COVID-19 Impacts & Explore Minnesota Support
Report on Minnesota Tourism Industry Survey – April 7-9, 2020
Last week, Explore Minnesota reached out to the Minnesota tourism industry with invitations to take the third in an ongoing series of short surveys. Responses to these surveys provide Explore Minnesota with valuable insights about how we can support the industry throughout the COVID-19 crisis.

Results to the third (i.e., April 7-9) survey reflect accumulating levels of recent business losses, and high levels of projected losses over the upcoming 30 days. Survey respondents continue to express grave concerns about the ways current COVID-19-related restrictions are negatively impacting their businesses, and uncertainty about when things will turn positive again. However, many responses continue to reflect hope, and offer creative ideas about how Explore Minnesota others in Minnesota’s tourism industry can be supportive.

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. Surveys so far have received most of their responses during the following three periods: March 18-20, March 25-27 and April 7-9.
How Explore Minnesota Can Support the Tourism Industry

For Explore Minnesota, the most important goal of these surveys is to solicit ideas for how we can best support the industry through the COVID-19 crisis. Many respondents to this survey provided thoughtful ideas that reinforced themes that emerged from responses to the first two surveys. Comments also reflected on impacts to respondents’ own businesses and organizations, and ways they are adjusting and/or looking for assistance. A more complete summary of comments from the first two surveys can be found on the research/reports page of Explore Minnesota’s industry website, under the “COVID-19 Survey Results” option. Notes below cover thoughts and suggestions that emerged from April 7-9 and previous survey responses.

Marketing Messages and Timing
Suggestions about marketing through the COVID-19 crisis have generally fit within four main themes.

1. **Continue Advertising:** Many respondents think Explore Minnesota should continue to advertise, with sensitivity to what will resonate instead of offend throughout the upcoming period of curtailed travel. This could encourage consumers to continue thinking positively about travel, especially to and within Minnesota.

2. **Hit Pause:** Strong sentiments came through from many respondents in favor of scaling back or eliminating state marketing until conditions improve, then being prepared to jump in with a well thought out, positive marketing strategy at the right time. However, a growing number of respondents are acknowledging the unknown of potential travelers may remain too fearful to travel, even when given the “all clear” to do so. We are in unfamiliar territory, and it will be challenging to know how to address it all with the right timing and messaging for reengaging travelers.

3. **Promote What’s Still Available:** Outdoor activities and wide-open spaces continue to be the focus of many comments. Minnesota has an abundance of destinations and activities that match current needs for social distancing. Some of these places, and the concept that many such opportunities exist throughout Minnesota, could be featured in messaging.

4. **Hope on the Horizon:** Despite increasing concern and frustration expressed by respondents, many comments insisted that positive messaging is important. Numerous comments focused on encouraging travelers to postpone rather than simply cancel upcoming travel plans, keeping those travelers engaged, while also helping businesses maintain cash flow.
Communications
Respondents are looking to Explore Minnesota as a conduit for important information about wide-ranging COVID-19 related topics. Businesses and organizations are looking for frequent updates on changes Explore Minnesota is implementing in its advertising and other programs, as well as suggestions for their own marketing/advertising strategies and operations. There is a strong desire for ideas and direction for low/no cost advertising and messaging respondents can implement during and after curtailed travel, as well as ways they can pursue financial and other types of assistance to help during challenging times. Look for more on these below.

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.
How Explore Minnesota Can Support the Tourism Industry

Business Assistance/Financial Relief
Businesses, organizations and employees are feeling the pain of this crisis more with each passing day and are working their way through addressing many issues confronting them. Even as conditions have stabilized during a time of reduced travel and business opportunities, respondents are trying to figure out how to cope with the reality they are faced with until business starts to return.

Many suggestions for how Explore Minnesota can be supportive emerged from comments on this and previous surveys:

1. Directing businesses and organizations to places they can receive help navigating everything from questions about when they should be open/closed to addressing issues with staff they are challenged to keep employed for an unknown period of time.

2. Advocating for forgivable loans and grants, and any other measures to help mitigate financial problems.

3. Compensating businesses and organizations for financial losses from mandated event cancellations and retaining employees even when there is not enough work to justify it by many standards.

4. Easing requirements on (Explore Minnesota) grants, including doing away with required marketing matches. Also relaxing grant requirements related to out of state target markets, since close-to-home trips are likely to come back more quickly than trips to more distant locations.

5. Advocating for financial relief, including postponing or forgiving upcoming property tax payments and suspending sales tax on travel-related goods and services.

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.
Two survey questions assessed respondents’ recent and projected business conditions compared with last year, both for revenue/sales and customer traffic/total customers. Because results were quite similar for the revenue and customers, graphs of both previous and projected business activity display just revenue results. Graphs provide a comparison of results for all COVID-19 surveys to date.
Recent Sales/Revenue: How was business activity at your business or organization over the last 30 days, compared to the same period a year earlier?

Recent activity:

- Business losses have accumulated throughout the period of Explore Minnesota’s three COVID-19 surveys to date, with higher portions of respondents to each survey reporting greater levels of loss.
- More than two thirds of April 7-9 respondents reported that recent business activity (i.e., over the last 30 days) was down by at least 51%, compared with a year ago. This was the case for both revenue (-68%) and customers (-73.5%).
- Furthermore, more than a third of respondents reported recent business to be down 100% (i.e., no recent business during the last 30 days), up from 20% March 25-27 and 6% March 18-20.
- At the same time, a dwindling portion of respondents reported that their recent business levels were higher or unchanged, compared with a year ago.
**Projected Sales/Revenue:** 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?

Projected activity:

- Relative to recent (past) business losses, projected losses have been more stable across the three Explore Minnesota surveys.
- Results for April 7-9 showed a slight uptick in the total portion of respondents projecting their upcoming 30-day revenue to be down at least 51%. However, there was a six-point reduction in the portion of respondents expecting revenue to be down 100%.
Based on the information available to you today, how long do you think it will be before you start to see an improvement in your business activity?

Anticipated length of time before business activity improves:

- As with March 18-20 and March 25-27 results, less than half of April 7-9 respondents (46%) think they will start to see an improvement in their business activity within three months or are experiencing no decline.
- However, 41% of respondents think it will be more than three months before business improves, up five points from March 25-27 and nine points from March 18-20.
- Within this group, a large portion (i.e., 20% of all respondents) think business improvement will start in more than three months and less than six months.
- While a relatively small portion of respondents (10%) think it will be more than 12 months before business improves, this group saw the biggest growth of any response category, doubling from 5% of March 25-27 respondents.
How have you changed your marketing for the foreseeable future?

Planned changes for marketing:

- An increasing portion of respondents have changed their marketing for the foreseeable future, with only 14% of April 7-9 respondents indicating no changes.
- The most common change for April 7-9 respondents is pausing or cancelling some, but not all advertising, at 29% of respondents. This is up from 23% of March 25-27 respondents.
- The second most common change is continuing the same marketing, but with altered messaging, at 26% of respondents.
- The portions of April 7-9 respondents who are pausing all advertising (21%) or cancelling all advertising (5%) are similar to March 25-27 results.
- Results to a March 18-20 survey question were similar to March 25-27 results, but the question and response categories were changed enough on the March 25-27 questionnaire to prohibit detailed comparisons between March 18-20 results and results for subsequent surveys.
Who responded to the survey?

• On Monday, April 6, an article in Explore Minnesota’s EMT Express e-newsletter provided a link to the most recent survey and led to a limited number of responses. On the following day, April 7, a separate survey invitation was included in an email message delivered to the approximately 7,500 Minnesota tourism businesses and organizations on the EMT Express list. An email reminder was also sent to on April 9.

• The 559 responses represent a 7.5% response rate for this informal survey effort. This compares with response rates of 9% 674 respondents to the March 18-20 survey and 6% for 458 respondents to the March 25-27 survey.

• Lodging and campground businesses represented the largest group of April 7-9 survey respondents, with 40% of respondents. Chambers/CVBs/tourism organizations (14%), attractions (12%) and events/festivals (8%) also accounted for numerous responses.

• Attractions respondents included museums (5% of all responses), performance venues/theaters (3%) and parks/historic sites (2%). Restaurants/bars/other food and alcohol respondents accounted for 5% of respondents and are included in the “other” category below.

What industry sector are you affiliated with? (If more than one applies, check the primary one.)
Each of Minnesota’s five tourism regions was well-represented among April 7-9 survey respondents, with northeast Minnesota (28%) having the most respondents.

### In what Tourism Region are you located?

<table>
<thead>
<tr>
<th>Region</th>
<th>April 7-9</th>
<th>March 25-27</th>
<th>March 18-20</th>
</tr>
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<tr>
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<td>27.8</td>
<td>22.4</td>
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<tr>
<td>Southern</td>
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<td>15.4</td>
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<tr>
<td>Metro</td>
<td>21.5</td>
<td>22.1</td>
<td>20.1</td>
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</tbody>
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I'm not located in Minnesota: 0.6% (April 7-9), 0.3% (March 25-27), 0% (March 18-20)
Additional notes about survey respondents:

• All 559 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. 455 responded “yes” and 104 responded “no.” “No” respondents were not asked the questions about recent and projected business activity, compared with the same period a year earlier.

• 395 responded to the question about recent business, and 395 also responded to the question about projected business.

• 479 responded to the question about how long it will be before they start to see an improvement in business activity, including four respondents who commented but did not check a response category.

• 476 responded to the question about upcoming changes to their business marketing, including three respondents who commented but did not check a response category.

• 185 respondents answered the question about what Explore Minnesota can do to support the industry.

• All 559 responded to the question about the industry sector they are affiliated with.

• 472 responded to the question about what region they are located in.
Thank you for participating in the third in a series of surveys for the Minnesota tourism industry. Please look for a repeat of this survey in an upcoming edition of EMT Express.

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 us at any time with your comments, concerns and suggestions. A good way to do this is to use the recently-created industry e-mail box for questions, suggestions, comments to:

Explore Minnesota:
questions.exploreminnesota@state.mn.us
THANK YOU