

Impact of COVID-19 on Travel Industry

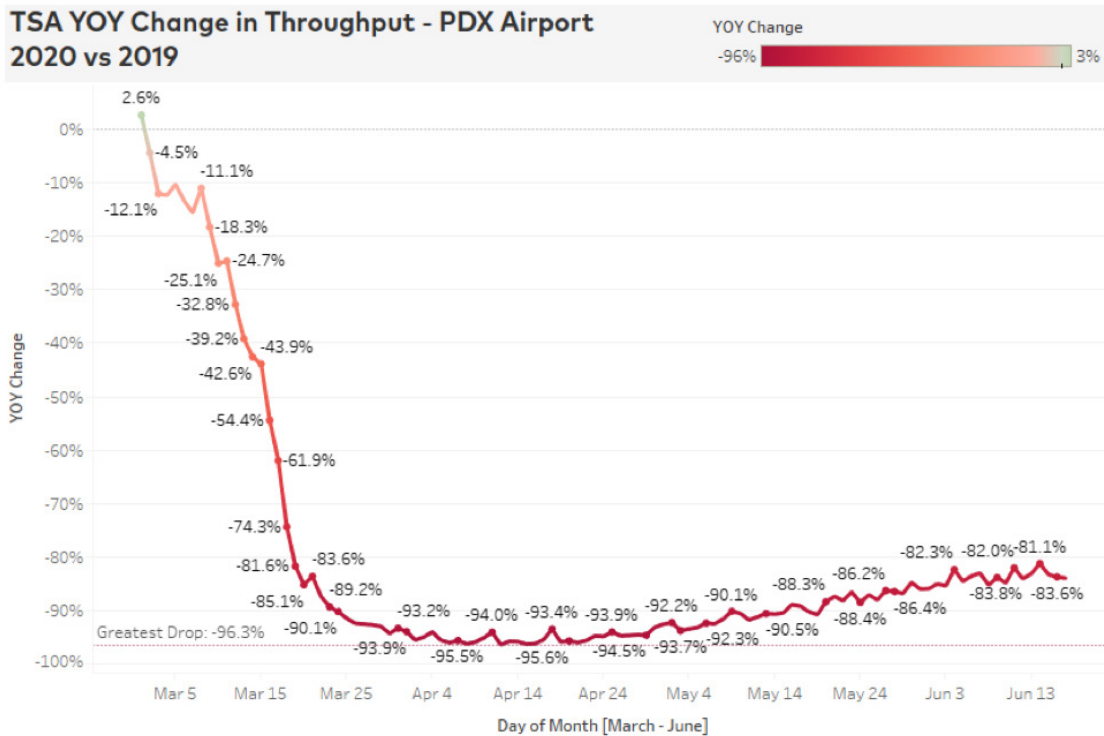
June 24, 2020

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.

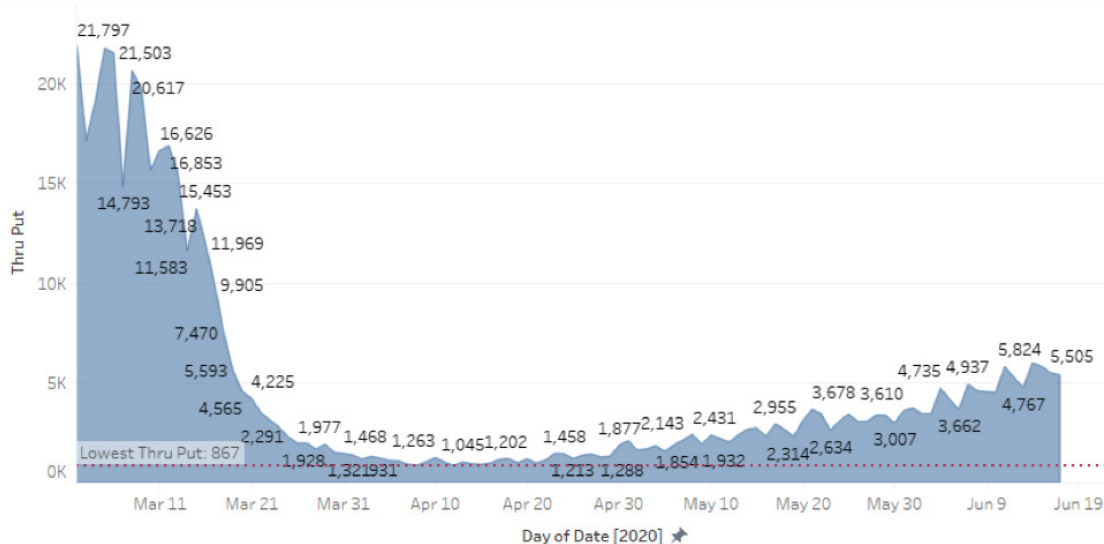
PDX Airport Data

The TSA reported that 5,395 passengers utilized the DE checkpoint on Wednesday the 17th, an increase of 868 over last Wednesday. June to date throughput is down 84% YOY.

- Air Canada, Condor, Hawaiian, Icelandair, JetBlue & WestJet service is suspended.
- Hawaiian plans to resume operations on July 1st with a daily Honolulu flight
- JetBlue plans to resume operations on July 2nd with 4 flights a week to Boston & 3 weekly flights to New York-JFK.



2020 Thru Put - PDX



STR Weekly Data (Week of June 7-13)

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

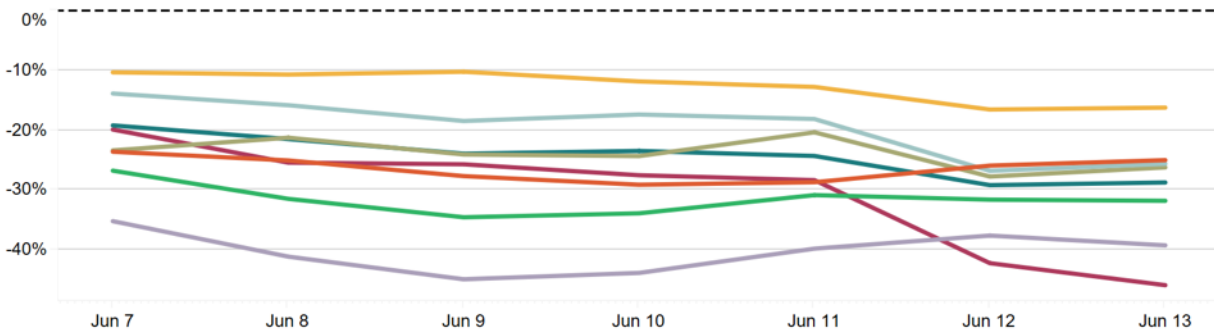
(June 7 to June 13)

Region
All

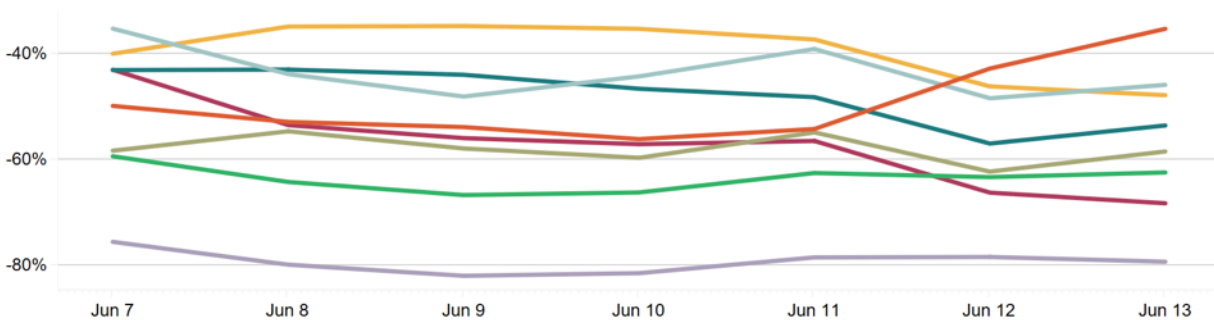
	ADR			RevPAR			Occupancy		
Oregon	\$92.62	\$135.53	-31.7%	\$38.97	\$107.61	-63.8%	41.8%	78.8%	-46.9%
Central	\$105.82	\$143.92	-26.5%	\$57.26	\$111.92	-48.8%	53.5%	77.3%	-31.3%
Coast	\$103.77	\$130.05	-20.2%	\$53.24	\$96.10	-44.6%	50.3%	71.9%	-30.0%
Eastern	\$78.75	\$90.33	-12.8%	\$38.18	\$63.67	-40.0%	48.4%	70.1%	-30.8%
Hood/Gorge	\$92.77	\$122.20	-24.1%	\$39.70	\$95.30	-58.3%	42.6%	77.5%	-45.0%
Portland	\$89.70	\$150.64	-40.5%	\$26.34	\$129.27	-79.6%	29.3%	85.5%	-65.5%
Southern	\$81.35	\$107.90	-24.6%	\$43.45	\$85.22	-49.0%	53.3%	78.2%	-31.4%
Willamette Valley	\$85.19	\$126.21	-32.5%	\$39.50	\$98.41	-59.9%	46.1%	76.0%	-38.7%

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

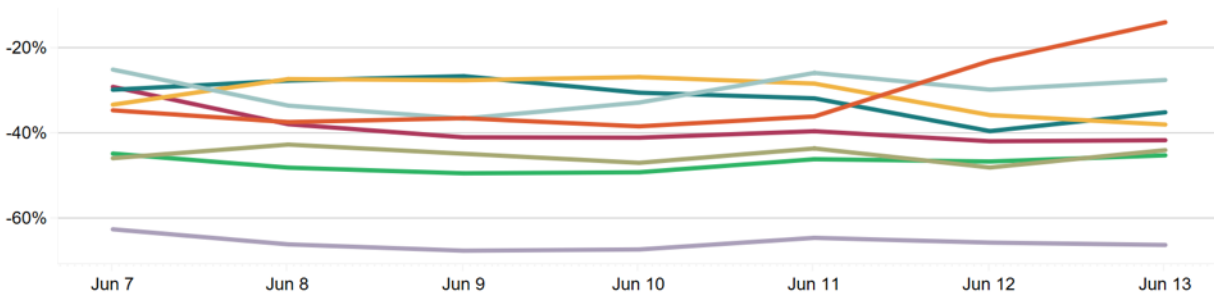
YOY Change in ADR



YOY Change in RevPAR



YOY Change in Occupancy



ADARA (Week of June 6th)

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.

Weekly searches and bookings for Oregon (U.S domestic)



Social Sentiment + Hot Topics

We are officially entering summer and this year, summer is looking and feeling different.

Even as the county goes through a phased reopening, significant headwinds including social justice protests, surging COVID-19 infections and a charged political environment are signaling a long, slow, and protracted recovery.

After more than 3 weeks justice protests, conversations and coverage of the Black Lives Matter movement remains high. This week as protests continue, Congress and many states are debating a range of police and criminal justice reform.

While conversations in #blacklivesmatter has decreased since its peak in early June, interest remains high.

- When it comes to COVID, the rise in cases across the county continues to drive coverage. As of Sunday afternoon, the country has reported more than [2.2 million coronavirus cases](#) — the highest caseload in the world — and has suffered at least 119,744 deaths from the virus.
- The numbers across the world are not good either. In most of the world's most populous countries the daily death count is increasing, not decreasing. Of the 20 countries with the worst COVID-19 records, [15 are now developing countries](#) and health experts fear that in populous countries such as India, Brazil, Pakistan and Mexico, the pandemic is spiraling out of control.
- In Oregon, coverage was focused on two key areas:
 1. Multnomah County Reopening: Business owners in the Portland area were relieved with the June 19 transition to Phase 1 after last week's disappointment. County health officials however were guarded about the reopening as this news was [coupled with rising caseloads](#). In fact, reopening day also set a new [single day record for caseloads](#). Masking (or the lack thereof) was a topic of contention among many on social media.
 2. The closure of multiple PokPok locations sent shockwaves through Portland's foodie community. Chef and owner Andy Ricker made the announcement on his personal Instagram page and described the financial and logistical hurdles making it impossible to comply with Oregon's Phase 1 and Phase 2 reopening requirements.

This closure was widely covered and led to multiple stories about the future of Portland's famed restaurant scene. While there was sadness with the loss of this Portland institution, [many were also optimistic](#).

Han Oak's Peter Cho thinks "Portland was built for this moment" and that a pandemic coupled with a social justice movement would allow Portland to redefine what an equitable food movement would look like.

Pip's Original Doughnuts co-owner Nate Snell agreed and said: "All these things—the Beard awards, the multiple locations—are not related to our ability to survive. We're investing in community, paying people a decent wage. This should be the new normal. There's no more room for predatory entrepreneurs."

Andy himself reflected these thoughts in a deeply reflective [interview](#) with Karen Brooks of Portland Monthly saying in part:

"Over the years, I've really tried hard to be respectful of the food and culture we're representing. I've always said, "Don't look at me, look at the cuisine, these amazing people that make it. I am but a student." I truly believe that I've been coming from the right place. Right now is the time to be thinking about the fact that we live in a world that systemically lowers the value of food that people of color make and raises the value of food that white people make. I've been the recipient of awards, attention, voice, and platform. Unless you're not fucking paying attention, you have got to be having this thought. This is the moment. To be deeply self-critical. Whatever happens, this is not the end."

From a travel perspective, this CNBC interview with Brian Chesky, CEO of AirBnB, is significant for his statement that "travel as we know it is over and will not come back." He said that while the new travel landscape is still being determined, AirBnB is seeing the following trends:

- People do not want to get on airplanes or cross borders; they do however want to get in a car and drive 200 or so miles and visit small towns.
- The new travel landscape will see a dispersal of people from urban centers and popular districts to smaller communities, less-visited towns.
- May and early June bookings were on par with last year despite zero marketing efforts.
- Work from home is becoming "work from anywhere" and will impact travel.

Watch the [full interview on Twitter](#).

Other media trends:

- Reuters on Tuesday released its annual digital news report. The report was based on a YouGov survey of more than 80,000 digital news consumers in 40 markets. While this report looks at news, the trends here apply to general media consumption as well.

Here are some highlights on how COVID-19 is impacting media consumption habits:

1. COVID-19 has resulted in more people than ever are willing to pay for online news and temporarily halted a growing distrust of the media.
2. But, while the COVID-19 prompted a huge uptick in news consumption, these gains were negated by the larger economic downturn.
3. Instagram is on course to overtake Twitter as a more powerful source of news within the next year!
4. According to the report, one in five US respondents accessed a news email weekly. Almost half of that group said newsletters were their primary way of accessing the news.
5. Broadcast TV news isn't going anywhere (yet). Weekly TV news consumption has risen by an average of five percentage points.

Read the full Reuters Digital News Report [here](#).

- According to Axios, "messages about fighting systemic racism and driving social change" are driving media consumption habits across platforms this month.
- 6. U.S. TV demand for Netflix's "Dear White People" grew 329% during the week of May 27-June 2, per Parrot Analytics. Another Netflix show, "When They See Us," was up 147%.
- 7. Best-seller lists from Amazon, Barnes & Noble's and The New York Times have been dominated almost entirely by books on race over the last few weeks.
- 8. Top podcasts on Apple's charts include the N.Y. Times' 1619, about the history of slavery in America and NPR's Code Switch.

Read the [full story on Axios](#).

- Patagonia, North Face and REI have all said they are going to abandon paid advertising on Facebook and Instagram over the platform's inability/unwillingness to control hate speech. It will be interesting to see if this boycott movement spreads to ancillary industries such as travel and tourism.

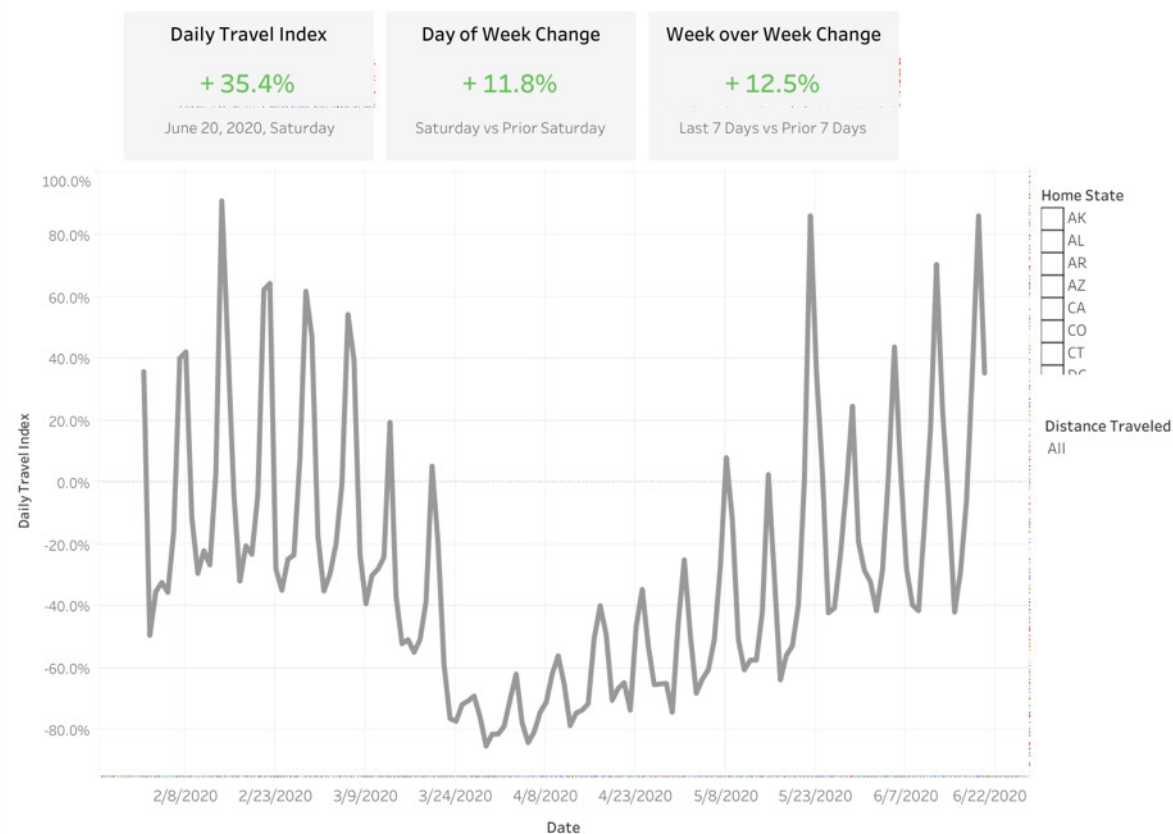
How well are we physical distancing?

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, trips of 50 miles or more were up 12.5% last week compared to prior week.

June daily traffic compared to average daily traffic for month of February was up by 35.4%.

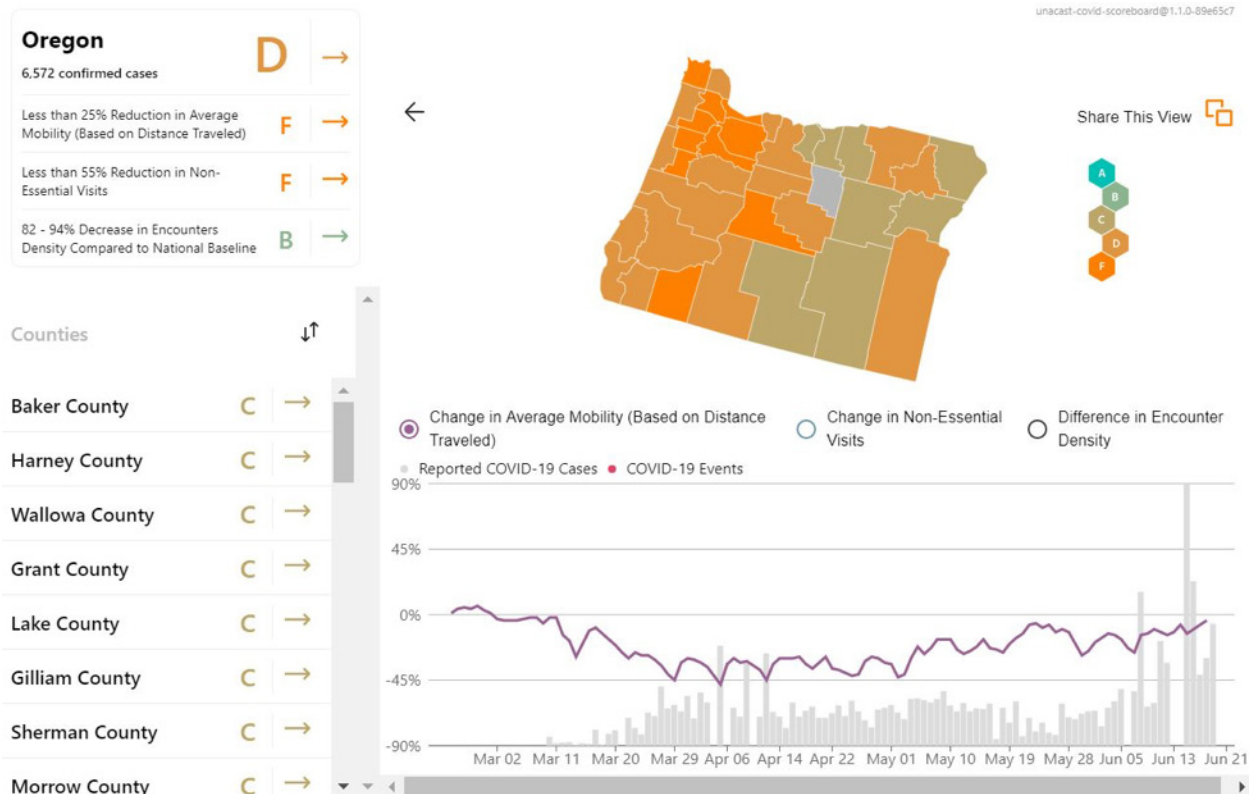
Arrivalist US Daily Travel Index



Daily drive market index of US travelers who moved at least 50 miles from their home and spent a minimum of 2 hours on their journey. The index is the relative daily volume of travelers compared to the average number of daily travelers in February 2020.
Last updated: 06/20/2020

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.

Oregon received a D (25-40% reduction in average mobility).

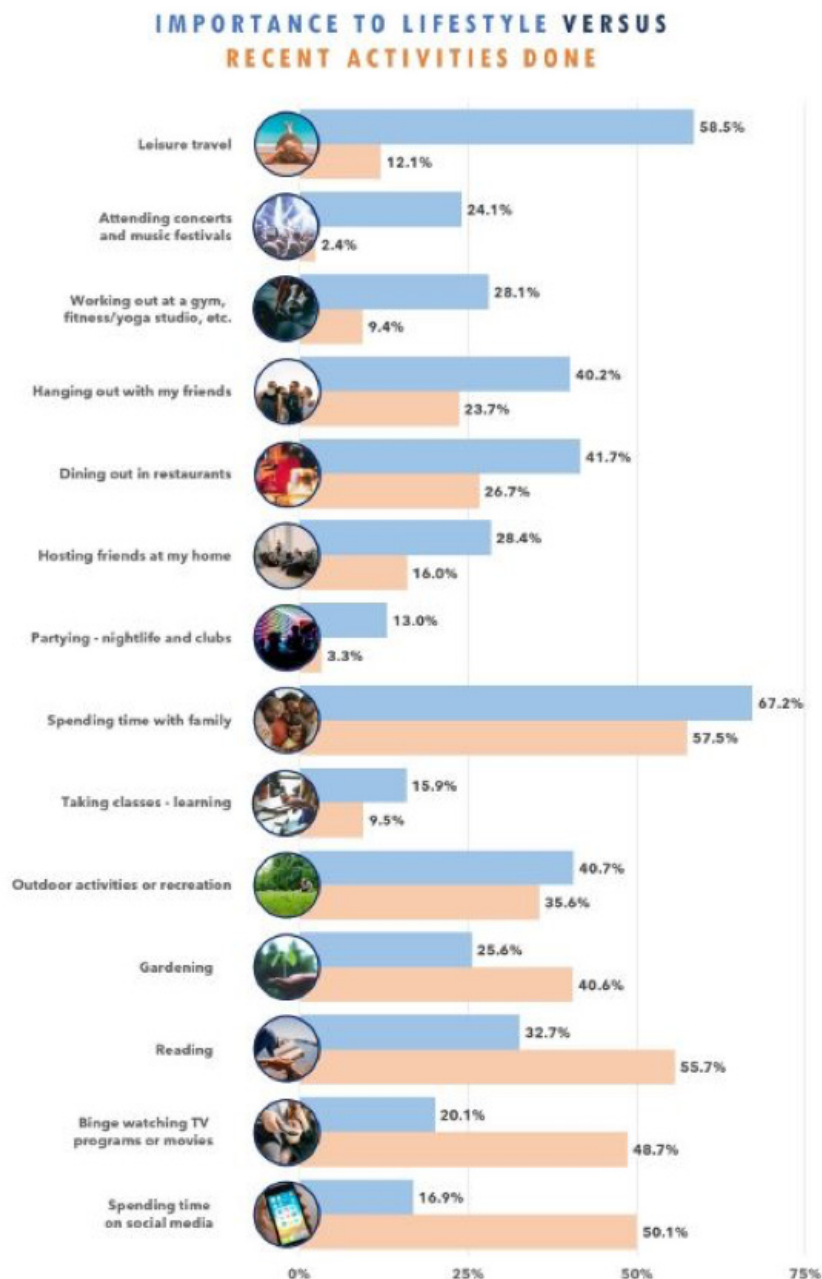


National Trends

Destination Analysts (Week of June 22)

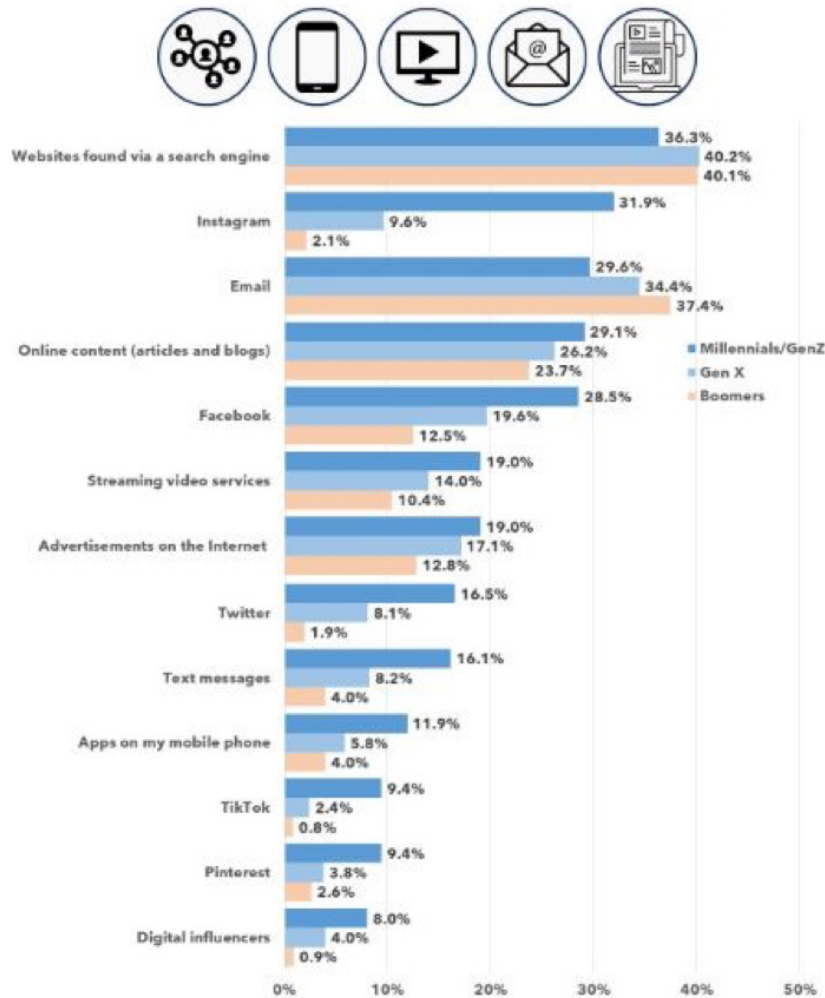
Key Findings to Know:

- Half of American travelers feel the coronavirus situation will get worse in the US in the next month and less than 20% feel it will get better. Americans' perceived safety of various travel activities also worsened this week, returning to the levels they were at 3 weeks ago, and this has caused some to reverse their travel readiness. However, the increase in outbreaks has not appeared to further rattle their sense of financial security, as concerns about the virus' impact on their personal finances and the national economy decreased.
- Prior to the outbreak, 6 in 10 said that leisure travel was among their highest lifestyle priorities—only behind spending time with family. Yet only 12% report having done any leisure travel in the past month. Meanwhile, Americans have been busying themselves with activities that were far likelier to be a low priority in their lifestyles prior to COVID-19, from gardening to social media.



- The coronavirus outbreak also continues to adversely impact trips, with a notable increase this week in pandemic-related trip cancellations in the fall months due to the coronavirus. But there are indicators that these trips may be replaced with other travel. A month ago, 25% of American travelers said they would avoid all travel in the six-month period after coronavirus; now just 7% say that. The average American traveler reports they will take 1.8 road trips and 1.0 trip by commercial airline by the end of the year. Excitement to take a trip in the next month increased from last week, as did openness to travel inspiration. Given this openness, travelers currently say they are most receptive to destination marketing in searches and social.

WHERE TRAVELERS ARE MOST RECEPTIVE TO DESTINATION MARKETING



- A perceived lack of appropriate pandemic-etiquette behaviors within their own communities is affecting people's openness to tourists in town. While many American travelers have felt positive emotions around the reopening of the economy, anxiety and frustration remain present.

EMOTIONS FELT DURING THE RE-OPENING

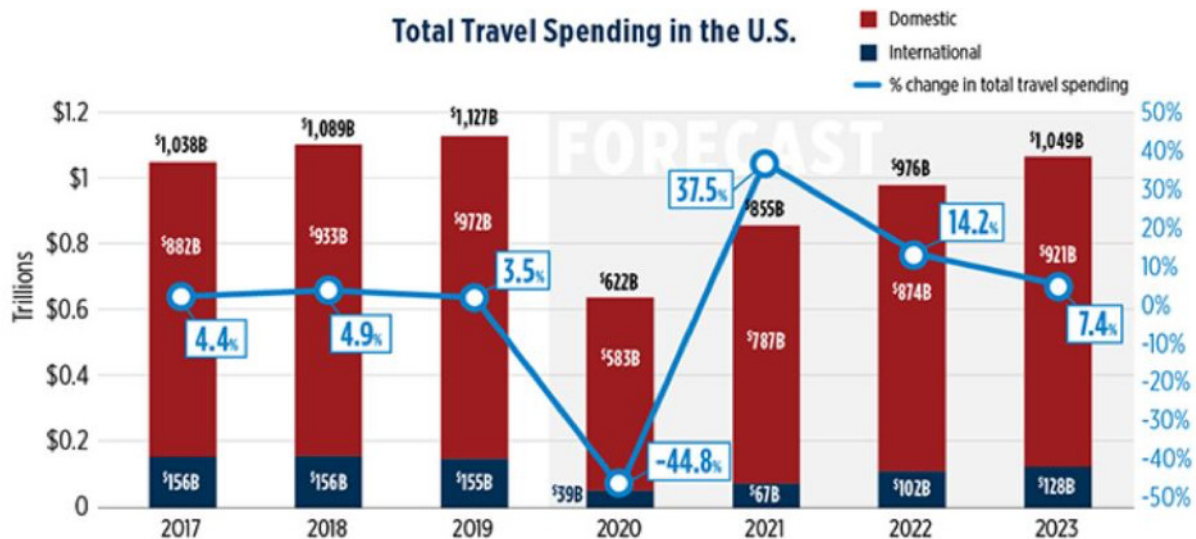


- After reaching a nine-week low last week, the percent of American travelers who say they do not want visitors coming to their own community right now returned to 56.8%. As shown in the infographic below, observing unsafe behavior by their fellow residents appears to contribute to this sentiment. Trust in people to behave safely should increase comfort in travel and tourism overall.

Tourism Economics Forecast:

The latest forecast prepared for the U.S. Travel Association by Tourism Economics projects visitation and travel spending (both domestic and international).

- Total travel spending in the U.S. is predicted to drop 45% by the end of this year
 - Domestic travel spending is expected to fall 40% (from \$972 billion in 2019 to \$583 billion in 2020)
 - International inbound spending is expected to fall 75% (\$155 billion to \$39 billion)



Weekly Analysis findings (June 18th)

- National weekly travel spending grew by 7% to \$10.3 billion last week (about four times its level in late April), but remains severely depressed at less than half of 2019 spending levels
- In the week ending June 13, the travel economy witnessed its seventh-consecutive week of expansion since the start of the pandemic but still registered 56% below last year's levels (a \$13.4 billion loss)
- Since the beginning of March, the COVID-19 pandemic has resulted in over \$237 billion in cumulative losses for the U.S. travel economy
- The continual depressed level of travel spending has caused a loss of \$30.1 billion in federal, state, and local tax revenue since March 1

MMGY tracks traveler sentiment and looks at impact on travel with regard to planning, booking and cancellations, as well as intention to travel over the next six months.

Key findings from June 15:

- The likelihood of participating in a number of key travel activities increased considerably in recent weeks:
 - After dipping last month, there is rising intent in staying in hotels and resorts in the next six months; 38% now say it is likely they will do so, compared to 31% in May

- o 40% of those who took a business trip in the past 12 months now say they will do so again in the next six months, compared to 30% who said so in early June
 - Interest in attending off-site business meetings or conventions/conferences in the next six months is rising. Among those who participated in these activities in past 12 months:
 - o 22% now say they will likely attend an offsite business meeting in the next six months, compared to 16% who said so in May
 - o 20% now say they will likely attend a conference or conventions in the next six months, compared to 15% who said so in May
 - The appeal of participating in select outdoor activities during the next six months is rising:
 - o 45% now say they will likely visit a beach, compared to 35% who said so in May
 - o 18% now say they will likely visit a theme/amusement park, compared to 15% who said so in May
-

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/>

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