

Impact of COVID-19 on Travel Industry

April 21, 2020

To help share information about COVID-19 impacts to the travel industry, Travel Oregon's research team is compiling state and national data on a weekly basis to share with external partners. The data below is this week's summary and is for informational purposes only.

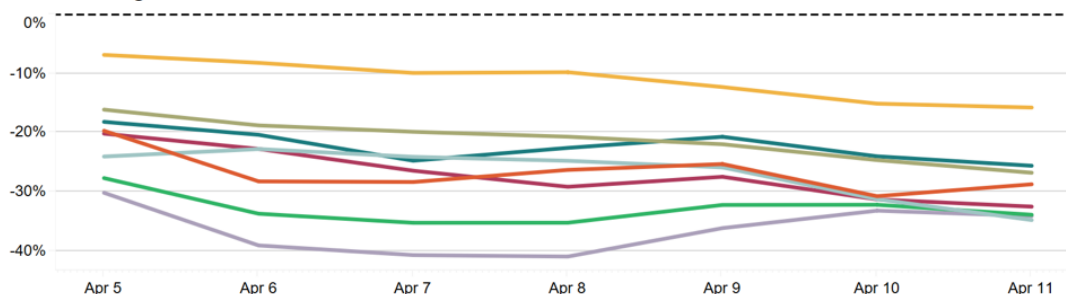
STR Weekly Data (Week of April 5)

The chart below shows the year over year (YOY) change in Average Daily Rate (ADR), Revenue Per Available Room (RevPAR), and Occupancy statewide and per region in Oregon. This data is provided by STR, Inc.

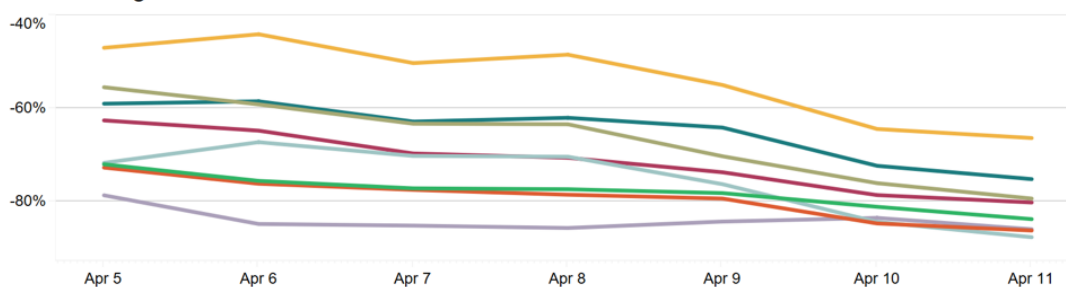
Weekly STR Report 2020 vs 2019 (April 5 to April 11)									
	ADR			RevPAR			Occupancy		
Oregon	\$77.48	\$115.69	-33.0%	\$16.92	\$78.33	-78.4%	21.8%	67.5%	-67.2%
Central	\$80.37	\$110.01	-26.9%	\$14.49	\$72.93	-80.1%	18.0%	65.8%	-72.0%
Coast	\$76.33	\$104.71	-27.1%	\$13.77	\$60.45	-77.2%	18.0%	57.0%	-67.0%
Eastern	\$70.79	\$79.72	-11.2%	\$21.65	\$47.28	-54.2%	30.5%	59.2%	-48.1%
Hood/Gorge	\$76.94	\$97.97	-21.5%	\$20.58	\$64.27	-68.0%	26.7%	65.2%	-58.2%
Portland	\$84.85	\$133.90	-36.6%	\$16.12	\$103.29	-84.4%	19.0%	77.0%	-75.1%
Southern	\$68.32	\$88.07	-22.4%	\$17.85	\$51.84	-65.6%	26.1%	58.7%	-55.0%
Willamette Valley	\$74.49	\$102.59	-27.4%	\$19.30	\$70.56	-72.6%	25.9%	68.2%	-61.2%

■ Oregon
 ■ Central
 ■ Coast
 ■ Eastern
 ■ Hood/Gorge
 ■ Portland
 ■ Southern
 ■ Willamette ..

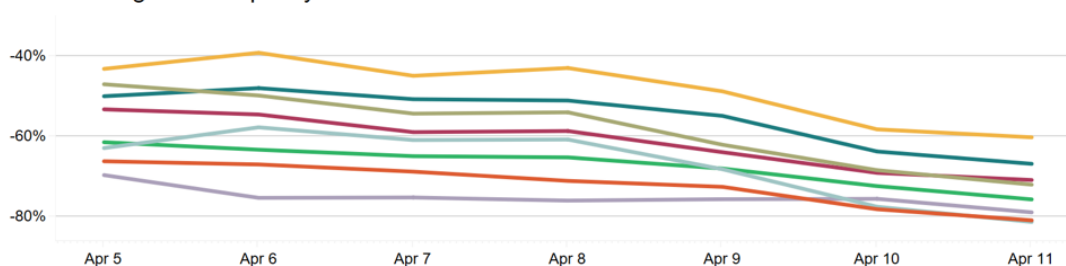
YOY Change in ADR



YOY Change in RevPAR



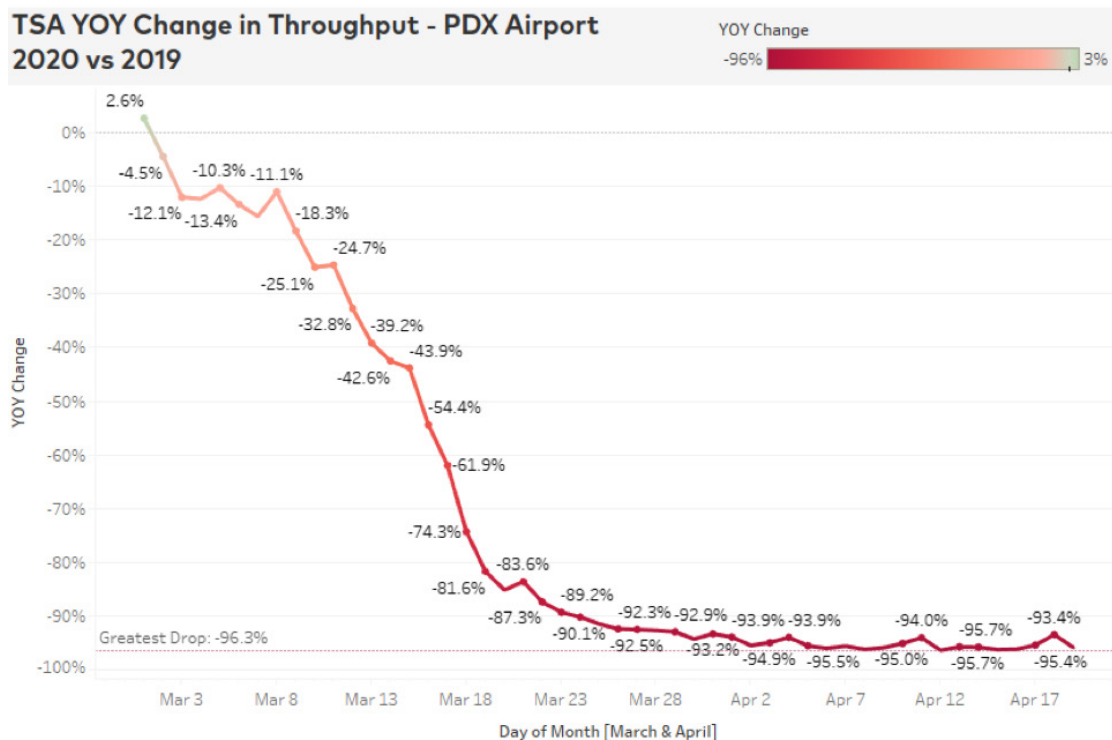
YOY Change in Occupancy



PDX Airport Data

April 19th, the PDX passenger throughput was 22,912 passengers below (95.8%) the same day, last year and month to date, April 2020, passenger throughput is 422,962 (95.33%) below last year. This data is provided by Port of Portland.

* Throughput is the count of people going through the TSA checkpoint.



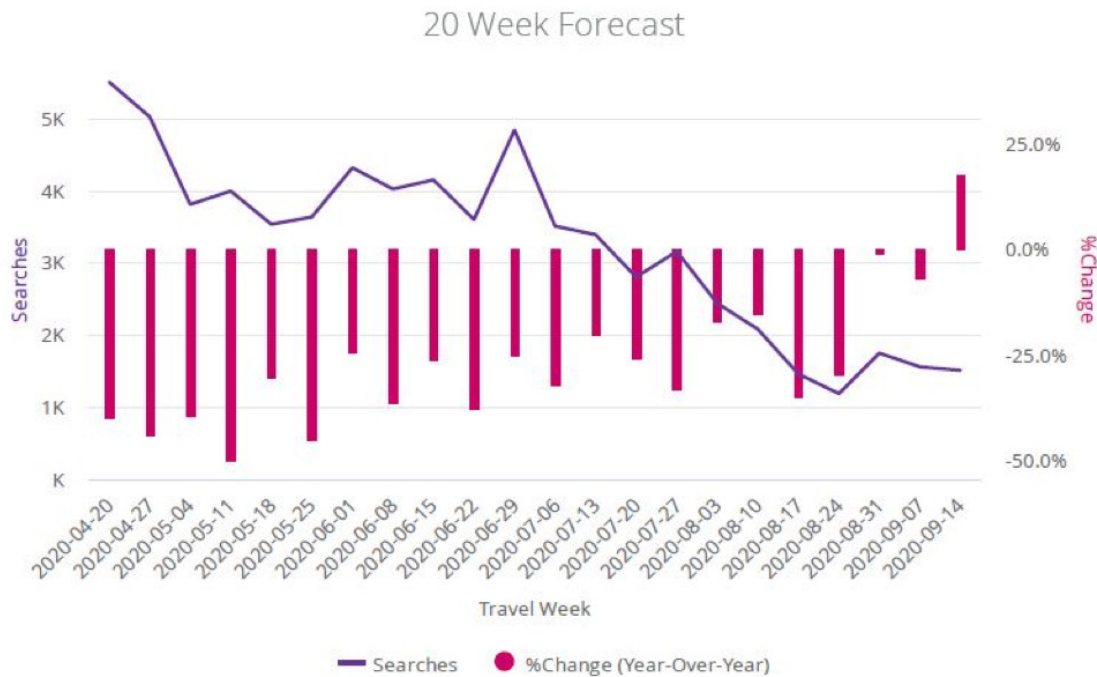
ADARA Tracking Search and Booking Behavior

ADARA has access to search and booking data for several airlines and hotels. They have provided a forward-looking analysis of searches or travel intent.

Travel intent for the upcoming weeks to Oregon (U.S domestic)



Travel intent trend for the upcoming weeks to Oregon (International)



Trending Topics in Social Media + Other Trends

While an Oregon-specific sentiment report was not run this week, we are monitoring key Oregon media and influencers to see trending topics and conversation drivers.



Re-Opening: The conversations and articles on re-opening the economy saw significant increase this week. Key topic drivers were:

1. Oregon Road Map: Earlier in the week, Governor Brown [released her criteria](#) for a easing the restrictions to prevent the spread of COVID-19. The criteria closely followed recommendations from health policy experts (and matched the criteria laid out in both the AEI and Morgan Stanley reports from last week). The Governor's plan calls for "robust testing, tracing and isolation strategy," and enough capacity for "hospital beds to treat any surge of COVID-19 cases and enough protective gear for healthcare workers."

2. On Friday, the [Institute for Health Metrics and Evaluation](#) released new estimates for COVID-19 peak, peak length and deaths. Based on these new estimates, IHME estimates that "states may be able to ease presently implemented distancing policies – conditional on strong containment measures – appears to be in early to mid-May." For Oregon, the IHME estimates that the state could start reopening the week of May 25.



3. Jacksonville Beaches: On Friday, Florida allowed some beaches to re-open at limited capacity for exercise and other limited activities. The rush to hit the beach at 5pm in Jacksonville and the lack of social distancing and flagrant violation of the limited rules including use of coolers and swimming was widely circulated and criticized on social media.
4. Rural & Urban Differences: In Oregon, this week saw increased media coverage and discussion on the gradual easing of restrictions for rural areas:
- State Rep. Cheri Helt, a moderate Republican from Bend, credited Gov. Brown for imposing the stay-at-home order and social distancing. However, she also said in a letter: "...it's time to "slowly and carefully begin lifting regulations that have essentially shut down access to health care and medical procedures in Central Oregon for anything unrelated to COVID-19." This call has also been echoed by at least one [rural hospital administrator](#) in Lake County.
 - Some rural Oregon residents are asking Gov. Brown to consider lifting some stay-at-home orders for rural parts of Oregon that are not impacted as much by COVID-19. This story on [KGW details](#) the devastating economic impacts to Prineville while this [Oregonian article](#) further details impacts to small businesses in Harney County.
 - It is noteworthy that Gov. Brown stated earlier in the week that a "geographic approach to reopening the state" is part of her consideration.
5. Anti-Lockdown Protests: Protests fanned by Fox News personalities have been trending in many states this week including Michigan, Ohio, and Virginia. In Oregon there was a protest at the capitol on Friday with plans for more on May 1st and 2nd according to reports in KGW and KOIN. In Washington, protesters are also demanding a road map to reopening from Governor Inslee.

Analysts believe that partisan media coverage and amplification of the protests will be critical in "helping these protests exponentially grow." It should be noted these protests are led by small groups who either consider the stay-at-home orders [too draconian or who think the virus is a hoax](#).

It is noteworthy that [nearly 60% of Americans fear a reemergence of the virus](#) if stay at home orders are lifted too soon.

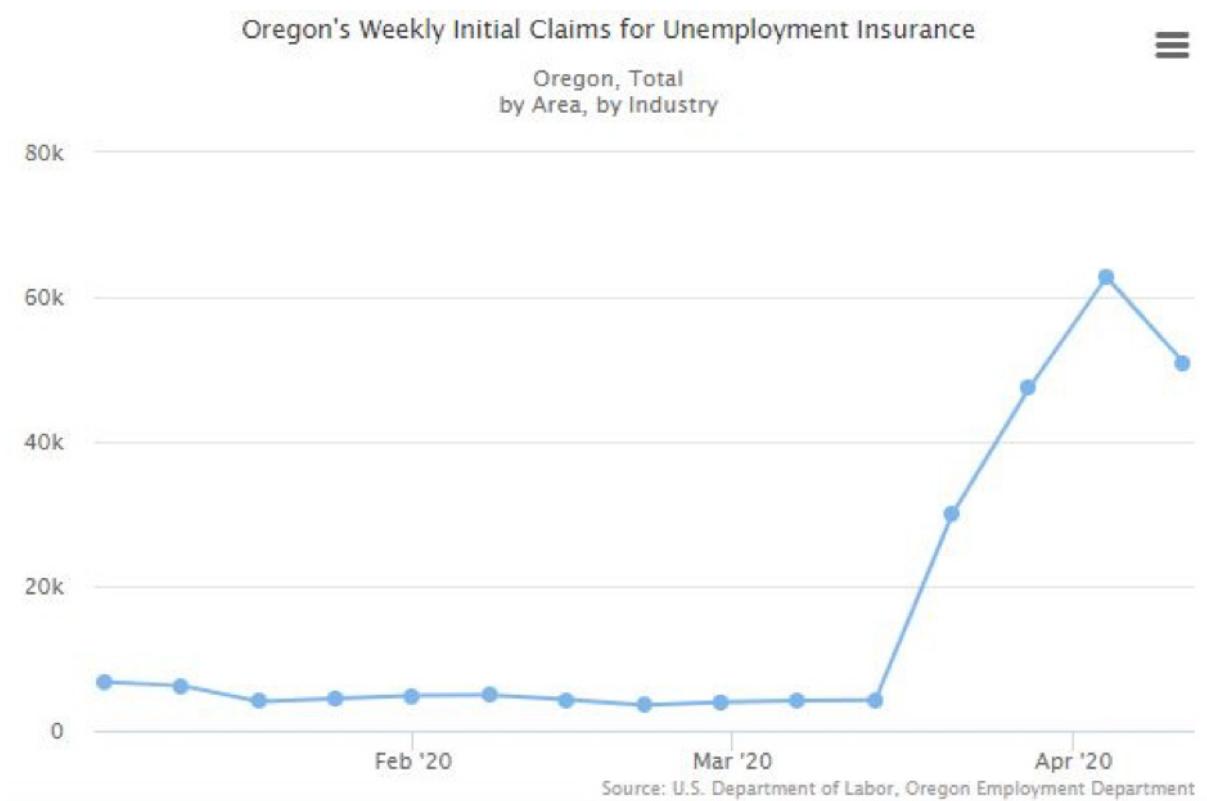
Content & Retail Trends: As we enter the second month in lockdown for most of the early states, retail and content viewing trends from YouTube and Instagram suggests that we're entering a "DIY phase" as people look to give themselves haircuts, fix appliances and do home renovations and keep fit. Consider:

- Walmart CEO [says we're in the 'hair color' phase of panic buying.](#)
- YouTube viewers have moved past content about COVID-19 and stay-at-home restrictions to content about how to cope with life under quarantine, including workout and how-to videos.
- According to Instagram data, users on the platform are posting unvarnished views into the isolating experiences of quarantine and escape content such as live concerts and rap battles are trending. The platform is also actively flagging misleading posts about COVID-19 and directing users to official health and unemployment.
- As options for outdoor recreation have dwindled, bicycle retailers across the country have seen a significant [increase in bike sales](#) and repairs. Also, Google Trends data showing that [searches for road bikes have jumped by 525%](#) as people are using their bicycles for exercise and to get around. The key driver for this are "bread-and-butter" bikes and kids bikes, which are almost difficult to find at Walmart and Target (personal note – the Target at Clackamas and Walmart on 82nd have been out of kid bikes for the last 7 days).

Based on this week's trends, our previous recommendation of posting content with empathy, highlighting accurate reliable information, supporting the community and providing distraction/levity and positivity still stands.

Oregon Employment Department: Oregon Unemployment Numbers

- Total layoffs now near 300K (15% of all Oregon jobs) in the past 4 weeks.
- More than 1 in 7 Oregon workers have lost their jobs.
- The OED typically processes fewer than 300k Unemployment Insurance claims in a year.
- OED paid out \$97M in benefits between April 5 and April 11 – four times what it paid the prior week.



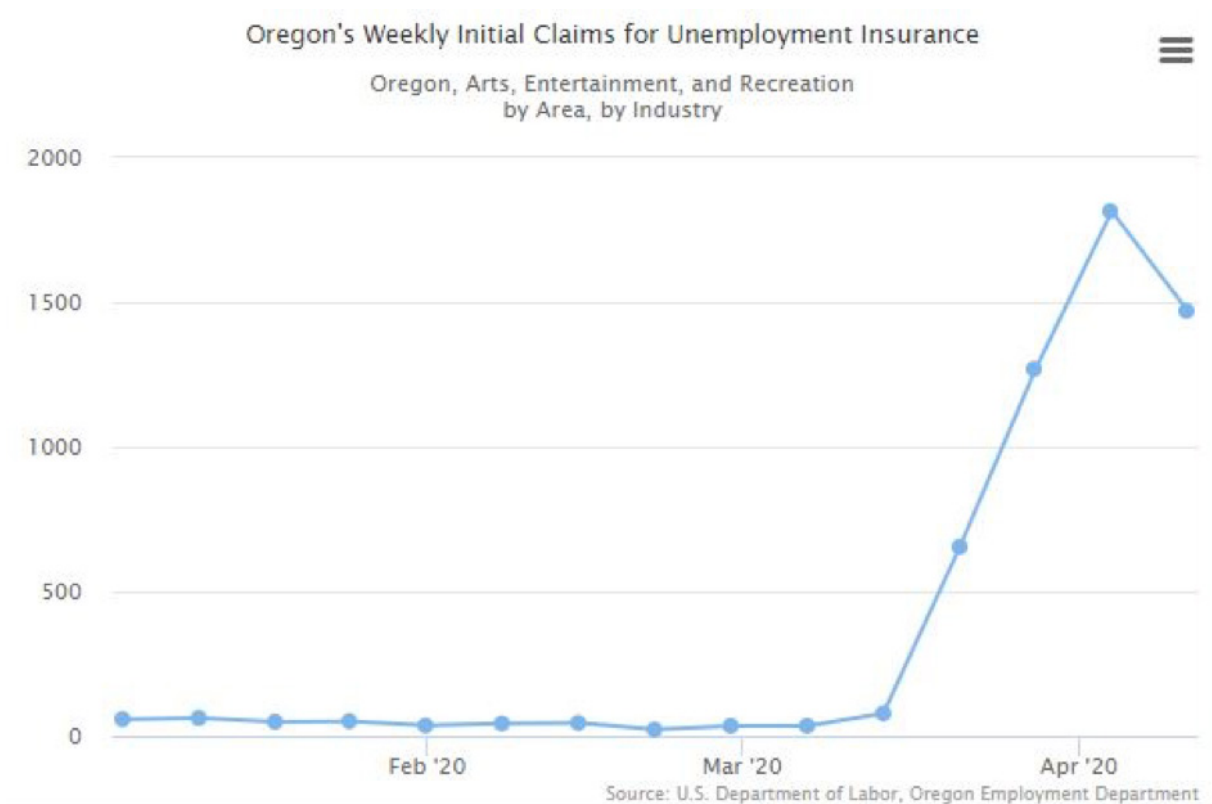
Who Are the COVID-19 Unemployed in Oregon: Unemployment Insurance (UI) claims processed in the 3 weeks ending April 4, 2020

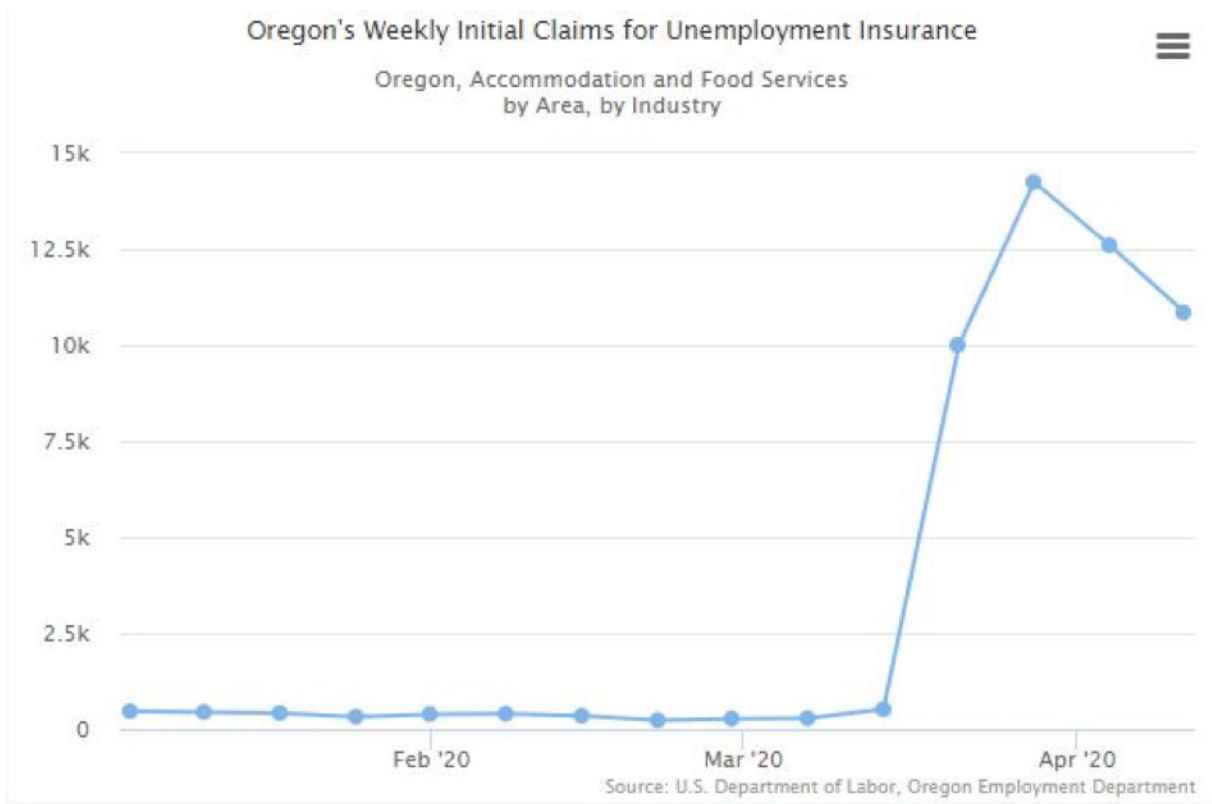
Oregon Counties Hit Hardest by Layoffs (initial UI claims as a share of total labor force)

- Lincoln & Clatsop – 10%
- Deschutes – 8%
- Union, Coos, Crook & Tillamook – 7%
- Multnomah, Lane, Jackson & Douglas – 6%

Majority of Initial Claims in Oregon Came from 1 of the Following Industries (initial UI claims as a share of total industry employment)

- Accommodation and Food Services – 20%
- Arts, Entertainment and Recreation – 12%
- Other Services & Construction – 8%
- Health Care & Social Assistance, Retail Trade, Real Estate, Administrative & Waste Services, Manufacturing – 5%





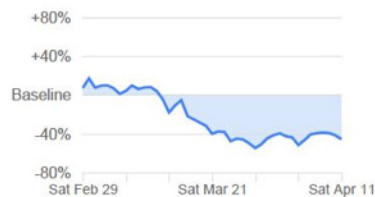
How well are we social distancing?

Google reports changes in mobility to help understand responses to social distancing guidance related to COVID-19 in Oregon.

Retail & recreation

-45%

compared to baseline

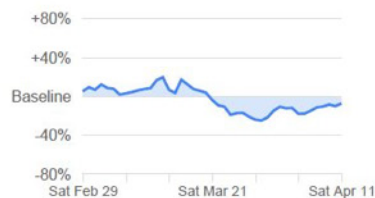


Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters.

Grocery & pharmacy

-7%

compared to baseline



Mobility trends for places like grocery markets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies.

Parks

+16%

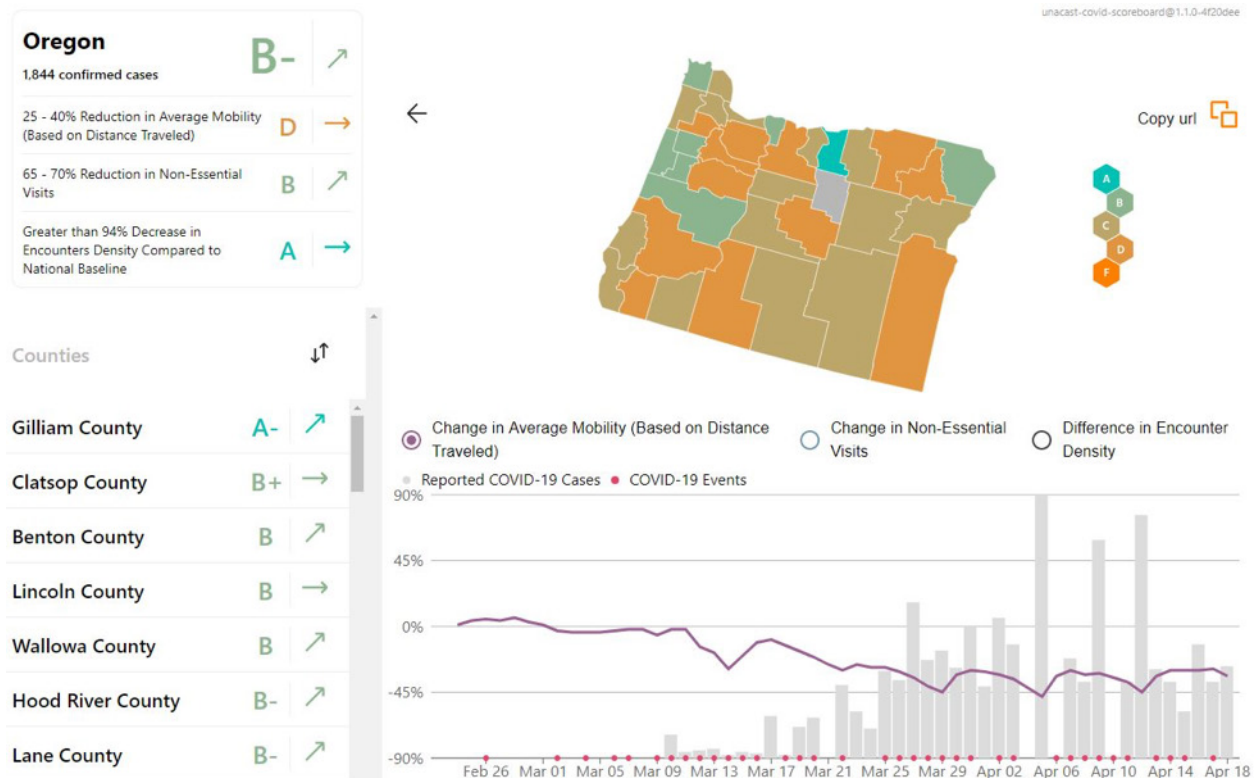
compared to baseline



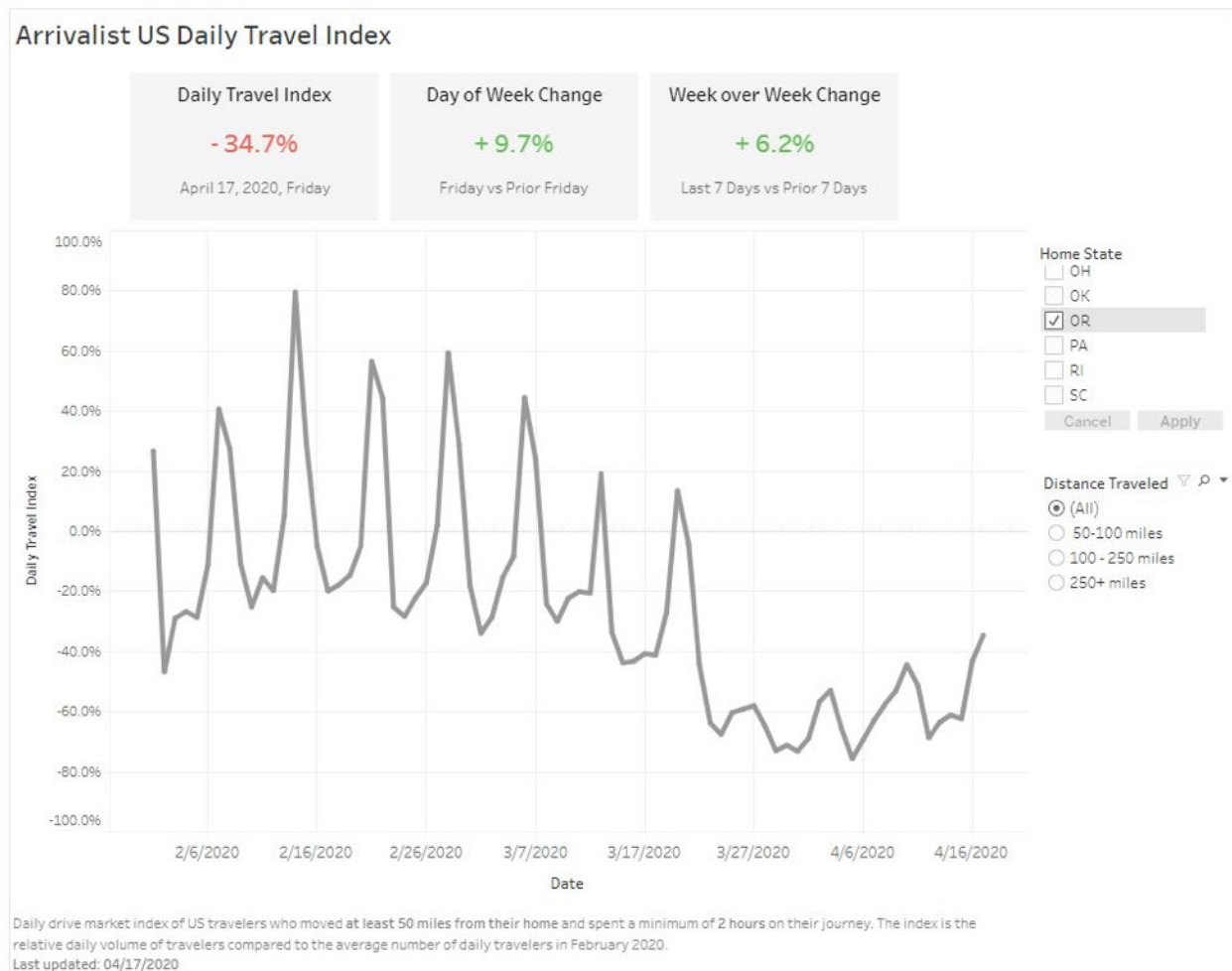
Mobility trends for places like national parks, public beaches, marinas, dog parks, plazas, and public gardens.

Unacast, a Norwegian company which collects and analyzes location data from various sources, released a study ranking all 50 states and the District of Columbia on a Social Distancing Scoreboard, updated daily, to empower organizations to measure and understand the efficacy of social distancing initiatives at the local level.

Overall, the study found that since Feb. 28, Americans have reduced their mobility by nearly 40%. Washington, D.C. topped the list, reducing its average mobility by 60% followed by Alaska, Nevada, New Jersey and Rhode Island, which all earned an A. Oregon and Washington both received a B-.



Arrivalist's Daily Travel Index measures consumer road trips of 50 miles or more in all 50 U.S. states. The data is drawn from a panel of GPS signals representing road trips taken by car. In Oregon, according to Friday April 16 updates, trips of 50 miles or more were up 9.7 percent compared to prior Friday. However, April daily traffic compared to average daily traffic for month of February is down by 34.7 percent.



National Trends

Destination Analysts: Update on Coronavirus' Impact on American Travel—Week of April 20

As American travelers increasingly feel better that the worst of the coronavirus may soon be over, one-in-five say a trip will be one of their first post-shelter-in-place activities.

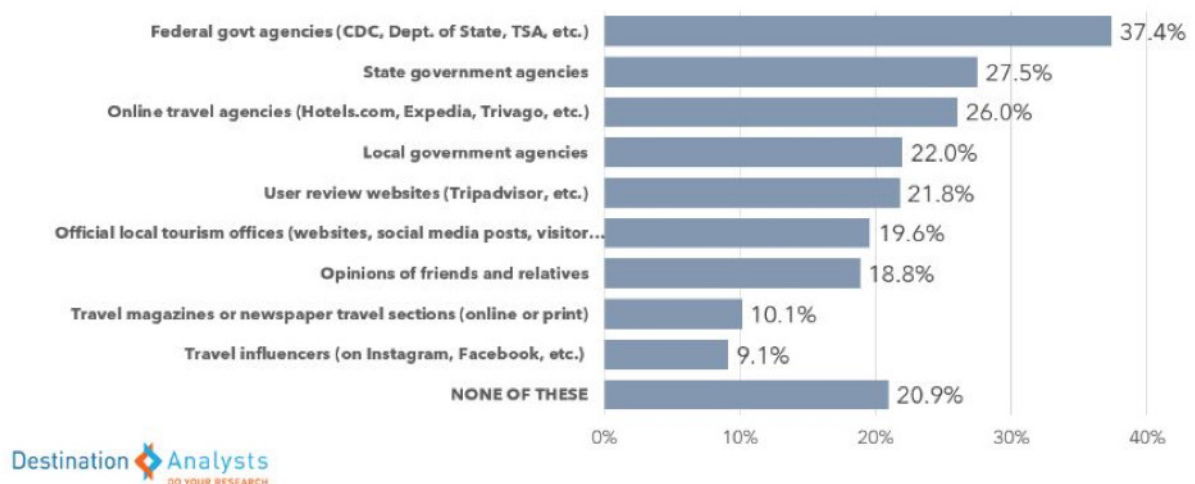
Key Findings to Know

- American travelers continue to feel better that the worst of COVID-19 may be on the horizon. Excitement levels towards taking a getaway in the next month and interest in learning about travel destinations remain low but are at a 5-week high (5.1/10.0). Boomers' motivation to travel because of discounts and deals bounced back (up to 35.8% from 25.3% a week ago).
- When presented a list of leisure and personal activities and asked to select the first things they were going to do when shelter-in-place restrictions are lifted, 22.5% said taking a trip would be among their top 5. Additionally, the perceived safety of travel activities has improved this week relative to last week.
- Regarding timing, American travelers increasingly don't believe or are unsure that the pandemic will be resolved by the summer travel season. The number reporting trip cancellations increased,

particularly in May and June. Nevertheless, half continue to feel they will be traveling in Fall, with reported increases in travel plans for September and October

- The number of American travelers saying they will choose regional rather than long-haul destinations for leisure travel this year continues to grow and is at the highest recorded level since this study began
- 36.5% of American travelers say they agree to some degree with the statement "I'm not traveling until there is a vaccine"; 43.2% disagree
- Nearly 8 in 10 American travelers say they would approve of mandatory health screenings for flights between destinations inside the continental United States and over 60 percent expressed this would increase their confidence traveling
- Over two-thirds of American travelers say they do not want other travelers coming to their community right now
- When asked about what they would use to plan travel in the next three months, American travelers largely cited official resources, with fewer stating word-of-mouth—a reversal from "normal" periods.

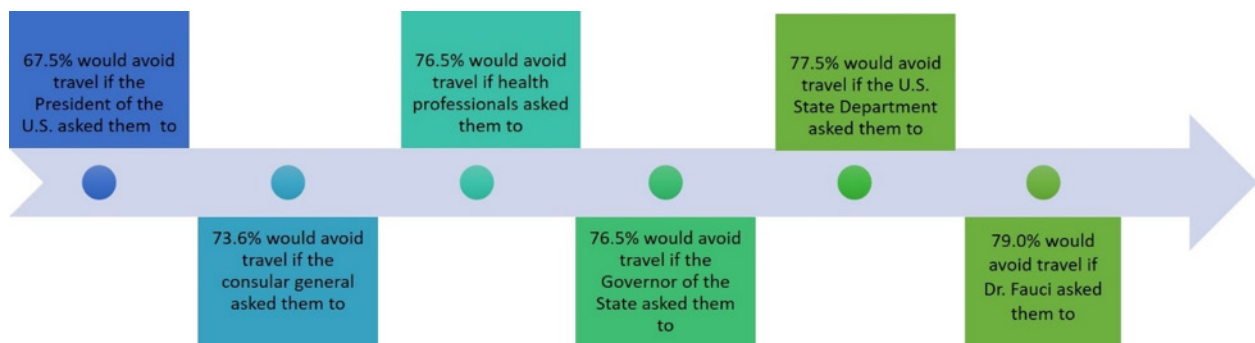
Q: If you were to travel in the next three months, which of these resources would you use to prepare for your travels?



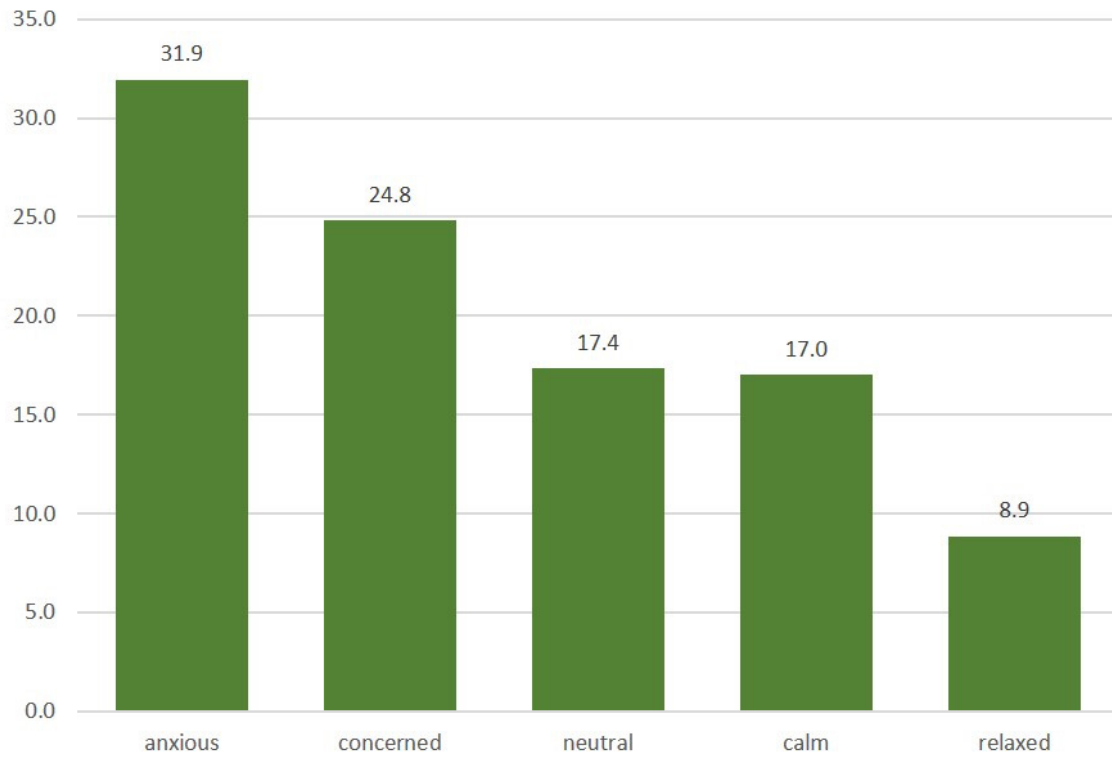
University of Florida Tourism Crises Management Initiative: Perceptions of travel risk survey

If you were asked to avoid travel from the following, how likely would you be to do so?

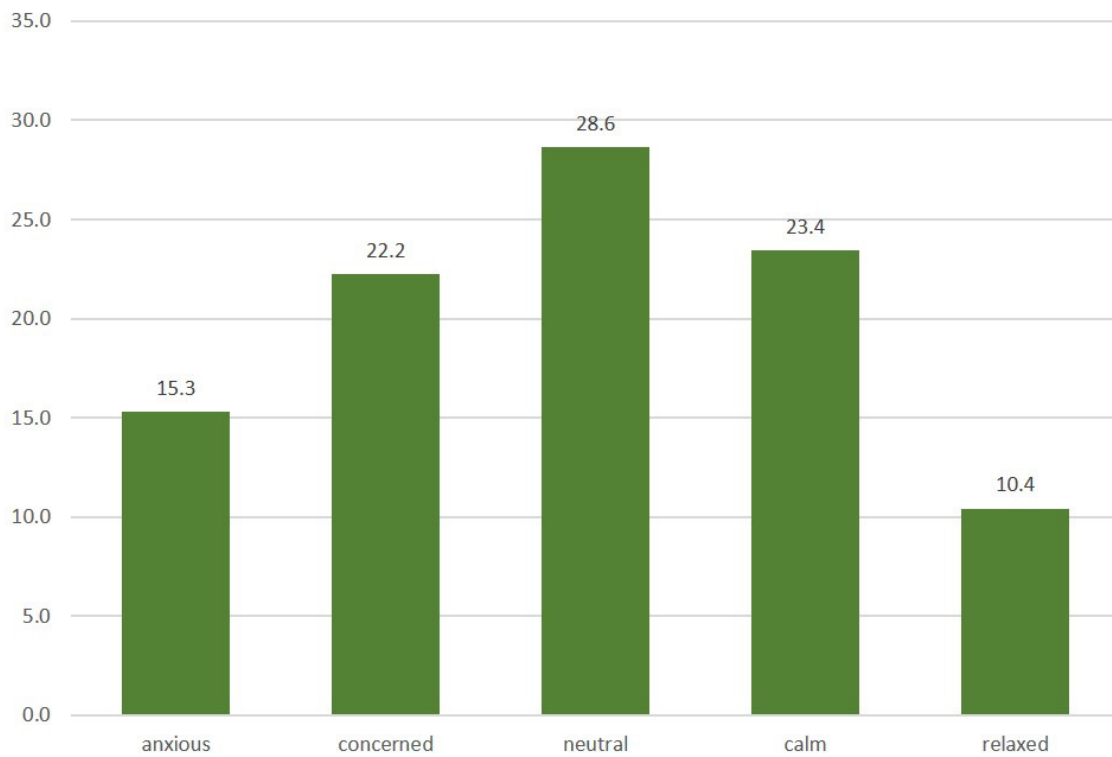
The respondents were more likely to avoid travel if Dr. Fauci (Director of the National Institute of Allergy and Infectious Diseases) asked them to than if the POTUS asked them to.



How do you feel about traveling in the US right now- Anxious-Relaxed (n=576)

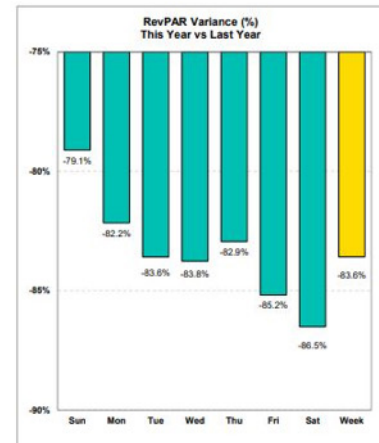
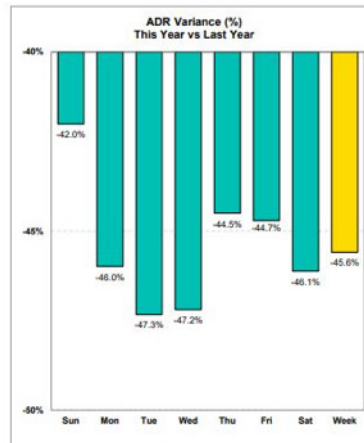
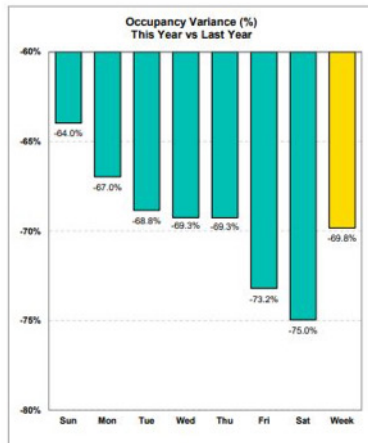


How do you feel about traveling in the US in the next 6 months - Anxious-Relaxed (n=576)



STR: US hotel results

U.S. hotel occupancy fell 69.8% to 21% during the week ending 11 April. ADR dropped 45.6% to \$74.18, while RevPAR plummeted 83.6% to \$15.61.

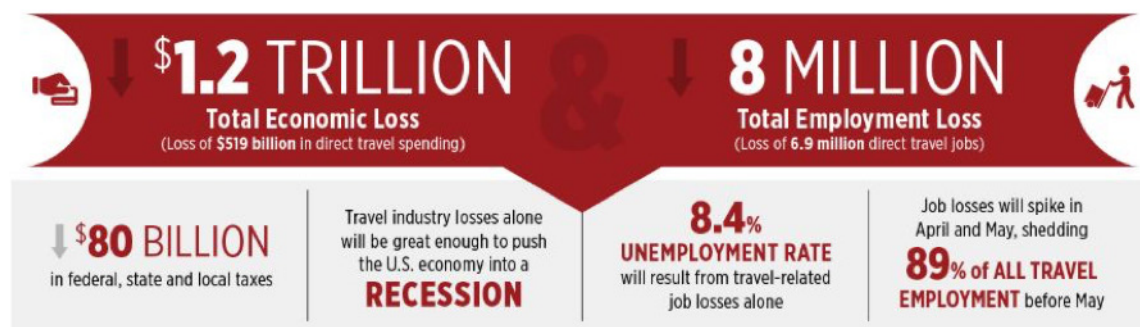


Tourism Economics: Week-by-week outlook on travel spending in the U.S.

- National weekly travel spending fell to \$2.9 billion last week—15% of the \$19.8 billion during the first week of March
- In the week ending April 11, the travel economy fell 87% below last year's levels
- All regions are experiencing declines in travel spending in the range of 84% to 87%. The West has surpassed the Northeast to lead all regions in percentage losses for the week
- Declines in travel spending have caused a loss of \$10.3 billion in federal, state and local tax revenue since March 1

TOTAL TRAVEL INDUSTRY IMPACT

Projected downturns of the U.S. travel industry in 2020 as a result of the coronavirus:



More Than **9x** the Impact of 9/11

Updated April 15, 2020

SOURCE: Tourism Economics

Research and Analytics Resources

<https://ttra.com/resources/covid-19-travel-and-tourism-research-resources/>

<https://str.com/event/covid-19-webinar-us-canada-hotel-weekly-performance-analysis>

<https://www.mmgyglobal.com/covid-19/>

<https://www.ustravel.org/toolkit/covid-19-travel-industry-research>

<https://keydatadashboard.com/covid-19-impact-report-on-short-term-vacation-rentals-in-oregon/>

<https://covid19.ubermedia.com/>

<https://www.cbrehotels.com/en/research/articles/hotel-viewpoint-an-updated-2020-outlook>

If you have any questions, please direct them to: ladan@traveloregon.com
