collaboration:**

- Work closely with public and private sector partners at the local, regional and national levels to identify common objectives and achieve progress together.
- Meet regularly with 127 talented professionals from the public and private sectors with extensive experience in travel and tourism at our advisory committees to help us shape and refine our marketing and sales plans.
- Launched cooperative marketing programs that were designed to provide additional support and visibility to our Island's businesses. These programs were offered at a discounted rate and Discover Puerto Rico invested over \$100k in matching funds. Although the program started to gain traction, the matching fund commitment specified in Act 17 was never funded by/through PRTC and, as a result, in December 2019, the program was suspended. Therefore, in December 2019, the program was retired.
- These programs included:
 - Native banners, featured listings and lead generation on discoverpuertorico.com
 - Third-party media through MIQ, Sojern and Adara
 - Third-party emails through *Passport* magazine, *The New York Times*, *Condé Nast* and ePro.
 - High-quality video production
 - Discover Puerto Rico has recently designed a small-business marketing program that will protect and enhance the success of small businesses throughout Puerto Rico by providing a robust body of digital tools currently not available (or unable to be used) by local businesses. This program is unfunded as of now, but Discover Puerto Rico is ready to implement with adequate funding.

- **Education:**

- Offer multiple in-person and virtual educational sessions designed to train local businesses on important topics that can positively impact their marketing and sales strategies.

RESHORING INITIATIVE

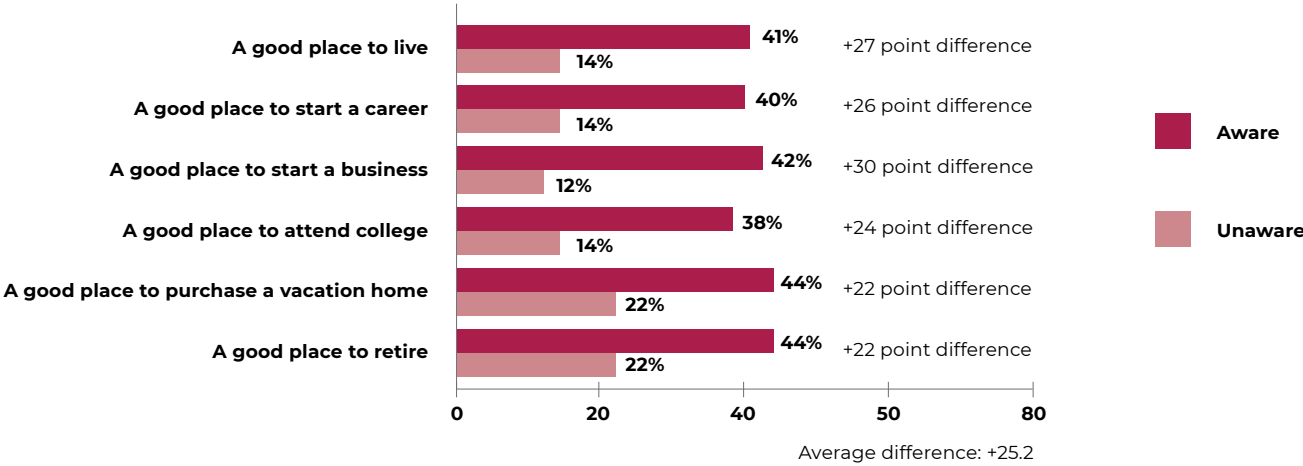
- **Position Puerto Rico as a logical choice and solution for USA's reshoring efforts.**

- **Make Puerto Rico part of the federal agencies' plan to secure critical supply chains, as per Biden's executive order.**

- Collaborate with key partner organizations outside of the travel and tourism industry to ensure alignment with overall strategies and organizational missions, including DEDC, IPR, local chambers of commerce, Aerostar, among others.
- Enhance and protect the brand health of Puerto Rico through highly effective marketing targeting key consumer segments.
- Seek positive publicity that highlights the Island's competitive advantages and complements the advertising and sales efforts underway.

- Develop best-in-class content, enhancing the reputation of Puerto Rico as an Island of talent, potential and entrepreneurial opportunity.
- Promote remote work. With no passport, currency exchange or new phone plan required for U.S. citizens, Puerto Rico is the perfect destination for remote work in the new year.
- Maximize Puerto Rico's luxury offering expansion attracting luxury and incentive travel.
- Implement advertising initiatives that significantly influence the economic development image of the Island, primarily in markets where baseline measurements show an opportunity to increase destination economic development image.

IMPACT OF TOURISM AD AWARENESS ON PUERTO RICO'S ECONOMIC DEVELOPMENT IMAGE - TOTAL



For the total sample, 38% of respondents were aware of the advertising and 62% were unaware
 Source: Longwoods International, LLC

MAKING PUERTO RICO A CARGO TRANSSHIPMENT HUB

Working with the private sector to maximize the transshipment waiver granted by the DOT.

- A robust, healthy tourism economy is key to maintaining air service and we recognize that there is significant synergy between cargo and passenger traffic volumes and patterns, hence growing travel to our Island enhances Puerto Rico's status as a cargo destination/hub.
 - Work collaboratively with DEDC, IPR, PRPA, PRTC and Aerostar to develop an integrated air hub strategy. This strategy must include adequate funding for demand generation and must also address the handling of transit passengers in light of Department of Homeland Security (DHS) limitations on receiving transit passengers through U.S. airports.
 - Grow international inbound visitation which can deliver huge economic benefits. Research affirms Puerto Rico's potential to position itself as a premier leisure and business destination in both domestic and international tourism. For Puerto Rico to grow its tourism industry, additional air capacity and demand generation are essential. The Island has the infrastructure, tourism product and capacity to enable long-term, sustainable growth in tourism.
 - Develop a comprehensive, research-based marketing/sales strategy to grow international inbound visitation that, if fully funded, will greatly enhance Puerto Rico's competitiveness. Ultimately, this can

only succeed if airlines believe that the economic benefits of new service outweigh the inherent risk. The USDOT Order may help to mitigate the risk for airlines.

- Expand capacity in existing routes and/or the addition of new routes. Because Puerto Rico's geographic location offers proximity to key destinations throughout the U.S. and Latin America, the changes made by the USDOT may appeal to cargo carriers in South America and Europe.
- Optimize the utilization of the new USDOT Order. With the right support and an adequate investment in demand generation, Discover Puerto Rico is prepared to work with its partners in the public and private sectors, most notably Invest Puerto Rico, to aggressively market this new set of benefits to further air service development in Puerto Rico. While it remains to be seen what can come from this effort, the timing of this new USDOT Order presents a unique, unprecedented opportunity for Puerto Rico, its tourism industry, and its airline partners.

EFFORTS TO SUPPORT THE EASE OF DOING BUSINESS

- **Take our Single Business Portal to another level to improve the permit and incentives decree processes.**
- **Red Tape commission that will focus on cutting unnecessary regulations and laws.**
- **Implementing an improved permits regulation.**
 - Partner with DEDC and IPR to develop an integrated strategy to foster economic development. A comprehensive study by Longwoods International confirms the impact of Discover Puerto Rico marketing on the economic development potential of Puerto Rico beyond tourism.
 - Seek to provide community and stakeholders easy access to relevant information, evaluating our resource allocation, strategies research, results, procedures and decision-making.
 - Work closely with public and private sector partners at local, regional and national levels, identifying common objectives that collectively achieve progress.
 - Provide tools for local stakeholders and SMEs:
 - **DiscoverPuertoRico.com:** DiscoverPuertoRico.com is Puerto Rico's cover letter to the world. There is content from each municipality and region. The distinctive elements of our culture, gastronomy, nature, art, architecture, history, and more are highlighted. We direct users to the portal of municipalities or points of interest. Presence on the website is free.
 - **DiscoverPuertoRico.com/Industry:** This is your "behind the scenes" look at Discover Puerto Rico, with access to tools like research data that will help guide your decisions regarding the tourist attractions in your municipality or business.
 - **Events Calendar:** This is where visitors will be able to see the cultural events in your municipality and make them a part of their experience in Puerto Rico.
 - **Asset Library:** We own and/or properly license 100% of the content on our libraries. This means have beautiful visual content of all 78 municipalities and Islands that we can use, as well as share it with our industry stakeholders for free to promote their businesses and attractions.
 - **Social Media:** We promote the attractions and experiences offered by the 78 municipalities on our social media channels. We have accounts on the main social networks, both for leisure visitors

and for the events and conventions sector. We also have local accounts to keep in touch with municipalities and industry members..

- **Local News Engine:** Discover Puerto Rico continuously engages our local industry stakeholders and the community in general to keep them informed of our efforts and progress. .
- **Familiarization Trips:** Reporters and influencers from around the world could visit your municipality, its attractions and businesses to write about those experiences and generate international attention..
- **Industry Updates:** Each month, Discover Puerto Rico offers a webinar for the local industry and municipalities in which we share important data on the current landscape of the tourism industry at the global and local levels, as well as a summary of research findings, performance details, and other valuable information for the industry. To receive the monthly invitations, all you must do is register on our industry portal.
- **Collaborative Seminars:** Quarterly meetings with local stakeholders from specific market segments to discuss trends and opportunities. (e.g., LGBTQ+, Golf, Gastronomy, Arts and Culture)
- **Workshops and Training:** Discover Puerto Rico has held multiple in-person and virtual educational sessions designed to train local businesses on important topics that can positively impact their marketing and sales strategies. A variety of topics has been covered, including social media, LGBTQ segments, our website, digital marketing strategies, customer service, partnerships, using Google My Business Listings, and communicating during a crisis.
- **Opportunities in the MICE Segment:** Assistance and support with lead generation, site visits and deals section on site.

DEVELOP AND GROW THE WORKFORCE OF THE FUTURE

- **Work with the academia on the industries' needs for the future: train scientists, engineers and programmers needed for our strategic sectors.**
 - Commit to ongoing education and training to achieve strategic objectives and lead our industry.
 - Focus on hiring the best-in-class candidates, prioritizing search on local talent.
 - Strive for organizational excellence through a performance-based and results-oriented culture.
 - Provide diverse professional and development experiences to better support our organizational strategy.
 - Implement advertising initiatives that significantly influence the economic development image of the Island, specifically the likelihood to attend college and start a business in Puerto Rico.
 - Maintain university relationships with local colleges to identify talents early to participate of our formal internship program.
 - Help students transition from university to the workplace, developing leadership, teamwork, problem-solving, research, client services and other skills to create a win-win, supporting their careers and enhancing business knowledge.

RETENTION AND GROWTH OF EXISTING CLIENT BASE

- **Work on a customer service strategy that proactively looks for opportunities to promote growth.**
 - Grow Puerto Rico's visitor economy. Discover Puerto Rico has assembled a strategic, research-based plan that when fully funded (comparable levels of pre-DMO promotion and in line with our competitor destinations), will yield \$1.5B-\$2B of additional economic impact, \$200M-\$250M in increased tax revenues, and 25,000+ additional jobs.
 - Enhance and strengthen Puerto Rico's brand position. Before we launched the repositioned brand, only 16% of consumers could associate Puerto Rico with the marketing brand. This rose to 21% in 2020 with just a year of Discover Puerto Rico marketing.
 - Increase awareness of and familiarity with Puerto Rico as top-tier vacation destination.
 - Improve consumer perception of Puerto Rico.
 - Grow Puerto Rico's position as a multi-season vacation destination.
 - Enhance the effectiveness of and generate strong demand for Discover Puerto Rico's owned media channels.
 - Leverage relationships with key industry partners to optimize mutual outcomes benefiting the Island as a whole.
 - Increase earned media across a variety of publications, targeting \$200M+ of positive publicity for our Island each year.
 - Increase the number of meetings, conventions and incentive trips to Puerto Rico.
 - Develop a sports marketing strategy and increase the number of sports events to Puerto Rico.
 - Increase the number of FITs and leisure groups to Puerto Rico.
 - Improve meeting planner perceptions of Puerto Rico.
 - Expand digital presence across all meeting and convention channels.
 - Increase presence and exposure with industry associations and at industry events.
 - Destination Support Services Team:
 - Ambassadors of the destination
 - Customized site inspections experiences and familiarization trips
 - Liaison to local businesses
 - Provide all necessary resources to meeting planners to ensure a successful and memorable convention or meeting.
 - Innovation

- Actively engage with the Puerto Rican diaspora on the mainland through grassroots and public relations efforts, providing information and sharing about current trends and new tourism product available, sparking visitation and encouraging extended stays to explore the Island further.
- Maintain and grow a properly segmented customer database in our CRM platform, Simpleview.

EMPOWER LOCAL BUSINESSES TO BECOME GLOBAL PLAYERS

- **Assist local businesses in identifying global potential markets/partners. Help business become suppliers of critical supply chains on and outside the Island.**
- **Help businesses become suppliers of critical supply chains on and outside the Island.**
 - Increase local businesses exposure and reach via DiscoverPuertoRico.com, trade shows, sales missions, FAM trips, earned media, site visits and training.
 - Host familiarization trips with top-tier journalist and social media influencers to experience first-hand everything Puerto Rico has to offer. Expose guests to a plethora of local business and, in turn, they share about their experience with their audiences, promoting visitation and consumption.
 - Maximize our local news engine by searching interesting stories and moments in time that can be tied to local business. We aggressively pitch these stories to trade and lifestyle publications on the mainland and internationally to amplify reach and increase exposure, resulting in additional visibility and traffic for the businesses.

INCREASE PUERTO RICO'S COMPETITIVENESS

- **Reduce the costs of doing business in Puerto Rico and increase the availability of well-trained labor.**
- **Maximize reconstruction funds to build a resilient infrastructure that serves the improvement of connectivity infrastructure with enhancement of 5G and 0G networks across the Island.**
 - Bring prosperity to Puerto Rico by collaboratively positioning our diverse and unique Island as a premier destination for leisure, business, and events throughout the year.
 - Commit to delivering results against a best-in-class, research-based, results-driven marketing, and sales plan.
 - Develop or expand niche markets of individual travelers that will expand the visitor economy and potentially attract new audiences to the Island.
 - Maintain a SWOT analysis (strengths, weaknesses, opportunities, threats) of each of our primary competitors to identify best practices and build upon competitive advantages.

Ensure all customer-facing associates are regularly provided updated messaging so that the core value proposition of Puerto Rico as a travel destination can be consistently articulated in all segments.





DISCOVER
Puerto Rico

Strategic Marketing

BUSINESS PLAN
FISCAL YEAR 2024-2025