

# Tourism Coffee Hour

April 15, 2020  
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MSU Extension





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U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410; or

**fax:**

(833) 256-1665 or (202) 690-7442;

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program.intake@usda.gov.

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# Agenda

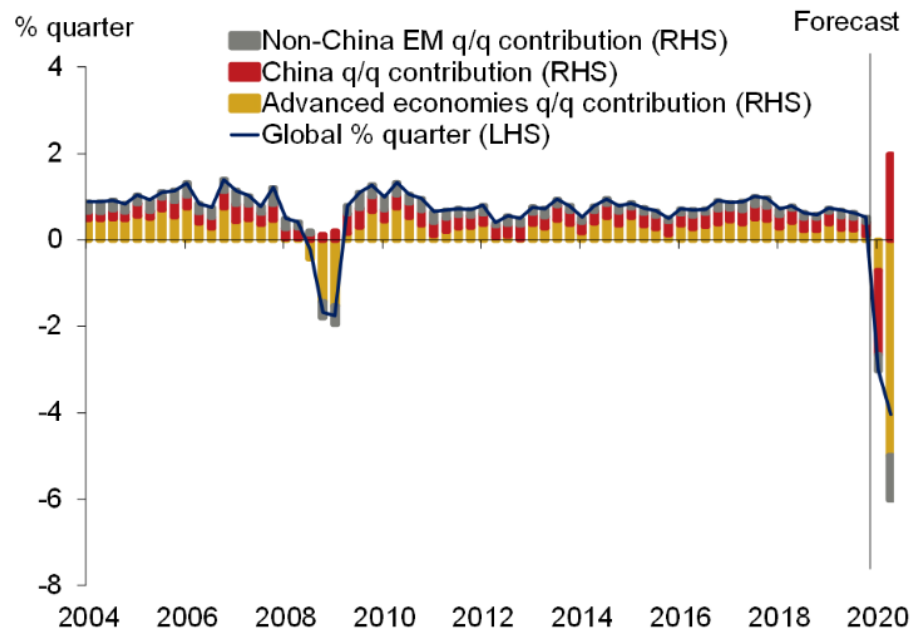
- 10:00: Welcome and Introductions
- 10:10: Short Presentation: Covid-19's impact on tourism, current trends
- 10:20: Breakouts: In small groups, discuss current needs, assets, and opportunities for collaboration.
- 10:40: Report out
- 10:50: Wrap-up discussion, further resources, opportunities for follow-up, set next meeting.
- 11:00: Adjourn



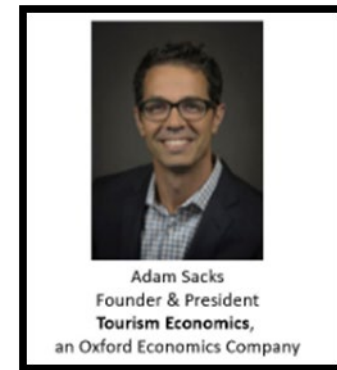


## Immediate economic impact will be greater than during GFC

### World: GDP



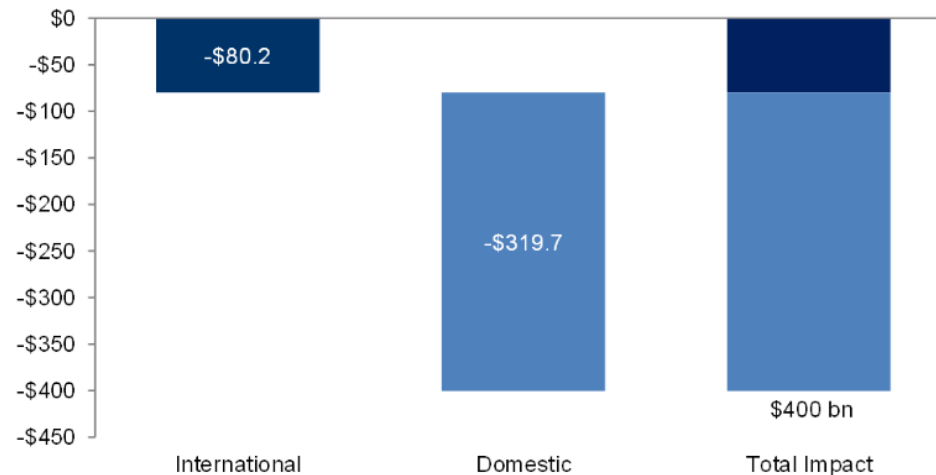
Source : Oxford Economics/Haver Analytics



## Total US travel industry impacts

### Total Travel Revenue Loss in 2020

\$ billions



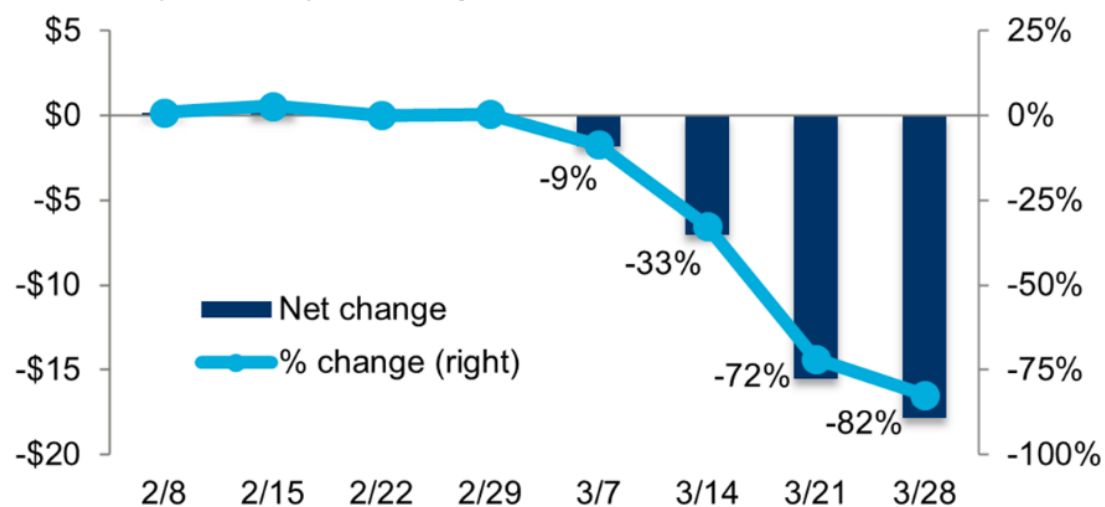
Source: Tourism Economics

- Including international and domestic travel, \$400 billion in travel spending will be lost in 2020.
- 7x impact of 9/11

## Losses are already mounting

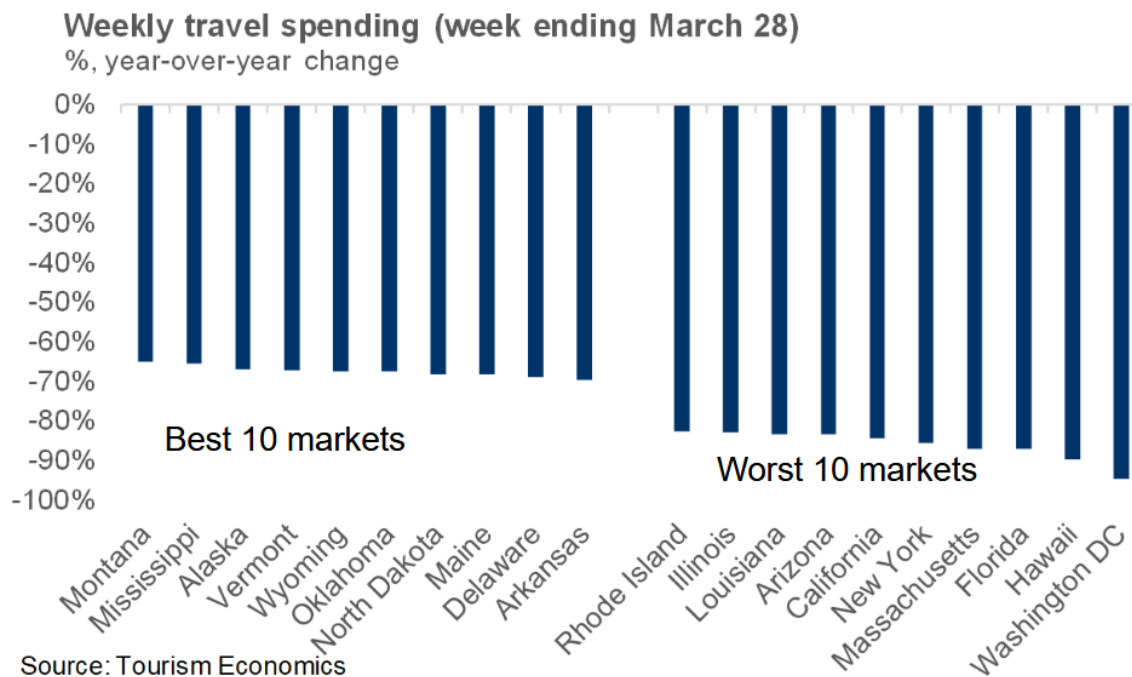
### National weekly travel spending

\$ billions, year-over-year change



Source: Tourism Economics

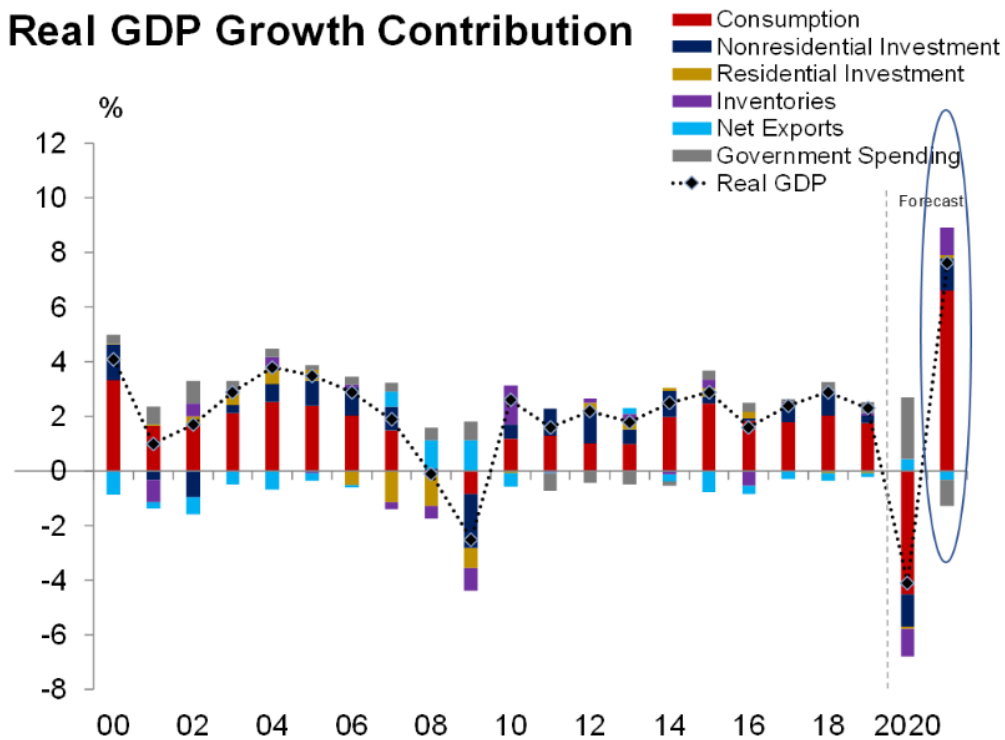
## The more remote, the better





## Economic rebound expected in 2021

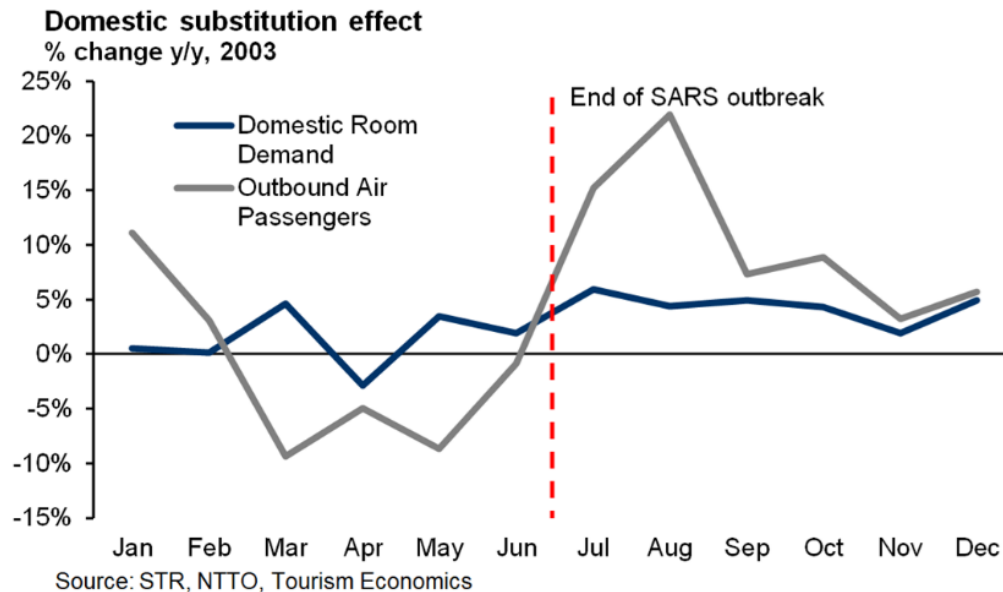
### Real GDP Growth Contribution



Source : Oxford Economics/Haver Analytics



## Once recovery begins, travel will surge

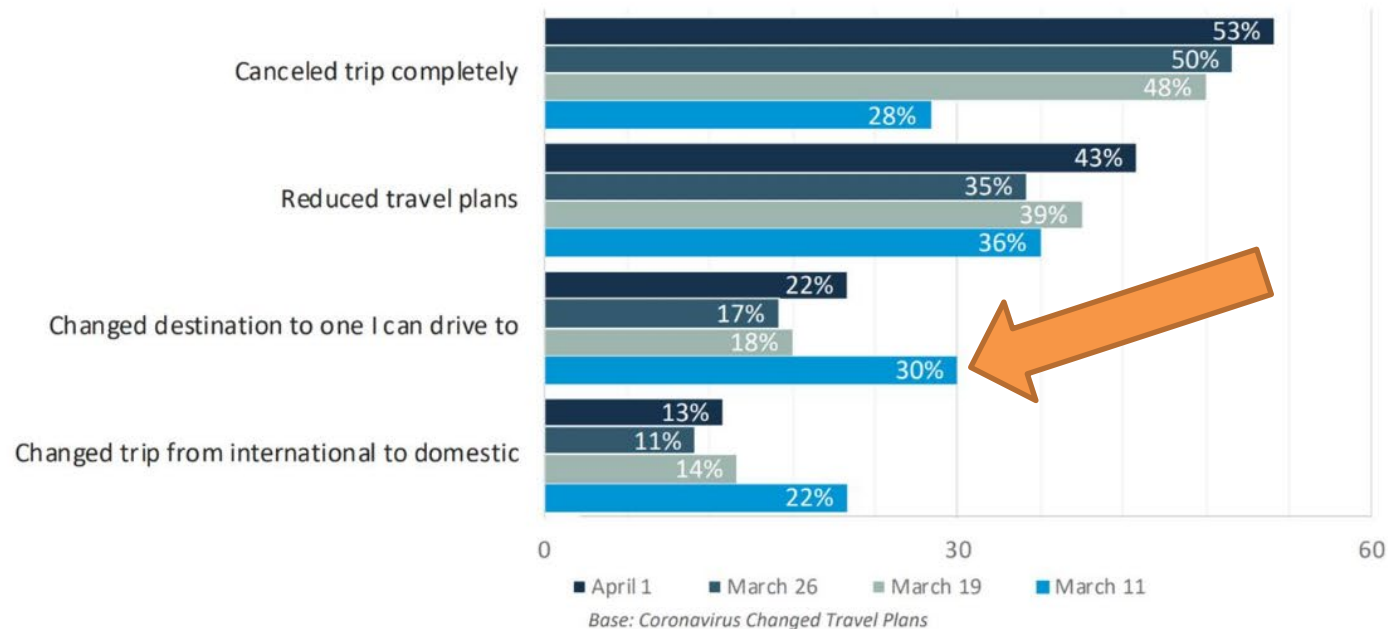


- US residents chose not to travel abroad in 2003 and outbound trips declined 5% in 2003. Meanwhile, domestic travel grew.
- A 50% drop in US outbound travel this year equals roughly 50 million trips—a share of which will convert to domestic.



## Already signs of shifts toward domestic travel (and drive)

### Impact of COVID-19 on Upcoming Travel Plans Comparison



Travel Sentiment Study Wave 4

Longwoods INTERNATIONAL | miles PARTNERSHIP



## Concluding reflections

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- International market downturn is likely to extend into 2021
- Domestic (including Canada and Caribbean) travel positioned to recover more quickly but timing will be initially more defined by social distancing policy than economy
- Regional travel will lead all opportunities as societal opening will be incremental/local over the next several months (activity and lodging shifts)
- Business and group travel will lag due to low cash/profits as well as corporate and government policy
- Leisure travel pent-up demand (along with converted outbound) presents opportunity in the second half of 2020
- Return to “normal” levels of travel will be a multi-year effort







# Accepting Reality

- This is an **Existential Crisis**
- This will **not** end quickly or have a defined ending
- Travel will fundamentally change: The Sector will not **resume** as it was before
- Every Destination is now a **Start Up**
- Airlines, tour operators and visitors will **prioritize Destinations** with a plan in place **before** recovery, not creating one at the time





# Info

- Providing **Credible Information** to Trade, Prospective Travellers and Government is your Main Asset
- **Fact Check** and Vet everything
- Eliminate the **FOAF** factor
- Identify Accurate **Sources**
- Practice **Ephemeral** Messaging
- Seek **Allies** in Trade and Media





# Resources

- **Gain Trust and Inspire Confidence:**
- Create a **Communication Plan** and Structure with policies
- Create **Official Channels** of communication not consumer channels and use associations for dissemination
- Create an **Online Resource Hub** and link to trusted partners, don't reinvent the wheel
- Use **Business Surveys** to identify challenges and opportunities





Greg Klassen  
Partner  
Twenty31 Consulting

# Tourism Triage

- Focus on retaining **Brand Awareness** over business
- Focus **First Phase** on sectors that can and will come back (Hikers over Cruise Passengers)
- Take stock of your products- which are going to work for you during Recovery?
- Some products may be viewed through the prism of pandemic: Buffets, Cruise Ships, AirBnB





## Breakouts

- In your groups, please discuss:
  1. The major challenges facing your businesses or the businesses you work with due to Coronavirus.
  2. What you need that you do not have: funding, information, communication, policy ideas, etc.
  3. Strategies your businesses and/or communities have begun implementing.
- Each group should identify one person to take notes and report out to the group.



# Report Out

## Challenges

- How do we promote/showcase that we're being careful?
- Lack of communication between employers and employees and employees and employees
- Seasonal issues, what does this look like long term?
- When is it appropriate to launch this? What's the "green light"?
- Moderating fears of locals of "importing" covid-19.
- Small business survival-CARE act does not work for small biz, employee based
- Bogged down folks in industry
- Lack of communication between employees and employers
- Philological inaction
- Employer lack of interest in laying people off, especially with fear of unemployment not coming through

## Needs

- funding for educational initiatives
- Need clarity on funding programs continually
- Coordination between partners-can't get in each other's way, don't want to duplicate efforts
- Small-biz-specific relief
- More collaborative tourism marketing – MSUE role?

## Strategies

- CovidCareful/Education
- Education specifically for those not involved in tourism: "These are the steps we're taking to be responsible"
  - UP-specific campaign
- Maintaining positive message and watching tone
- Use virtual resources, story maps, virtual field trips, good for accessibility long term
- Create facebook page for work family / all employees: keep employees engaged and supported
- Providing employee meals
- Hosting go fund me campaign
- Customer outreach and flexibility to find solutions – especially when it comes to events
  - Holding secondary hold date, removing cxl and deposit policy
- Complete hold of some events, restructuring (physically) of other events
- Offering virtual or adjusted alternatives for events/ services
- Adjusting protocol for after things open back up



## Wrap-Up

- Final Partner Comments: Resources, Support
  - [MSUE Resources](#)
  - [MEDC Resources](#)
- Next Meeting?
- Evaluations
  - <https://bit.ly/2Vz24C6>
  - <https://bit.ly/2Vu8JgM>

