

## COVID-19 Impacts & Explore Minnesota Support Survey

On March 18, Explore Minnesota sent a short survey to the Minnesota tourism industry to gather input and help determine how Explore Minnesota will support the industry through the COVID-19 crisis.

The 674 survey respondents represent the highest volume of responses to an Explore Minnesota survey in recent memory. This likely reflects the high level of concern among industry members regarding current and upcoming challenges, and interest in helping shape what can be done to address those challenges.

Explore Minnesota will modify and repeat this short, informal survey in the weeks and months ahead to ensure our response remains timely and useful to industry members.

## How Explore Minnesota Can Support the Tourism Industry

For Explore Minnesota, the most important goal of the survey was to solicit ideas for how we can best support the industry through the COVID-19 crisis. Respondents provided many thoughtful ideas for support, plus many reflections on the impacts to their own businesses and organizations, and ways they are adjusting and/or looking for assistance. Comments ran the gamut from hopeful to fearfully sobering. Here is an attempt to summarize the suggestions for support.

### Marketing Messages and Timing

Industry suggestions about marketing through the COVID-19 crisis were varied, and at times conflicted with one another. We have organized your responses into four main themes.

- 1) **Continue Advertising:** Many respondents were in favor of Explore Minnesota continuing to advertise throughout the upcoming period of curtailed travel. This could encourage consumers to continue thinking about travel, especially to Minnesota, even while they are hunkered down. Appropriate messaging would help keep Minnesota and all its travel opportunities top of mind once consumers can travel more freely. However, numerous responses cautioned about the risk of having many advertising messages come across as irrelevant and/or out of touch with current affairs and sentiments. This poses a challenging balancing act for travel advertising during times when consumer attention is directed toward matters of grave concern.
- 2) **Hit Pause:** There was also a strong sentiment among many respondents to scale back or eliminate marketing the state until conditions improve, then hit the ground running when consumers are in a better position to travel. A heavier advertising investment at that point could encourage as much travel as possible and help jump start what is sure to be an ailing industry. Many respondents anticipate increased interest in travel during the period that consumer movements and activities are confined. An abundance of Minnesota advertising as consumers re-emerge could be instrumental in stimulating them to travel, and to have that travel be to or within Minnesota. Some respondents also encouraged robust advertising for events if/when they are rescheduled, and for the 2021 version of events that are cancelled this year.
- 3) **Promote What's Still Available:** Outdoor activities and wide-open spaces received numerous mentions as good promotional fits during times when people are avoiding crowds. Minnesota has an abundance of destinations and activities that match those criteria, which could be featured in messaging. Similarly, staycations received numerous mentions as being a good fit, both during and after the COVID-19 crisis subsides. Staycations involve taking in travel/tourism

activities, either via day trips from home or when staying relatively close to home, like at an overnight destination in Minnesota.

- 4) **Hope on the Horizon:** While anxiety and sobering concerns permeated numerous comments, the hopeful tone of many other responses was notable. Those respondents encouraged Explore Minnesota to stay positive in messaging, and to join them in anticipating a strong bounce back in travel once conditions are right. An upbeat theme that emerged from some responses was to encourage travelers to postpone rather than simply cancel upcoming travel plans. This could be a way to keep those travelers engaged in their travel plans, while also helping those businesses maintain cash flow and bolster upcoming bookings. Related suggestions involved encouraging consumers to think about and support “local” businesses by focusing their travel within Minnesota when travel is practical. Obviously, this concept fits best for in-state advertising.

## Communications

Many respondents pointed toward the need for frequently communicated and wide-ranging information to help them navigate current and upcoming challenges. These included requests for frequent updates on changes Explore Minnesota is implementing in its advertising and other programs, as well as for suggestions that relate to their own marketing/advertising strategies and operations.

Respondents suggested toolkit(s) covering strategies and solutions for how to, in turn, effectively communicate with their constituent businesses and consumers to keep them informed and engaged with positive messages during times of curtailed travel. Websites and social media were noted as likely vehicles for those communications. Ideas for recovery plans, once travel is opened back up, were also requested. The need for relevance, honesty and transparency was emphasized for all communications.

Explore Minnesota’s [industry website](#) remains an important vehicle for the organization to communicate with tourism businesses and organizations throughout the state, and a newly-created [Coronavirus \(COVID-19\) page](#) serves as a gateway to a broad spectrum of tourism industry-relevant information and resources. You are strongly encouraged to make use of this resource, returning to it regularly for new and updated material.

## Business Assistance/Financial Relief

Businesses, organizations and employees are already feeling the pain of this crisis. They are also bracing for things to get much worse before getting better.

Suggestions for how Explore Minnesota can be supportive included:

- 1) Advocating for emergency (preferably forgivable) loans, grants, and any other measures to help mitigate financial problems.
- 2) Compensation for financial losses from things like mandated event cancellations, and from keeping and continuing to pay employees even when there is not enough work to (financially) justify it.
- 3) A number of specific suggestions for financial relief included postponing or forgiving upcoming property tax payments and suspending sales tax on travel-related goods and services.
- 4) In the realm of festivals and events funding, comments pointed to a need for Explore Minnesota to bolster support for existing events, perhaps modifying the new events grant program to include funding for existing events.

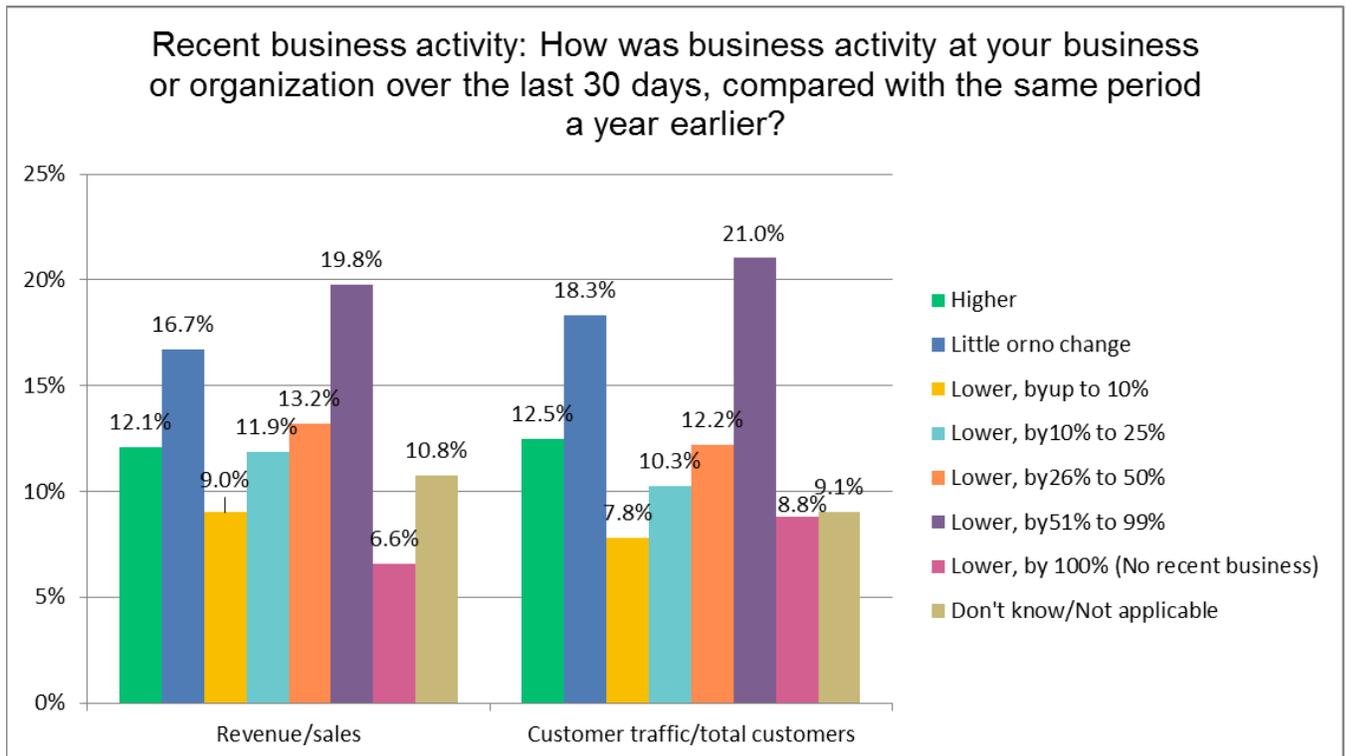
**Disclaimer:** Explore Minnesota is committed to supporting the industry with financial relief as much as possible, however, as a state government entity, Explore Minnesota is limited in its capacity to provide or advocate for funds. As such, Explore Minnesota’s role should be viewed primarily as one of marketing the state for travel and supporting the industry through existing programs and communications. We will be as responsive as possible to evolving industry needs within the boundaries of our legal capacity.

## Impacts, Anticipated Timing of Downturn and Marketing Changes

Two survey questions assessed respondents’ recent and projected business conditions compared with last year, both for revenue/sales and customer traffic/total customers.

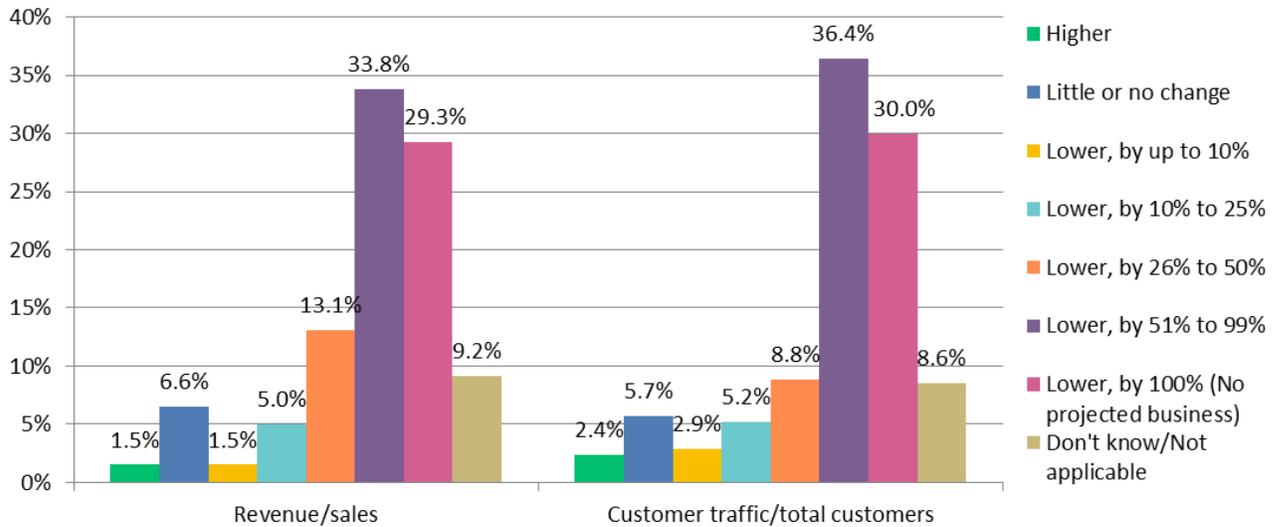
While businesses had already experienced a downturn in the 30 days before the survey, the projected downturn in the upcoming 30 days is markedly more substantial. The recent period before the survey refers to a 30-day period of roughly Feb. 18-March 18, and the upcoming period after the survey refers to a 30-day period of roughly March 19-April 17.

**Recent activity:** More than half of respondents reported that recent business activity was down by at least 10%, compared with a year ago, both for revenue and customers. This includes more than a quarter of respondents who reported recent business to be down by at least 51% over the last 30 days, with 26% experiencing revenue declines and 30% experiencing customer declines. Roughly three out of ten respondents reported similar or higher business activity over the last 30 days.



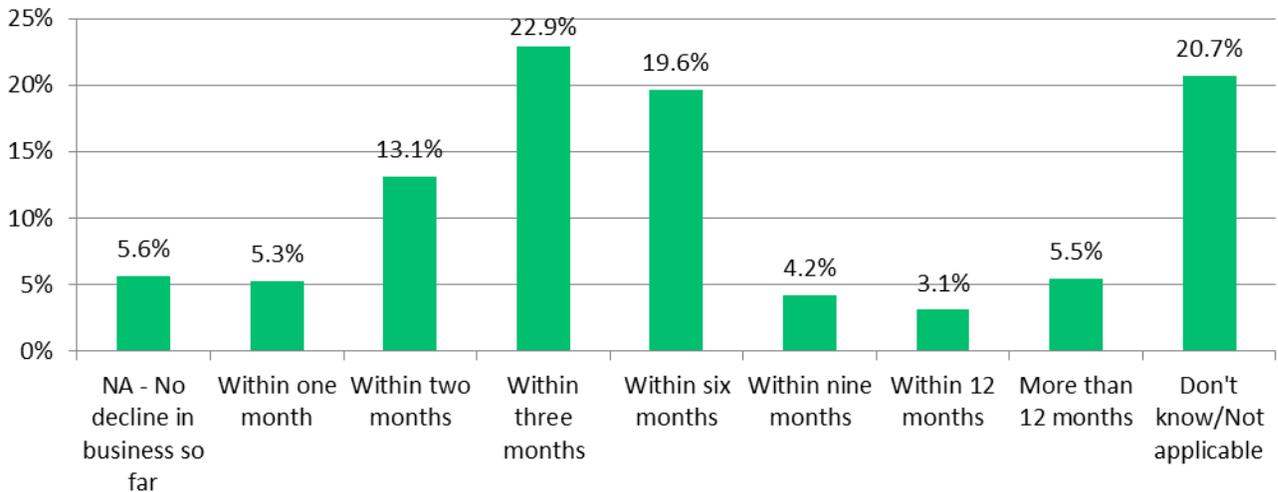
**Projected activity:** Nearly two-thirds of respondents are projecting their upcoming 30-day activity will be down by at least 51%, compared with a year ago, both for revenue and customers. This includes roughly three out of ten respondents who project a 100% decline (i.e., no business) for the upcoming 30 days, with 29% projecting no revenue and 30% projecting no customers. Eight percent of respondents project similar or higher business activity for the next 30 days.

Projections: What are your projections for business activity at your business or organization for the upcoming 30 days, compared with the same period a year earlier?



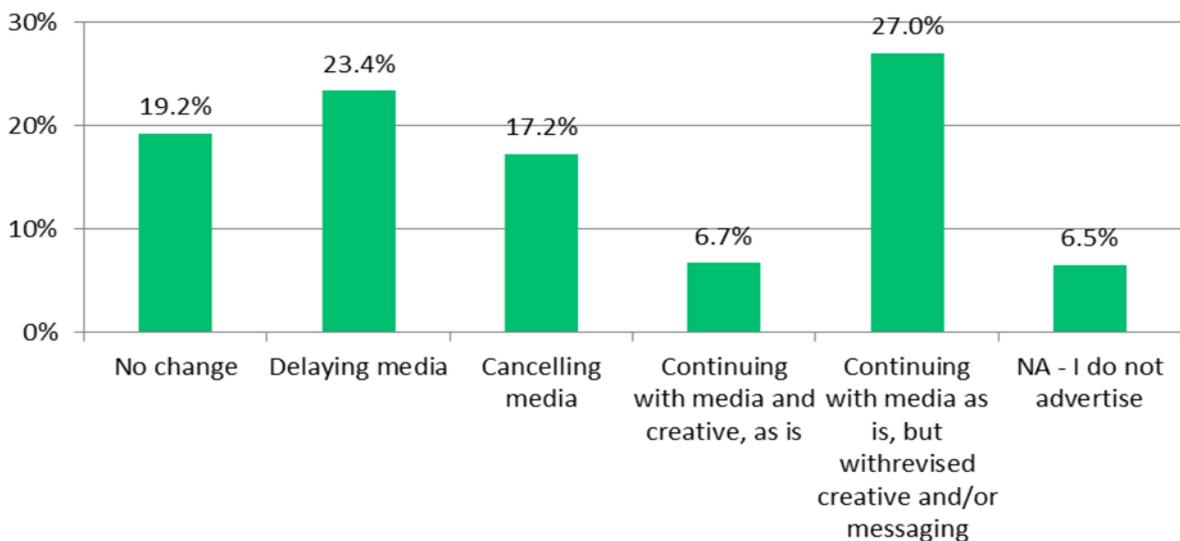
**Anticipated length of time before business activity improves:** Just under half of respondents (47%) think they will start to see an improvement in their business activity within three months. Within this group, about half think the improvement will start more than two months from now. Just under a third of respondents (32%) think it will be more than three months before business improves, with most of that group thinking the improvement will start within six months from now. One in five respondents (21%) replied, “don’t know/not applicable.” Many respondents acknowledged how difficult it is to know what to expect with so many unknowns about the COVID-19’s timing and impacts. Many seasonal businesses fear that their entire season could be in jeopardy if the coronavirus and its impacts are not contained soon. Respondents from businesses that can easily accommodate social distancing were hopeful that business activity would not be impacted as much or as long.

Based on cancellations and other information available to you, how long do you think it will be before you start to see an improvement in your business activity?



**Planned changes for business marketing:** Most respondents are changing their business marketing for the coming month. Among the changes, the most common change is to continue with media as is, but with revised creative and/or messaging (27% of responses). Substantial numbers of respondents are either delaying (23%) or cancelling media (17%) for the coming month. Just over one quarter of respondents (26%) are continuing with media and creative as is (i.e., including “no change” responses).

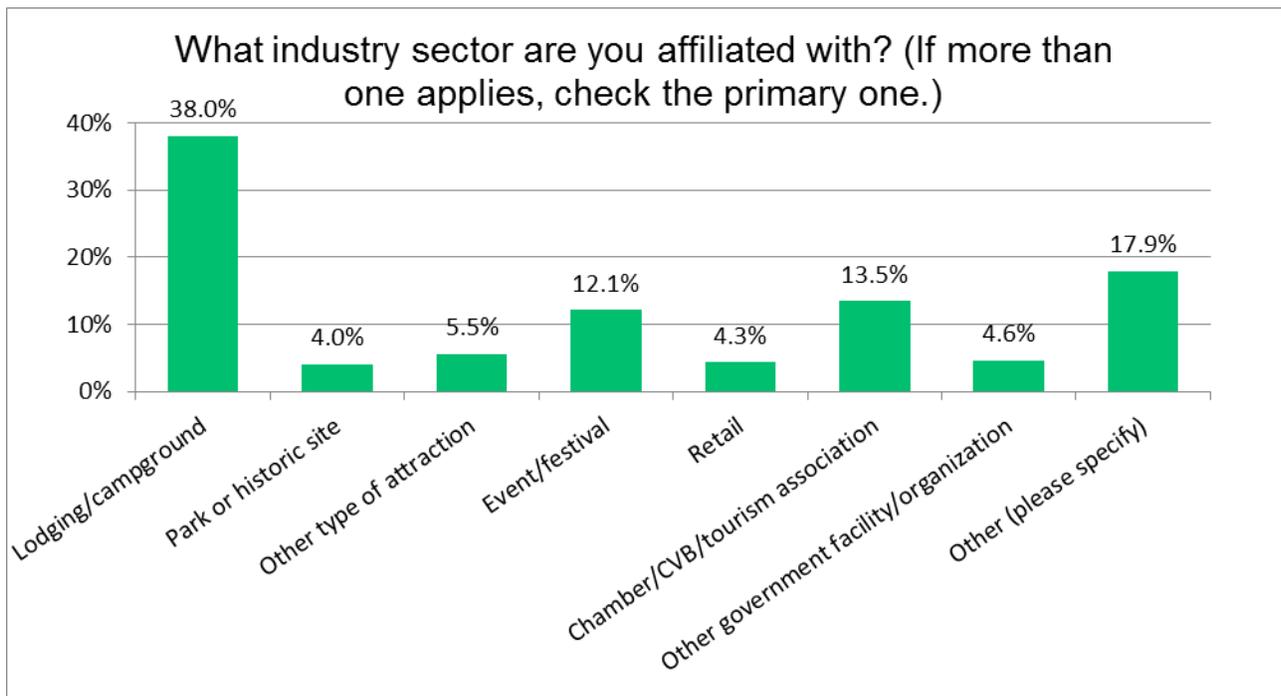
How has your business marketing for the coming month changed?



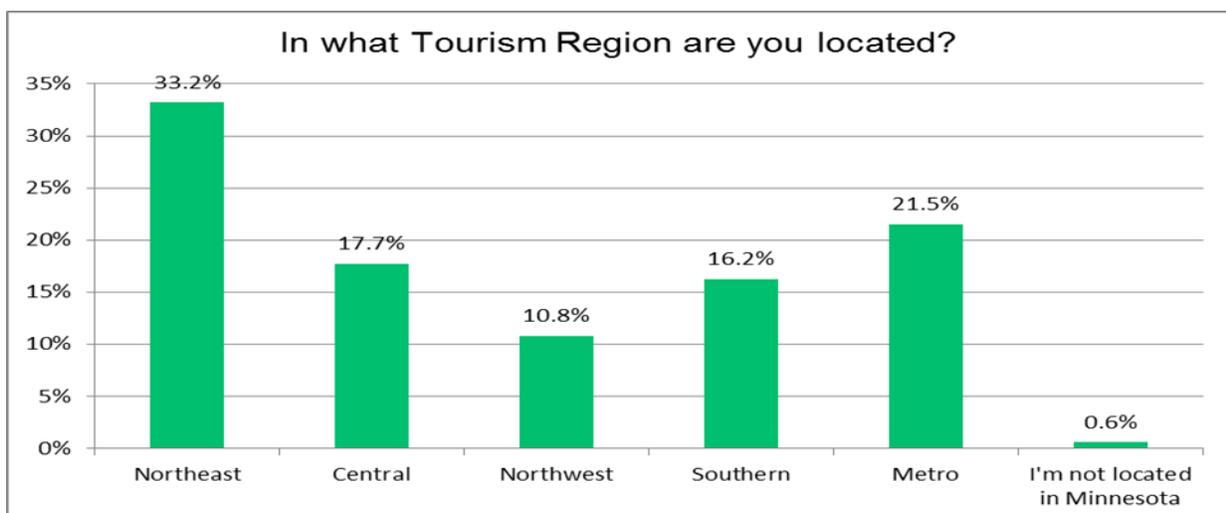
## Who responded to the survey?

On Wednesday, March 18, a survey invitation was included in an email message delivered to 7,527 Minnesota tourism businesses and organizations. The email recipients are on Explore Minnesota's EMT Express e-newsletter list. The 674 responses represent a 9% response rate for this informal survey effort.

Lodging and campground businesses represented the largest group of survey respondents, with 38 percent of respondents. Other industry sectors represented by at least 10 percent of respondents were chambers/CVBs/tourism associations (13.5%) and events/festivals (12%). A substantial number of respondents checked "other" and specified a wide range of business/organization types. Prevalent among these were restaurants and museums.



One third of survey respondents were from the northeast Minnesota region (33%), followed by the metro (21.5%), central Minnesota (18%), southern Minnesota (16%) and northwest Minnesota (11%).



### **Additional notes about survey respondents:**

- All 674 responded to a question asking if they were open and doing business a year ago, during the 30-day period leading up to the same date in 2019. 555 responded “yes” and 119 responded “no.” “No” respondents were not asked questions about recent and projected business activity, compared with the same period a year earlier.
- 445 responded to the question about recent business, and 448 responded to the question about projected business.
- 550 responded to the question about how long it will be before they start to see an improvement in business activity.
- 552 responded to the question about upcoming changes to their business marketing.
- 279 respondents answered the question about what Explore Minnesota can do to support the industry.
- 669 responded to the question about the industry sector they are affiliated with.
- 548 responded to the question about what region they are located in.

### **What to expect now**

Thank you for participating in the first of a series of surveys for the Minnesota tourism industry. Please look for next week's results and a repeat of this survey in the next edition of EMT Express on Monday.

Explore Minnesota's team is here for you. As we navigate this difficult time together, we remain fully committed to providing fact-based information, support, encouragement and solutions for Minnesota's tourism industry now and in the future. Please reach out to any of us, at any time, with your comments, concerns and suggestions