

## **Explore Minnesota Lodging Sector Listening Session 10/20/20**

Thank you for being part of the listening session.

We have a pretty good group of folks on the call.

We will hang on for 2 minutes and then we will get started.

It's 10:02.

It's time for us to get started with today's listening session.

I'm John Edman.

Thank you for taking the time to be part of today's listening session.

A little background on today's listening session.

Last year we have listening sessions all throughout the state of Minnesota.

Mostly discussing our strategic plans and where we want to go with Explore Minnesota in the future.

When we talked about having a listening session again this year, we committed to doing them.

Due to the pandemic, not able to physically go throughout the state of Minnesota to do these.

Instead we decided to do is do listening sessions by industry sector.

All people are welcome but we wanted to find out what's going on with tourism, what's happening with the business.

What Explore Minnesota Tourism can do to help people move forward and any other issues that you want to discuss.

I want to give you a few housekeeping rules.

We ask you, and I see most of you have muted your phones.

Please do that, unless you are speaking.

When you are speaking, in the participant box at the bottom of the screen, you can read your hand.

We will call in you.

Unmute yourself.

We will enter dialogue.

You can also provide any comments you have in the chat box.

Box.

We have various Explore Minnesota staff on the call that will be monitoring the conversation and providing some links and other information about any topics that may come up.

Please be sure to monitor that as well.

At the end of the call, there will be a transcript as well as a recording of this call.

If you so choose to listen to it again or if others wish to listen to it, they will be able to do so.

And then also I wanted to indicate that we are going to share any conversations, comments, recommendations, thoughts that you have both with the commissioner of economic development who I talk to about these sessions yesterday as well as folks in the governor's office to make sure they are aware of your issues and concerns.

Before we begin, I would like to do an icebreaker.

We have about 52 people on the call.

But we wanted to do a little poll to find out a little bit more about what industry, sector you're from.

So hopefully on the bottom of your screen, a poll will pop up.

There we go.

Thank you very much, Nicole.

Nicole is the one helping orchestrate a lot of the things on the call.

Please indicate what sector of the lodging industry you represent.

Hotels, resorts, campgrounds, bed-and-breakfast, others.

Please submit it to zoom.

We will take a couple minutes to do that.

As soon the results come in, Nicole, you should be able to show what some of the results are of who you all are and what you represent.

Hopefully all the votes are in.

Nicole, are you able to show any of the results? Bingo.

So it looks like we have 30% of you representing hotels, 5% representing resorts.

45% representing D M.

O.

s.

And 15% representing others.

We have a good makeup, a cross mix of the tourism industry in the state of Minnesota.

We really appreciate your being part of this call.

So with that, let's go, I want to provide a little background before we get into discussion, little background about what's happening with our tourism industry as well as kind of the rule of Explore Minnesota.

We'll get to a couple questions.

Nicole, can you pull up some of the slides.

Fantastic.

Next slide.

This is what we are going to talk about.

We're going to talk about the impact of tourism, our mission, and some of the feedback and discussion that we want to get from you as I previously mentioned.

Next slide, please.

The tourism industry, you all know this, it's a huge industry in the state of Minnesota.

This is prepandemic.

These figures are basically from the Department of revenue.

There is a lag in the numbers.

\$16 billion in sales.

\$1 billion in sales tax.

273,000 jobs.

73 million visitors a year.

This is the one slide that really hits home.

According to Oxford economics, sales and the leisure and hospitality industry between March of this year and our current date in October, we have lost over \$5.

4 billion in sales.

That's huge effects on the economy in the state of Minnesota.

Huge effects on jobs, huge effects on communities.

Next slide, please.

There we go.

A couple quick slides.

I'm going to go through these rather quickly.

This is from our summer survey.

It shows about how revenue was last summer compared to the 2019.

While they are some businesses that are up, and the majority of businesses show that revenue was substantially down.

Some down over 50%.

20% of respondents said it was down over 50%.

Some businesses are not even functioning.

Some businesses did okay.

We'll talk about that in a second.

Next slide, please.

One of the questions that we had, and I think it's an interesting slide, the anticipated return to pre-COVID business levels.

This survey was done around Labor Day, the end of the summer.

I would be very curious to see how much this has changed.

One of the things that jumps out, the large bar graph that shows during the second half of 2021 is when people anticipate things returning to pre-COVID levels.

There's people who talk about 2023 or beyond.

We are in the situation for the long term.

The impact of the pandemic is going to go on in our industry, at least based on what you've told us, for a long period medical time.

Next slide please.

-- a long period of time.

This tells us was going on the last summer.

Basically what you need to really look at here, there's a lot of color and a lot of bar graphs.

This is a very informative slide because if you see under resorts and campgrounds, you will see the bar on the right which basically shows business was up higher than last year.

What we found out is that a lot of people at the beginning of the year weren't sure what was going to happen.

A lot of cancellations.

Then phone calls started to happen at resorts and campgrounds.

People wanted to social distancing get away.

They did well this last summer.

However, hotels, restaurants, business travel, leisure travel, group meetings and conventions, large part of the colors on the left, they have done really poorly.

We've had a severe impact on those.

Some did well.

A lot more but are severely impacted.

Next slide.

The last thing about what's going on, this is kind of telling.

This basically shows what's going on in hotels, resorts, bed and breakfasts as a whole, basically year-to-date through September of this year.

Occupancy Minnesota has been down 41% compared to the previous year.

Rates, RevPAR, revenue.

Supply is slightly up.

What I mean by that is hotels and lodging properties have been built this last year which is an interesting time given what's going on with the pandemic.

Demand is down as well.

Giving you a comparison to the United States as well as to the region and also what's happening in the metro area which is a little bit even more severely impacted than greater Minnesota.

Next slide please.

Actually, the next two slides.

Basically who we are and wanting to give you a little grounding.

Most of you know about Explore Minnesota and how we operate.

We are the state tourism promotion organization for the state of Minnesota.

If we basically trying to promote Minnesota as a premier travel destination and inspire consumers to travel to and within the state of Minnesota and do it in a way that values the work of all individuals.

Next slide please.

And then our strategic direction.

This came out of the listening sessions we had last year.

Basically three pillars.

Brand awareness, partner collaboration, consumer engagement.

Those are the three pillars that we try to focus everything that we do on Explore Minnesota.

We initially have these goals to generate 75 million visitors, generate \$18 billion in sales, \$1.

17 billion in sales tax and 280,000 jobs.

That's what motivates everything we do and Explore Minnesota.

Next slide, please.

The last thing I want to do in terms of background is give you some perspective on our budget.

This is the budget for Explore Minnesota.

14.

4 million.

About in the middle of the pack in terms of total budget at state tourism offices but it's worth noting that our budget has been relatively flat.

As we look forward, I'm not sure I would look forward, but as we look at the legislative session next year, the state of Minnesota as you know is -- we've used up our reserves and we are not anticipating any significant, any increase in our operational funding.

We've asked for emergency crisis grant funding.

We'll see what happens with that.

That's kind of, those other tools in terms of financial resources that we have in our toolbox.

Next slide please.

So now we want to get right to the discussion.

We really would like to hear your thoughts.

Question number one that we want to ask you is how is your business or organization evolving or not evolving.

How are you meeting the challenges of today in planning for the future? It's such a difficult time for travel and tourism in Minnesota.

We want to know how you're dealing with it.

This is the opportunity for you to chime in, give us your thoughts, tell us what's going on within your business and allow us to more properly respond to the needs of the tourism industry today.

Simply go into the participant box if you will.

You can raise your hand.

There is an opportunity on the right to raise your hand.

Beth will call on you.

If nobody raise your hands, as you know from these listening sessions the past, I will call on you.

Questions, comments.

>> No hands raised so far.

>> I'm going to call on somebody.

Linda Gerrit.

I see your name.

You've been involved in a lot of listening sessions over the years.

Hopefully you're still listening.

What's going on with your business or organization.

>> I'm here and I apologize for not raising my hand.

You know that I'm a pretty big handrails are, I'm driving.

I pulled the car over.

>> Sorry.

>> It's okay.

It's okay.

The questions.

We are evolving, I would say like most of us, with a little bit of, I would say careful planning and really not jumping the gun.

I feel like we don't know as we approach winter what that's going to mean to our businesses, as many of you probably know on the call, northeastern Minnesota fared well as far as travel.

In fact, we have pretty much exploded.

When we look at our sister amenities, dining and retail, that's the tender walk.

So as we look at what could happen to dining, I would say as a DMO, we are evolving making sure we speak the truth.

If you are traveling to northeastern Minnesota, dining is not what he used look like, nor do we know what it's going to look like in a month or two because we don't know what's going to happen with COVID.

Our marketing voice follows that in that we are telling folks to enjoy the outdoors.

We are always naturally unforgettable.

And then as far as our organization itself, not unlike all of us, we have cut staff, cut budget.

Leave a fair amount of people working from home.

There is a blend of that.

So I would say we are being very thoughtful.

Every day there is something new we consider.

Does that help? Planning for the future.

When I think of planning for the future, like I said, I think staying nimble and staying thoughtful is probably the best bet for most of our DMOs.

>> Thank you, Linda.

I think that's important about staying nimble.

We don't really know what the future will bring and I think I also would like to commend you for some of you are thinking outside the box.

My daughter has been walking around with, what is it, a T-shirt that we got from your community that we love.

Thanks for hanging in and -- >> Yeah.

Definitely.

It's not easy.

And I really believe for everybody on the call, COVID fatigue is very, very real.

For those of us, like myself, that are pretty much, you know, forward thinking, go get it, see the prize and go after it, just tapping her breaks and recognizing -- tapping our breaks.

There's definitely an emotional fatigue that's happening right now as the change of seasons occur.

>> It something we are all feeling, the fatigue and what's coming.

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How about somebody from a lodging perspective? Does anybody want to step forward and talk about what's happening with your business, good or bad? >> John, I can pop in from Visit Roseville.

I agree with Linda, ditto.

We are putting most of our funding into online advertising.

We are not printing a visitor guide next year.

Number one, we don't have the funds right now to do it and number two, who knows when that print guide is going to get into people's hands when travel does start.

We are setting up online promotions right now if travel does ramp up their we've been talking with our advertising agency.

Cool your jets now but if holiday travel hopefully picks up, then we're going to want to do some social media.

We are very careful with spending.

Lobbying hard for the PPP.

To be able to get that.

Thank you for your crisis loan because that really helped us out with our advertising and social media.

We appreciate that.

Again, just taking a wait-and-see, being, being careful with spending and watching every single month to see what our occupancy and ADR is.

ADR is down \$20 year-over-year.

Thank goodness we had reserves.

We are fully staffed again and we need the revenue to start coming in.

>> Julie, have you seen some of the occupancies? Have you seen it rise, stable, fall? >> It's risen.

It's risen.

Now it seems to be, we just got the latest report yesterday.

Here today we are 39.

8%.

Over the summer.

May we are at 27%.

June, 34.

July, 38.

6.

August, 40.

2.

September 40.

6.

A steady rise which is great.

Who knows what it's going to be like coming into the winter months.

I think that is "Game of Thrones.

" Winter is coming.

[Laughs] >> John, we have Tina Chapman.

Go ahead, Tina.

>> Good morning, everybody.

From the resort standpoint, we are a really small resort.

We don't have a large pure we don't have a bar-restaurant, not really any public spaces.

I was very thankful for that this year.

I didn't have to deal with the mask mandates for employees.

We don't hire employees.

That was really good.

The one thing that I did, I put a COVID policy on my website.

Was very clear, all of my reservations, the ones that were already there and the ones that came as the season went on, they all got a lot of those COVID policies and in the email, what they could expect here, what they could expect in our local community.

I got quite a few people that thanked me for doing that and literally said that's why they came here.

Because I was clear on what my policies were.

I will say as the season went on, we seemed to get, and I don't know if this has anything to do with it, seemed to get quite a few people from the Twin Cities area.

A lot of them were saying we just needed to get away from everything, whether it be the COVID, the riots, they just wanted to get away from it.

And some of them were just even single women coming by themselves.

That was different.

Our season, we didn't have any issues with anything.

People were really good.

Something I didn't like is that they seem to cook more in their cabins instead of going out.

I had to clean more.

It's sad for Canada but because the Canadian border was closed, we seemed to pick up quite a few lodging and guide trips because of that.

>> Thanks, Tina.

A couple other folks.

Beth had indicated someone wanted to comment in the chat box.

>> Yeah, Brady from Bemidji? >> Yes, can you hear me all right? >> Yeah, thanks, Brady.

>> Fantastic.

I'm going to give an update from the north, at least what we call North.

We are only a staff of two in Bemidji and we have kept our marketing efforts in house.

I used two typically focus on sales.

I have pivoted to doing a lot of marketing efforts.

Getting creative with how can we market with a staff of two.

We have been able to do that very effectively.

As far as our numbers go, we were down almost 70% in the early beginning of COVID and we've been seeing our numbers slowly increase to now only being down about 20%.

That's been really nice to see as far as the resorts and cabins.

They have been doing well.

Our hotels have taken a huge hit.

But to talk on what we are doing for the future, I just got my drone license.

I have been helping in different ways, getting creative to be able to figure out how can we market Bemidji organically rather than spending all these dollars.

We have been able to keep a full staff.

We are excited to see what the future holds and we are optimistic that this will pass and hopefully in the near future.

>> Thanks, Brady.

>> Thanks, Brady.

Aaron Bedessem.

>> On our end, opening the casino back up, kind of had to change the way gambling was taking place.

We have plexiglass on all the gaming tables that separate our dealers from players and the players from one another.

Decrease the amount of people on the tables.

One of the big things was the reservation aspect.

Having to make a reservation to walk on the gaming floor was something that really change our whole model.

It took people a little while to get used to it but now they are.

Even if you don't have a reservation you can come in but you can't walk the table and hop from table to table.

We have assigned seating more or less now.

The hotel this summer, we open for five days before he closed it down for three months.

It was an interesting grand opening.

now that we have reopened, the summer was strong.

We are able to pair it with horse racing stays and watch the races from your hotel room which was a good way for us to complement the horse racing side.

Ever since then one of our battles that we have right now is being a 25% occupancy.

We are kind of fighting with ourselves in the sense of the casino is at capacity Friday, Saturday nights, some Thursdays.

We actually aren't trying to necessarily attract the masses to the hotel because there is no room for them on the gaming aspect.

So we are really a strategic on who we are trying to invite and offer rooms, offer coupons, those types of things.

The really tough part is the capacity.

On the one hand, the casino marketing side, we are going towards a specific audience, and the hotel side we are almost pushing people away because we don't necessarily want them to have a bad experience on the property because they can't get on a gaming table.

The restaurant is still not open to full capacity.

We are limited to bar seating.

>> Interesting challenges.

>> Yeah.

>> Thanks, Aaron.

Anyone else? >> I don't see any more hands.

Lisa? Lisa is working on the chat box, anything there, Lisa? >> Casey from Minneapolis just through a comment in there.

Casey, if you are on and you want to speak up, feel free.

>> Hey.

Good morning, everybody.

Yeah, I just threw in the chat box.

Unfortunately we've had some staff reduction and consolidation of markets.

As an example, someone who handled the group tour and the domestic tour market, he was unfortunately laid off with eight or nine other staff members.

Going forward, I'm the primary point person for all things tourism.

But a big thing for us is just making sure that we are kind of a hub for health and public safety.

That's on the top of a lot of people's minds.

Also making sure we are staying on our restaurants and attractions, updates whether they are opened or closed or offering take-out et cetera.

Making sure we are staying on top of that.

>> Thanks, Casey.

Minneapolis has been certainly impacted, in some ways even more so than any other region of the state for a wide variety of reasons.

What do you see coming up this winter? Do you see things improving, like they are in some destinations? What do you see going forward? >> It's going to be a hard slog through the winter.

It's going to be challenging.

We are optimistic.

I am redoing a profile sheet for an upcoming show I'm going to called connect tour.

I was struggling, what there is to do.

The more I do a deeper dive, there are some things that we can hang our hat on and push.

Obviously restaurants are going to be such a fluid thing is we go through the winter.

A lot of attractions.

I'm going to be pushing maybe ice fishing.

Pushing some things, Theodore Wirth regional Park.

Cross-country skiing, snowshoeing.

Mall of America is up and ready to go so we'll be pushing that.

Keeping my eyes to the ground and making sure I know what's going on in the wintertime.

It's going to be tough.

Trying to find the unique things that are still available.

They are out there.

We've just got to find them.

>> Thanks, Casey, for trying to be optimistic.

That's all we all have to do.

Keep plowing forward and making the best of the situation.

We don't have control over it.

It's what we are dealt with right now.

Beth, any other further comments from anyone? All right, let's go to the next question.

The next question is, if we can show that upon the screen, is focusing more on Explore Minnesota.

As I stated at the beginning of the call, we are tourism marketing agency.

Trying to respond in different ways to this crisis, whether it's through crisis grants or a unique type of marketing program, et cetera.

A lot of you get involved in a lot of the things that we are doing.

I guess this is a question to find out what do you like? What do you not like? How can we, and this is the question that really is probably the core of what I want to get out, how can we at Explore Minnesota best help you through this crisis? There's a lot of different ways you can go on this.

Marketing, programs, public relations et cetera.

We really want to get your thoughts on what we are doing and what we can do better.

Maybe what we shouldn't be doing as of right now as an agency, Explore Minnesota.

So that's the question.

We'd love to hear some responses.

Julio, if you are still on the call, your comment about the crisis grants program.

How are those helpful for the industry or not helpful.

>> They were awesome because when we were cutting back, you hate to cut back on marketing online.

That \$11,000 helped us work to push more out on our tourism challenge and we are looking at a promotion for holiday travel.

We want to put that in there for visiting family and friends.

The leisure is the one that's hopefully in the holiday months and working, that helped us put together a plan with our advertising agency and giving funding, gave us more money to market which is extraordinary and I think with you guys, you have the great ad going out there that shows family and friends, it shows them alone.

It shows them outdoors.

It shows there are things you can do in the summer, you can do in the fall, you can do in the winter.

On your own without mixing with large groups of people.

It would be nice to see if you add more commercial roles in restaurants, bars, shopping.

Not as crowded.

And then the big deal I think that you have to look at is -- I think on a national level, destination analysts.

In groups with masks, people take offense to it.

You have to wear a mask.

That's the law basically in most places.

To promote moving into restaurants and bars but have it social distancing built-in, I think that would be a great way to help out.

Our partners in the restaurant area and bars.

>> Thank you, Julie.

One thing that I will add.

Still a little bit of John Scholz's thunder.

I think is on the call.

It's a unique time in market Minnesota.

In traditional way marketing.

One of the things we are going to do after the election is to do a little campaign which we call a gratitude campaign.

It's basically to thank, focusing on Minnesotans, two thank Minnesotans for their support of hospitality businesses throughout Minnesota.

If it wasn't for Minnesotans supporting some of these businesses, a lot of them wouldn't survive.

We wanted to do a thank you campaign that you'll see probably in November and it will include people enjoying different attractions, hotels, resorts, breweries and restaurants.

John Schultz, are you on the call? Do you want to add anything? >> More to come on that.

Our plan is to debut it on November 9 and then extend it through November.

To be clear of the election cycle and just advertising.

It's political leading up to the election.

We feel like there could be some opportunity after that.

Particularly as more of a reflective campaign, we will have a plan that we will share with you on the industry site we will share with you next week.

>> It's really about consumer confidence.

That's one of the big hurdles that we have to overcome.

I see a comment in the chat box from Casey.

The We Need Us campaign.

Casey, do you want to talk about it briefly? >> This is a campaign that we started earlier this summer.

Our folks in strategy came up with it.

As John said, we need to support us and we need to support our local restaurants, attractions, et cetera.

It's a hub.

For locals to check out, what is their restaurant doing? How are they weathering the storm of COVID? It's to reiterate without these restaurants in these attractions, our destination won't be the same.

If we want them to continue to be there and be there in the future, we as locals need to support them as best we can.

>> Thank you, Casey.

I think I saw a link in the chat box as well.

To find out more information about the We Need Us campaign.

For us to survive as a tourism industry, we've got to start locally.

Minnesotans having the consumer confidence to support the hospitality industry before we can actually even go much farther out than that.

Lisa, you made a comment.

I'm not sure I caught it.

>> Wanting to hear from our lodging properties on the call today.

Looking forward to ways that Explore Minnesota can help assistant support.

How are marketing that we are doing can help you.

Lodgers, if you're in the call, throw something in the chat.

Raise your hand.

We'd love to hear from you this morning.

>> As you are formulating whatever thoughts you might have, one other person I will call in.

Megan Christiansen, you're very familiar with a lot of things that Explore Minnesota is doing because of your involvement with the Explore Minnesota Tourism Council.

Do you have any thoughts on what we are doing is a state agency and what we should be doing more of in the future? >> Hi, guys.

From my perspective on the Council, my feeling is I think Explore Minnesota has been doing a great job sharing the webinars and the resources that we have within the tourism industry.

The EMT expresses a great resource because it's timely, up-to-date, what's coming up.

There's a lot of free webinars out there right now where people can just, if they are working from home, then you can dial in and get for free, marketing advice, sales advice, get some new strategy.

Between you guys had hospitality Minnesota, you guys have both been doing a great job in sharing those resources out.

What I do is I send a tourism and hospitality partner newsletter once a month.

I try to include as many of those links because our businesses, they are small mom-and-pop furry northern Minnesota.

they have maybe one to five employees.

They are looking for these resources that you are offering.

I think it's great.

I think that all of us utilizing each other to have that shared resource is what we are going to all need going forward.

I think yesterday we had a call with the Minnesota tourism growth coalition and while we know that all tourism, the destination marketing organizations are down this year, we are still moving forward with having a lobbyist support the industry.

More than ever, we need the support of all of us.

Some sectors have done better than others, like some resorts.

So we are going to be calling on those that can maybe help us out right now because it is crucial.

You as a state agency, you can't support this industry from a lobbying perspective.

And we appreciate everything that you guys do.

The Minnesota tourism growth coalition, that's another resource for us that we can show support for the industry.

So I appreciate you and your team and you guys have had to turn on a dime and think differently.

It's great when you share the resources that you have, so thank you.

>> Thank you, Megan.

One other follow-up to what we do in terms of Explore Minnesota and marketing, what are your thoughts about allocation of resources? Spring-summer season is our big push and that will continue to be but this winter is going to be a challenge.

I think it's going to be different than any other season that we've had no long, long time.

Where do you think we should be putting our resources seasonally? >> Back to me again? >> Anyone.

>> I think for winter, I think we have to definitely own it.

As you can see from my background, we got 4 inches of snow this last weekend.

We are supposed to get 5 to 10 inches this weekend.

The low for this Friday 11 above.

I have a feeling that winter may come really early for us.

So we have to own it.

I think we've talked about this in years past, that winter is one of those seasons.

It's a really long, long season.

I don't care where you are in Minnesota, October to March's going to be a long winter season.

There's something real about our winters here in Minnesota.

I think wherever you are, you just learn to be adaptive to the surroundings and the situation.

Obviously we are still going to be in a pandemic.

I think we have to own it and move forward with it.

There are still things going on.

There is still a lot of outdoor recreation.

I think that what we are seeing is these small gatherings are very intimate and we have a lot of locations that have opportunities for that.

Our live music has never been better here in our community.

But it's really small clusters.

People get the intimate experience.

I think we celebrate that.

>> Right.

That's tremendous perspective.

Winter, I mean, it's fair it's there.

It's going to be here in a few minutes.

With the restrictions, it's going to be a challenge.

Supporting the hospitality industry may be more aggressively in winter than we ever have done.

Anyone else, someone on the line? >> I am.

>> Maybe you can talk about from a hotel perspective and what we can do to help you.

>> I am a small hotel property.

I'm in my own bubble working on my own property.

I've worked my way down, serving breakfast and helping my housekeepers.

Hoping sometimes in the near future I can work my way up.

I also serve as a governor for a Best in my region which is central Minnesota.

The downtown property.

I'm 30 minutes outskirts and I'm doing okay.

The challenging part is trying to establish some consistency.

Trying to have that consistency and try to work with guests perception and expectations.

Some of us have a pool restriction.

Customers don't quite seem to understand.

We have breakfast restrictions.

We are basically mandating, the rule, you have to have a mask on when you're in the house.

Some customers just don't quite get that.

Overall, from a marketing perspective, I think we're just trying -- thinking about winter time.

We are still in limbo as to how the PPP will be forgiven.

>> How has your occupancy been? >> I'm very, very lucky.

Month today I met 65%.

>> That's great.

>> Yeah.

It's been a great September and October.

But November doesn't look that good at this point.

>> 65% occupancy, what's the makeup of those customers? >> Most of them are surrounding outdoor construction at this point.

They are in a hurry to get that done.

Welding and road construction.

>> Great, thanks, Marianna.

>> Thank you.

>> John, if we can call on Linda again.

Go ahead.

Comments that you wanted to share.

>> I just put it in the chat.

I will back up to the early months when we were shutting down.

At that point not unlike any of you, we drastically cut our budgets and then we created a very, very short four month budget.

The changes with covid, not being able to have a crystal ball of what's going to happen with closures or if we are going to get out of this quickly, we moved into buckets, moving away from seasonality of what we are used to.

Now when you consider the budget, we have one massive bucket for digital marketing.

Although we allocate, it's one of those, is stressful but it's one of those things that if we can stay away from walking into a two, three, four month commitment.

We are going to do that.

Of COVID strikes again we want to back out of it and reduce the budget.

Rather than getting locked into a winter campaign, we are staying as far away from that as we can.

>> Linda, you're saying you're being a bit more nimble.

>> I would say that's a good word.

Like I said, it's really stressful for those of us watching the spreadsheets.

At the same time, I don't think there's another way to do it.

As leaders, we cannot go out and allocate thousands of dollars to a winter campaign only to have businesses be forced into a shut down with covid spread.

Therefore we are trying to stay as flexible as possible in our commitments.

Still do the job as part of our mission and vision.

>> Thanks, Linda.

>> If they're not any other comments that you see, hands raised.

Let's go to our final question.

The final question, gets beyond Explore Minnesota and gets into other issues and concerns.

As I mentioned, opening up here, as I mentioned before, we are going to be passing on the comments from this call to the Commissioner as well as the governor's office.

Any other issues, concerns that you would like to raise on behalf of your segment of the industry, what you're seeing that we can bring forward to others.

It's kind of an open-ended question.

Anybody have any thoughts in that regard? >> John, might I add specific to lodging, this is the lodging listening session so we would like to hear from that perspective.

>> Linda Chapman, I see or Selma call, do you have thoughts in this regard? >> I guess just continuing to invite people to experience the activities that the whole state has to offer.

Especially outdoor activities right now no matter what season is.

Conveying that lodging properties are open and can accept visitors.

I don't know how far you want to go with that.

Stay as positive as we can, I guess.

>> Thank you, Tina.

That's important.

People don't realize that lodging properties are open.

They think about all the restrictions.

They wonder, can they stay at a lodge in Minnesota? That was early on.

But still, people have those questions.

That's a very good point.

To let people know.

Maybe with some exceptions, lodging is open.

That's one of our pillars, to promote that brand.

What there is to see you, do, places to stay in Minnesota.

>> John, this is Linda again.

Representing a lot of lodging properties.

One of the biggest rivals right now is workforce.

I don't know -- one of the biggest struggles right now is workforce.

I don't know what it looks like in other parts of the state.

Significant in northeastern Minnesota with the lack of international workers as well as having a busy season.

If there's anything that I believe Explore Minnesota could bring to the state and also share more of what may be solutions or happening across the state when it comes to obtaining workforce.

I know right now there's many, many lodging properties in northeastern Minnesota that simply are blocking out rooms because they cannot, they don't have the staff to turn them.

Just a thought.

>> Good thought and it's a problem that we are hearing all over the state.

What are some of the solutions? Do you have an example may be one community doing to address this.

I want to hone in a little bit on your comment about us sharing some of these things other people are doing.

We haven't done that to a great degree.

Thoughts on some of those successes? >> Hi, this is John from Lake of the Woods tourism.

Linda is spot on and we have an issue with trying to get help.

Our businesses is changing the way they do business in many cases, full-service resorts are doing things such as having take out only because they can't get enough waitstaff.

They are considering, a nice restaurant with a good reputation, they are considering having people order at the bar and come and get their own food.

If we can get people coming from outside the area, now we have to house them.

Housing shortages for short-term lodging, critical.

If I am a resort, find want to consider advertising outside Lake of the Woods to get people who would come up for outdoors and fishing, now I'm going to have to dedicate a portion of my cabins or hotels to housing them also.

It really is a problem.

One of the solutions could be getting international workers.

To Linda's point, not right now.

It could be a solution down the road.

Right now it's a tough situation.

>> Thanks, Joe.

I'm not sure what the solutions are but something we are hearing from everyone.

>> John, this is Casey again.

I want to reiterate.

Specifically to downtown Minneapolis.

We can't have events with sporting or theater or anything, it really takes a hit.

Plus you throw in a lack of business travel, he multiplies on top of it.

We don't no one making get together safely in groups.

It's compounding the problem in downtown because we rely so heavily on those big events, sporting events et cetera.

>> Thanks, Casey.

Want to review a couple comments in the chat box.

The need for PPP, paycheck protection program, cures funding from the state.

Many people have seen neighboring states like Wisconsin get significant amounts of funding allocated to the tourism industry from their Cares funding.

Good comment.

I don't know, John, if you want to speak to that all.

>> The only thing that I can probably add is you may or may not know, Explore Minnesota at the direction of the Council was put together some specific tasks for things like crisis grant programs, additional funding, events funding.

Convention funding.

While I'm not sure that will actually get into the governor's budget next biennium because of the limited resources, I did have a conversation with Commissioner Steve Grove about this, I think on Monday, one of the things we talked about is the possibility of utilizing CARES funding for those programs.

Unfortunately he'd indicated that most of the CARES funding that the state has already received has been allocated out.

However, if there is new funding coming out of Congress, there's a possibility that we could use some of those federal dollars that way and I've been sharing with the governor's office in the Commissioner's office which states like Wisconsin are doing.

Probably about a dozen states that have tourism offices that have received CARES funding for tourism promotion.

Most of our funding in the state of Minnesota has gone to the department of health and to communities throughout the state.

We haven't been the beneficiaries of that.

We are trying to make a case for that.

>> Okay, thanks.

Another comment with Minneapolis directly we've had many groups cancel not only because of covid but also we've had the riots.

The civil unrest.

I believe this is slowly getting better.

If the government can really show other states how we have grown from this experience, and that we are safe to visit would be helpful.

Another comment pertaining to that was "we continue to get phone calls to the hotel asking what police precinct we are in, and if we are a safe area.

We see the cancellations and the lack of desire to come to Minnesota.

" We are acutely aware of this layered -- we have a layered crisis specifically here and have heard from I think specifically Minneapolis.

They were more severely impacted as a major urban area than almost any other urban area around the country.

The Johns, do you want to speak to that? >> The only thing, bath, that I can add to that is that we are acutely aware of -- the only thing, Beth, that I can add to that.

The differentiation between Minneapolis and anywhere in Minnesota.

We are aware of that.

We have recently doubled the amount that we put into a contract, public relations firm.

We are not ready to announce it.

We made a decision.

One of the things that we liked about it was not only how they are going to elevate the brand of Minnesota but also address crisis grant issues, civil unrest issues, things like that to work towards improving the brand for the entire state.

>> I can add on a little bit.

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R.

is going to need to work hand-in-hand with our brand marketing.

It's going to be a recovery for sure.

I think the DNA of our brand campaign, showing a welcoming nature, that's been part of what we have pulled together for a long time.

It's going to be a new look at that and it's going to be, one way we did that thinking ahead to next spring-summer when we will have our largest campaign is we worked with a diversity focus group in order to understand what some of the audience perceptions were of our campaigns that already existed and we also showed them a storyboard idea for next summer in order to obtain some ideas and some thoughts on what they thought of that marketing.

So the storyboard that we selected for next spring-summer is one that was chosen from the focus group of African-American travelers and Latino travelers.

We used kind of an in-state subsection and an out-of-state subsection in order to kind of understand what insights or age-related, which one written state, which were out-of-state.

It was an eye-opening experience just in terms of how specific we have of insights to Lena.

For that project we'll be doing that and then obviously examining that more broadly in our other efforts as well.

>> Thank you, John.

Any other comments that anyone cares to raise, haven't already or anything in the chat box? >>  
Nothing else new here.

>> John, this is Joe Henry again.

Our Northwest angle resorts are really struggling.

You have to travel through Canada to reach the Northwest angle.

We have 12 resorts up there.

They lost two weeks of March ice fishing, lost spring fishing, last summer and fall and there's no end in sight.

Everything you read about the way the Canadians are perceiving the United States and how we are managing covid, it doesn't look like there's going to be something opening anytime soon.

a senator introduced legislation to try to get some federal money to subsidize, to give them a lifeline to hang on.

I want to bring that, if you're going to speak to the governor's office.

We have a very important piece of Minnesota that gets hammered.

They don't have a chance to get Minnesota residents let alone anybody else.

I want to bring that to the forefront.

>> Thank you, Joe.

A little bit of follow-up to that, he said that the senator was trying to get CARES funding but he's not been able to do that? >> the Senator Has introduced legislation.

Basically, I'll email you the link to it.

Any support would be great.

Communicated with federal politicians.

Some of the bills.

We've also got this introduced by Congressman Collin Peterson as well as a joint effort from Senators Tina Smith, Senator Klobuchar, and Senator Paul Murray out of Washington state.

Point Roberts Washington, it's a similar geography.

We are doing everything we can try to get these guys a lifeline.

We are talking about generational resorts.

>> It's a unique situation up there.

Such a unique challenge.

Pass that along will make sure we in turn passed out to the governor's office so they are aware of the urgency of that issue.

>> Appreciated.

>> Thanks, Joe.

Sorry for overlooking your comment in the chat.

>> No worries at all, Beth.

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>> Thanks, Joe.

>> All right, well, I think that pretty much, unless a Beth or Lisa or anyone has follow-up questions, or any other industry comments, feedback or anything else that you like to share on this call? >> I want to highlight, it Beth.

Avenue time to anytime you want to shoot us a question.

It can be found on the tourism industry site and there is a link.

We always want to hear from you.

What we are really looking to do is look at the things that we have influence over, that we have control over and see how they can best help and support the industry and work together to try to get us through this to the other side, wherever that is.

Appreciate all your time.

>> I want to echo that, thanks for taking the time on the call.

Whether it's on this call or not, please let us know what your thoughts are, concerns, what you like, what you don't like, what you think we should be doing.

Anytime.

We need that information because we work basically for all of you.

So unless there's anything else, I think we will conclude the call here.

Thanks, everybody, for participating.

A side note, Dave, I love your beard.

Thanks for being on the call.

Hope to see you in person sometime down the road very soon.

Thanks a lot, everybody.

>> Thank you.

>> Bye-bye.

