



# RIDING THE COVID ROLLERCOASTER

SEPTEMBER 2020



**6 MONTHS**

Or 177 days since the initial lockdown in the United States

**25,000,000+**

The total number of confirmed coronavirus cases globally

**Second Most**

Used word in the English language - Coronavirus

# The Travel Industry Has Been Hit Hardest

## INDUSTRY

**\$1.4T**

ECONOMIC LOSS

**94%**

OF U.S. POPULATION UNDER  
TRAVEL RESTRICTIONS  
(AT APRIL PEAK)

## AIRLINES

**\$200B**

GLOBAL REVENUE LOST

**\$80B**

CLIA'S ESTIMATED LOSS  
IN REVENUE

## HOTEL

**-40%**

OCCUPANCY DECLINE

**-20%**

ADR DECLINE

**-52%**

REVPAR DECLINE

# WHAT'S

Going On?

# HOW

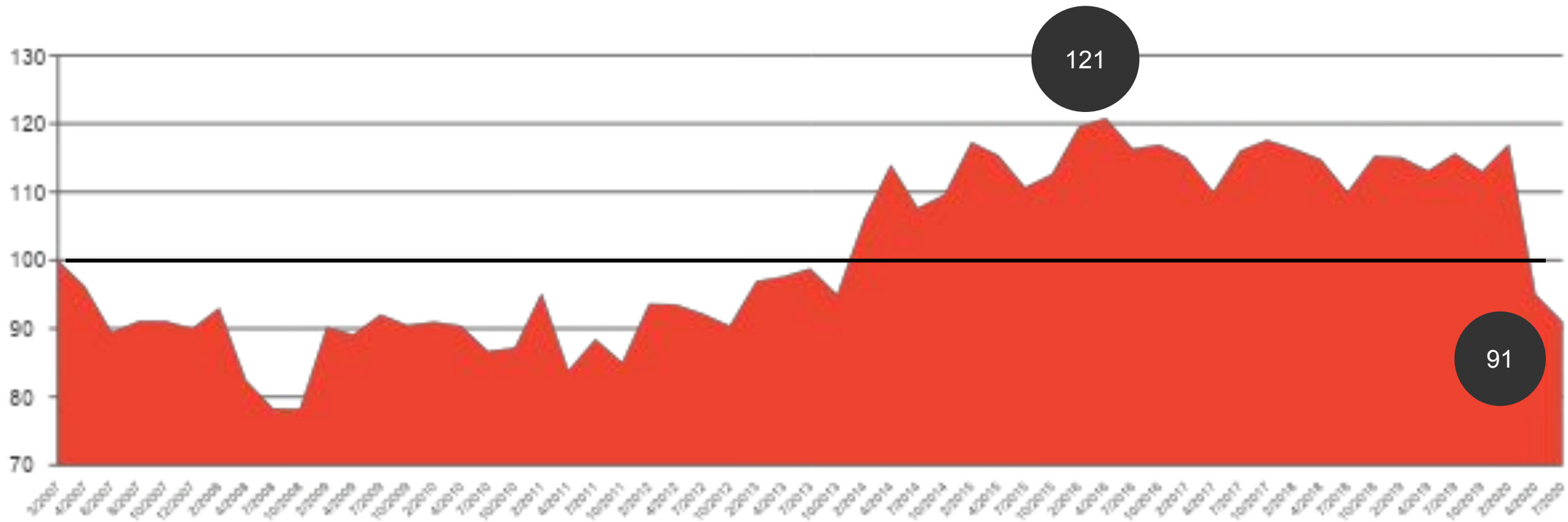
Should We Be Talking To  
Guests and Travelers?

# WHERE

Do We Go From Here?

# THE TRAVELER SENTIMENT INDEX

(2007 – 2020)



Source: 2020 Wave III MMGY Global travelhorizons™

# WHAT DOES RECOVERY LOOK LIKE?

## Full demand recovery in 2023

### BASELINE FORECAST – US LODGING INDUSTRY

Year	Occ	Occ ^	ADR	ADR ^	RevPAR	RevPAR ^	Supply ^	Demand ^
2016	66.1%	0.7%	\$ 125.67	2.4%	\$ 83.13	2.4%	1.6%	1.7%
2017	66.7%	0.9%	\$ 127.55	2.4%	\$ 85.11	2.4%	1.8%	2.7%
2018	66.4%	-0.4%	\$ 130.20	2.1%	\$ 86.51	1.7%	1.8%	1.4%
2019	66.7%	0.4%	\$ 130.76	0.4%	\$ 87.22	0.8%	1.6%	2.0%
2020F	39.8%	-40.3%	\$ 104.10	-20.4%	\$ 41.46	-52.5%	1.1%	-39.6%
2021F	52.3%	31.3%	\$ 111.89	7.5%	\$ 58.51	41.1%	-0.5%	30.6%
2022F	60.2%	15.0%	\$ 120.52	7.7%	\$ 72.5	23.9%	0.1%	15.1%
2023F	65.5%	8.8%	\$ 128.90	7.0%	\$ 84.37	16.4%	0.8%	9.7%
2024F	66.6%	1.7%	\$ 134.12	4.1%	\$ 89.27	5.8%	1.2%	2.9%

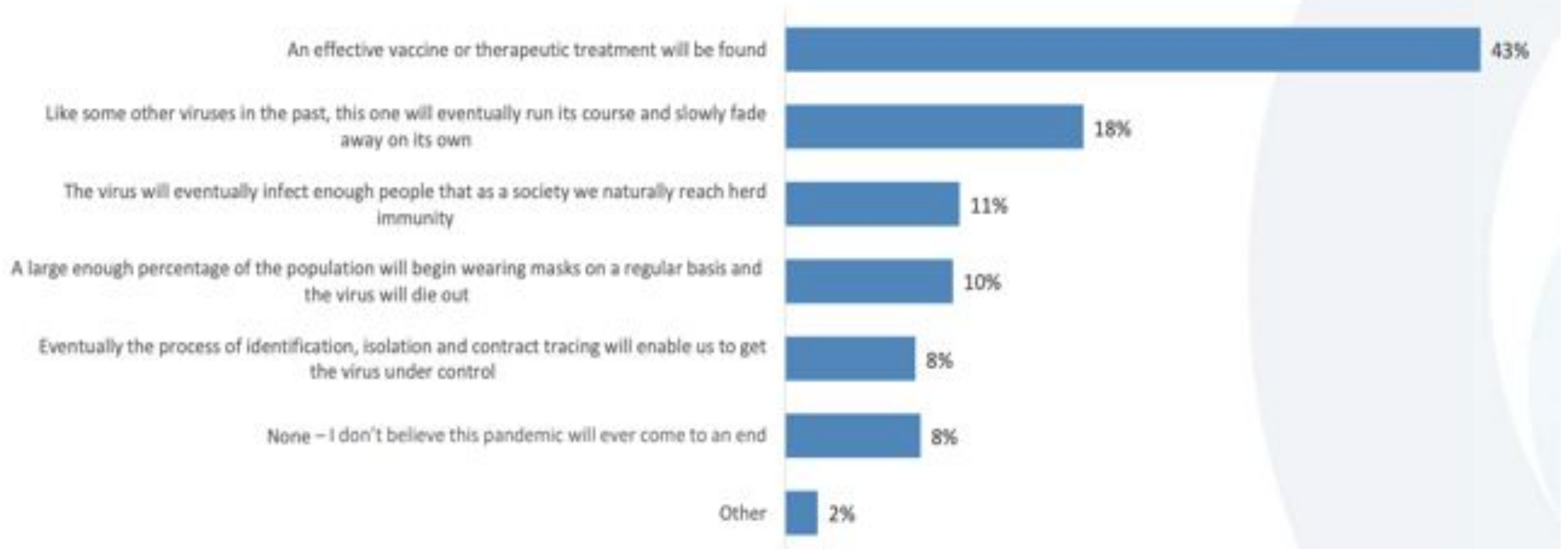
Source: CBRE Hotels Research Q2 2020, Kalibri Labs

# WHAT DOES RECOVERY LOOK LIKE?

## When do consumers think the crisis will be over?

T  
M

By What Means Do You Believe the Pandemic Will Come to an End



# Confidence Builds in Short-Steps

62%

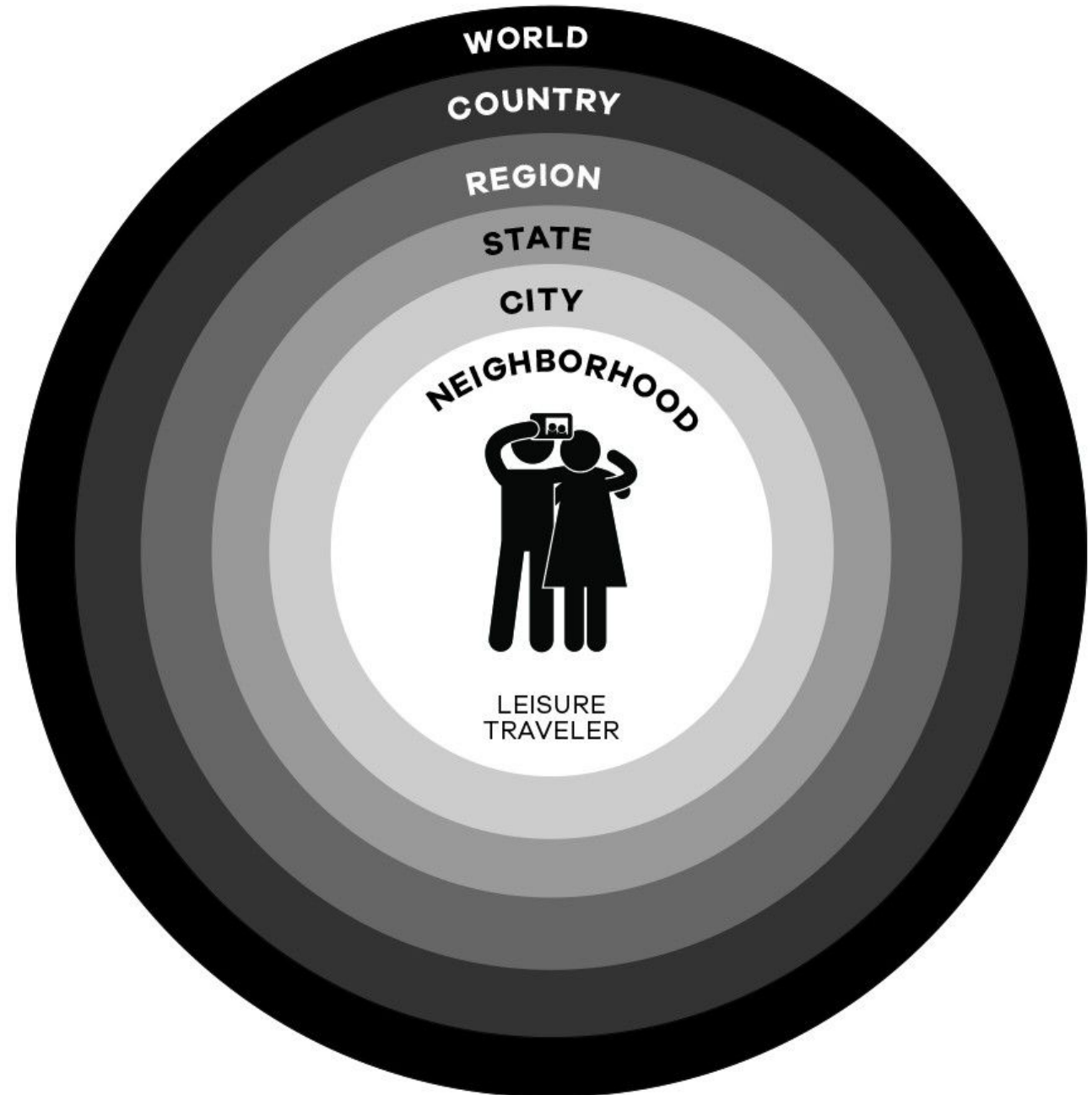
of U.S. Travelers intend to take a leisure trip in the next six months.

47%

of U.S. travelers say that their next trip will be domestic and they plan to stay closer to home and within drive distance.

72%

of U.S. Travelers say they feel safe in their personal car

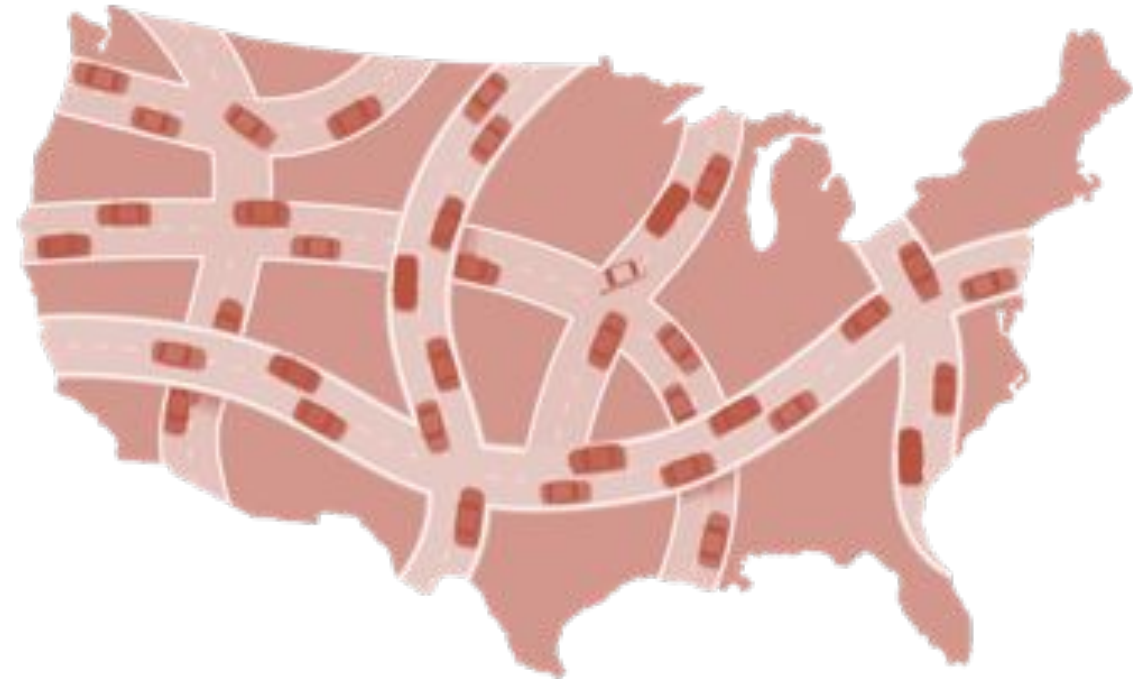




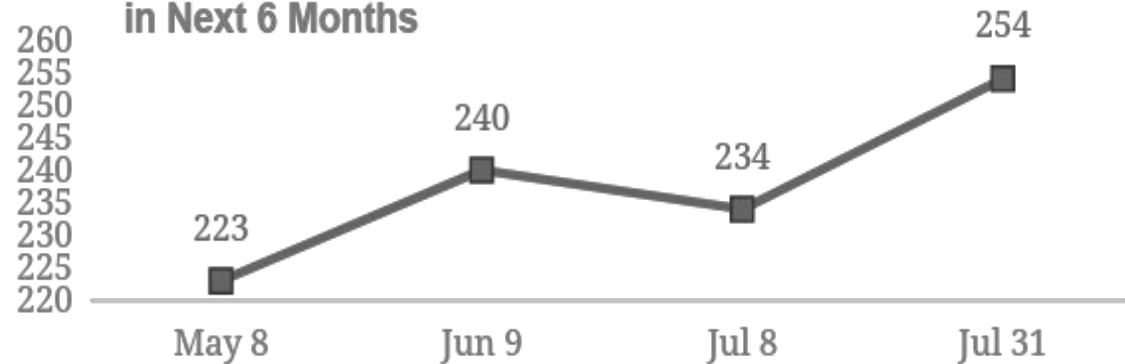
# Staying Closer To Home

# 38%

of U.S. Travelers are willing to drive 300 miles or more (one-way for their next leisure trip).



**Miles Willing to Drive, One Way, For a Leisure Trip in Next 6 Months**



# Travelers Looking for Trust & Familiarity

- Leverage and nurturing your known-past visitors' database is now more important than ever. Even if travel is limited right now, there will be a longer booking window that leaves brands with the challenge of staying in the consideration set for a longer period.
- Destinations that can offer visitors a space to retreat, relax and recharge will be sought after.

93%

feel safer/more comfortable visiting a destination they know is taking extra precautions concerning hygiene/cleanliness.

64%

travelers say they'll pursue destinations and travel brands that offer them the chance to relax and recharge.

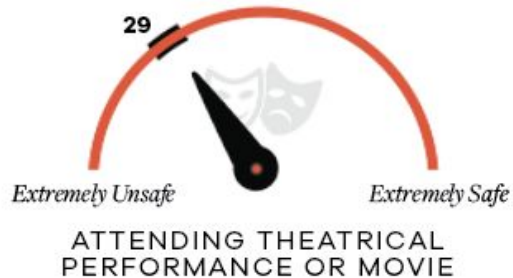
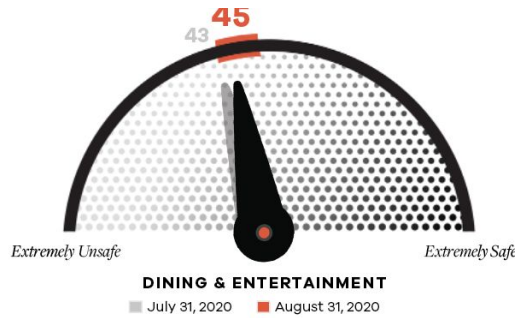
40%

travelers seek details about how the air is being filtered on an airplane.

82%

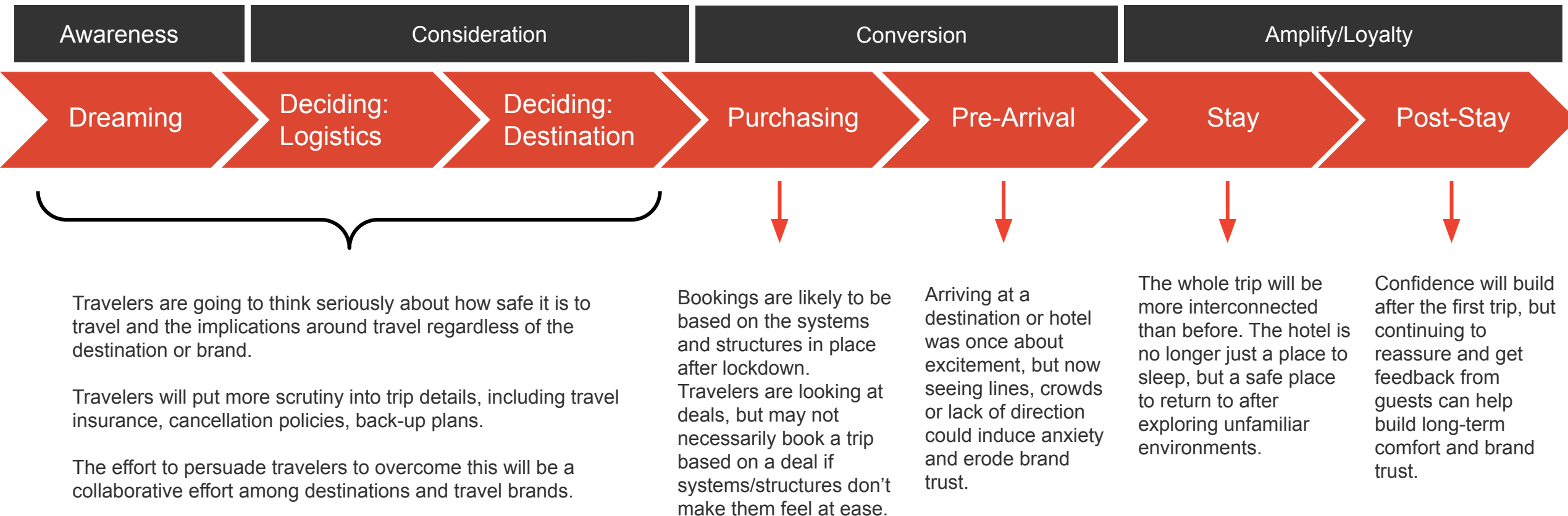
travelers say they look forward to visiting their favorite destinations as soon as they can.

# Becoming More Confident Travel Related Activities



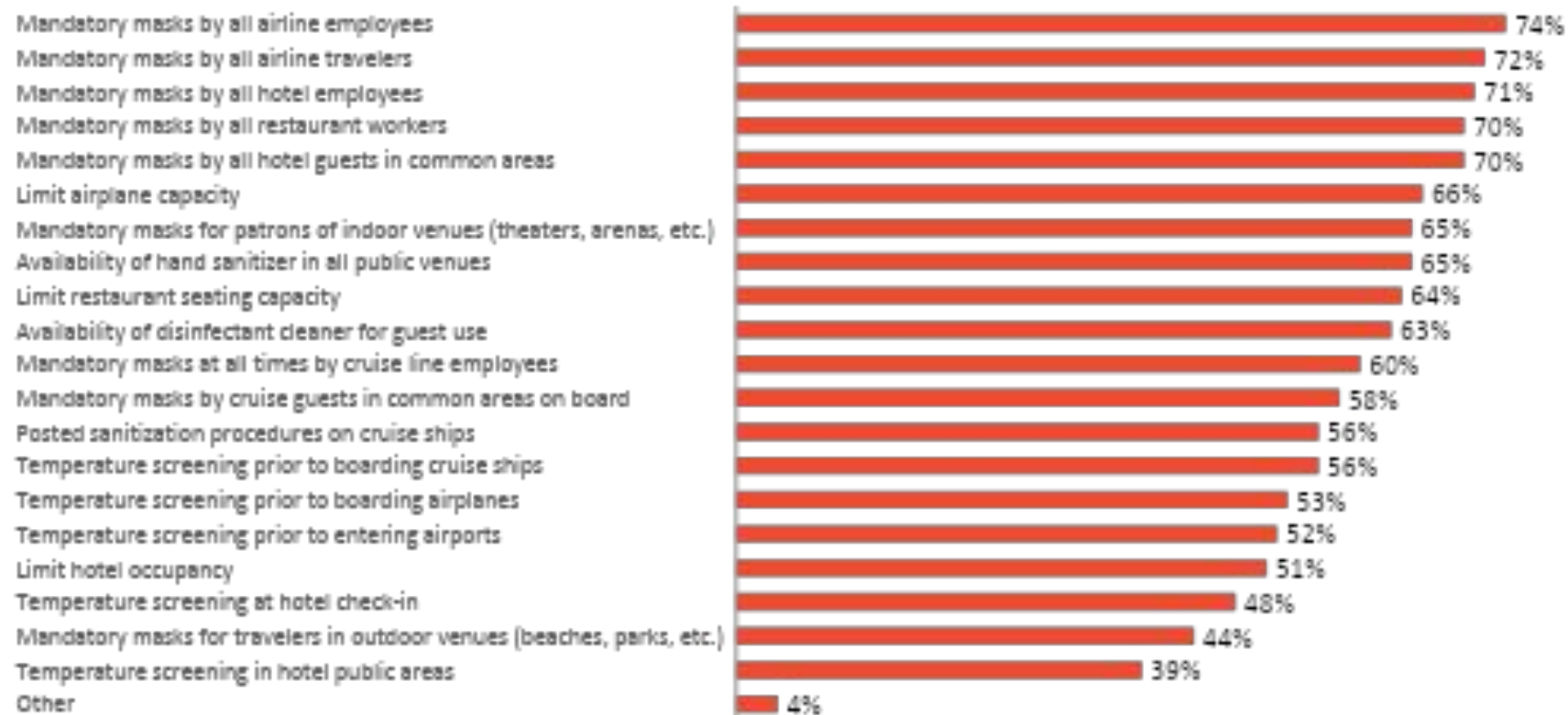
# The Customer Journey & Traveler Mindset

Anxieties over health and safety and travel limitations will meaningfully change the travel journey from end to end. The focus was once convincing travelers to choose your brand, but now we must convince them to take the leap and book a trip – or travel at all.



# What Will It Take To Make Travelers Feel Safe?

Aug 31  
N=1,200

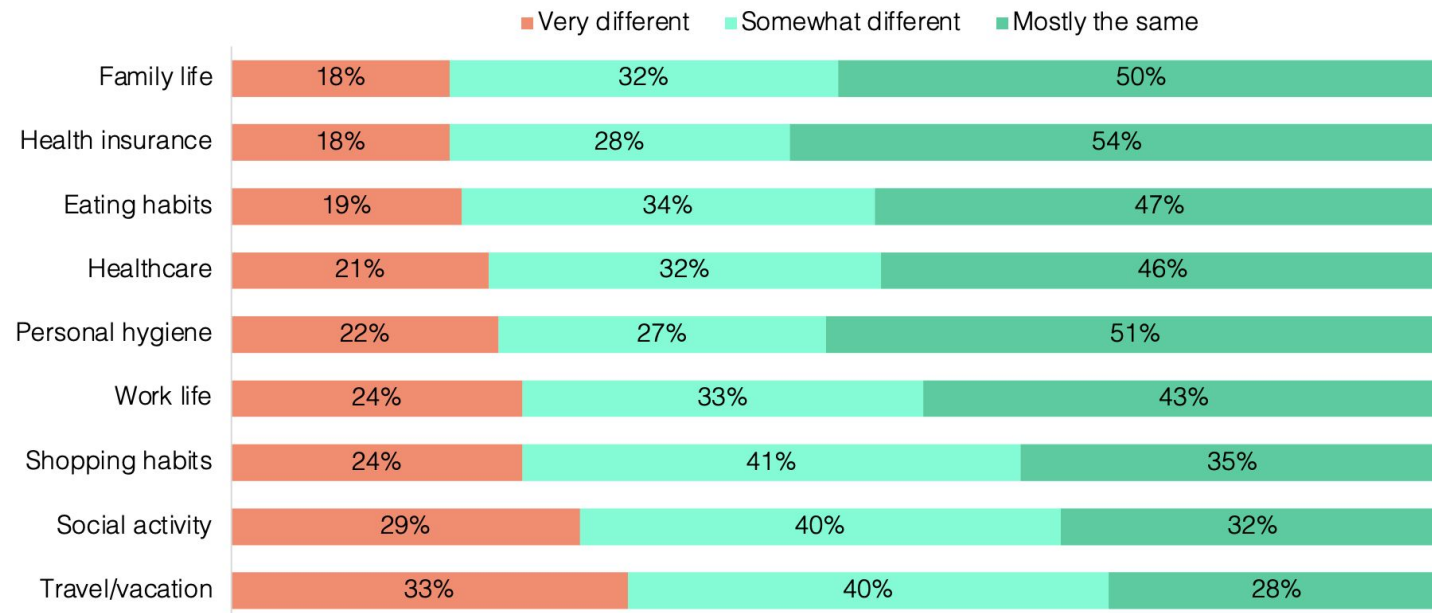


Question / If you were to travel during the next 6 months, what safety protocols do you feel are essential to ensure your health and well-being?

# Prepare For Changing Consumer Behaviors

- The experience of living through this crisis is reshaping consumers' needs for deeper values and leaving them with higher expectations.
- Many of the longer-term changes in consumer behavior are still being formed, giving brands an opportunity to help shape the next normal.
- American consumers anticipate that travel and vacations will look different even after the pandemic is over.

Once the pandemic is over and things return to normal, what do you think will be different or the same?



64%

of consumers will pay more attention to the environment long-term. 59% will shop more local.

73%

of consumers are prepared to change their behavior for society. 59% will be more attentive to the social impact of what they consume long-term.

70%

of consumers will be more health-conscious long-term. 35% will pay more for products that promote health and wellness.\*

54%

of consumers will be more price conscious and will put more emphasis on price. 30% will be unwilling to pay a premium for any product.\*

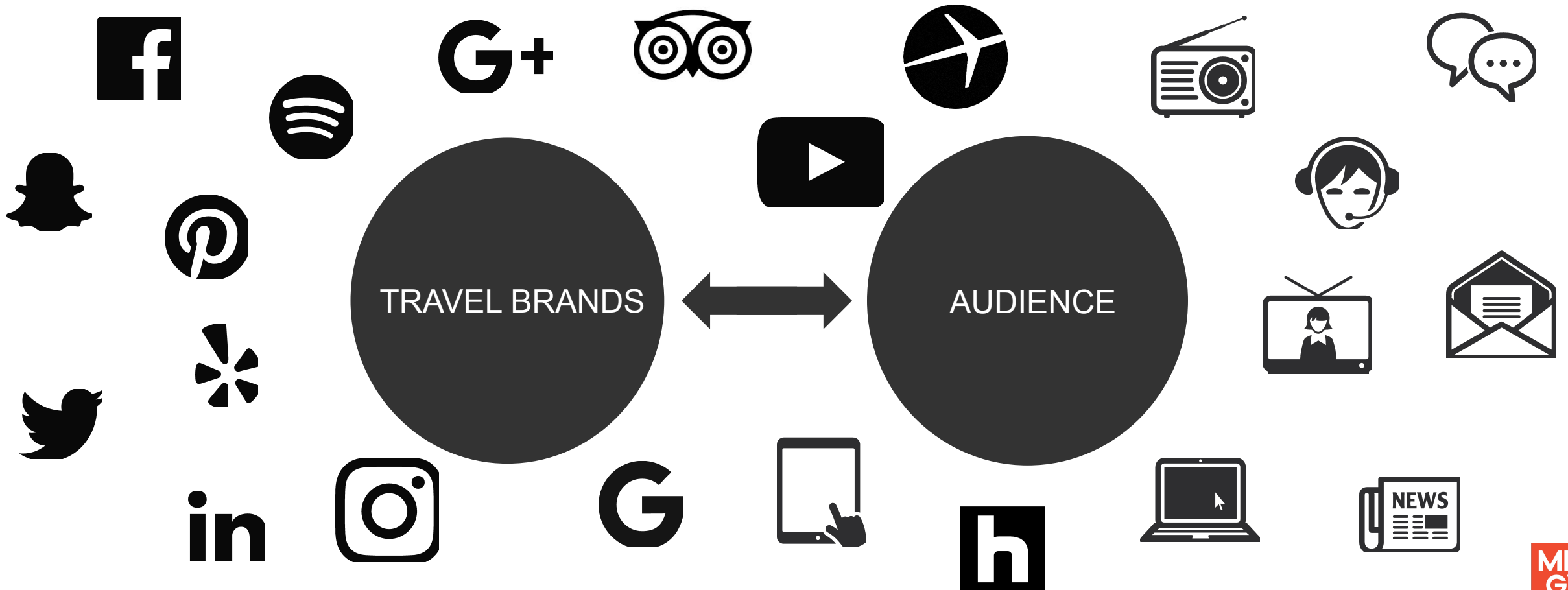


# Deploy Time-Proven Tactics

SOCIAL

DIGITAL

OFFLINE





# Key Takeaways

As travelers look for budget-conscious ways to travel, it's likely the road trip trend will continue onto 2021. This said, consumers will become more restrained on future consumption given the unclear economy.

Forced disconnection will increase our desires for face-to-face connection both at the leisure and meetings level. This said, we need to capitalize on this sentiment shifting from “doing it for the gram” to “doing it for the pure purpose” to spend more time with family, seeing new things, and creating memories.

Focus on hyper-targeted market strategies for 2021, and plan for long-term shifts in consumer behavior based off of search and booking trends in 2020. We can't plan based on past habits.

# How We Win in 2021

- Pay attention to travel sentiment as it evolves and expect increasing demand.
- Move from hopeful message to actionable travel offers and value inducements.
- Build marketing programs locally, then regionally, then in long-haul markets.
- Ensure your product remains top-of-mind
- Engage with key aggregators, partners and influencers.
- Pivot away from corporate transient and corporate group to leisure, unmanaged business travel and association/SMERF markets.
- Participate in coop and partner programs, especially with travel agent consortias.
- Within all communication, drive perceptions of safety catered to traveler needs.
- Brand, brand, brand

# There is Hope



Pool Party in Wuhan  
Mid-August



1,000 Person Wedding in Qingdao  
Late August

**THANK YOU.**

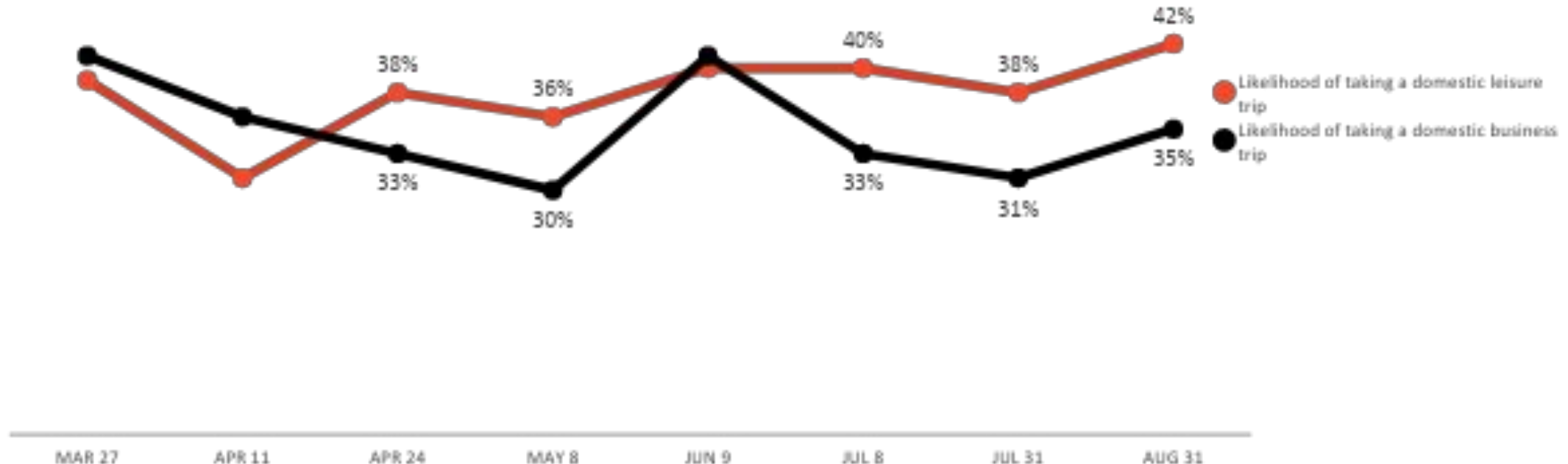
bklein@mmgy.com  
@thebrianklein



# Likelihood of Taking a Domestic Leisure Trip Is Highest It Has Been Since the Pandemic Began

% Top 2 Box

(among those who took a leisure trip or a business trip in past 12 months)



**Question /** Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 6 months? (Leisure: n=1,141, Business: n=725)

# Group Patterns Will Shift For 18 Months

76%

of U.S. Travelers said that it will be unlikely to attend any conference or convention until the coronavirus situation is resolved\*

72%

GROWING MORE CONFIDENT  
Of Meeting Planners are booking new meetings for 2021 and plan to resume face-to-face meetings in 2021

## WHAT TYPE OF MEETINGS ARE CURRENTLY BEING BOOKED

68%

Small (under 25 room night) meetings that are within driving distance. 42% small meetings that require a flight

72%

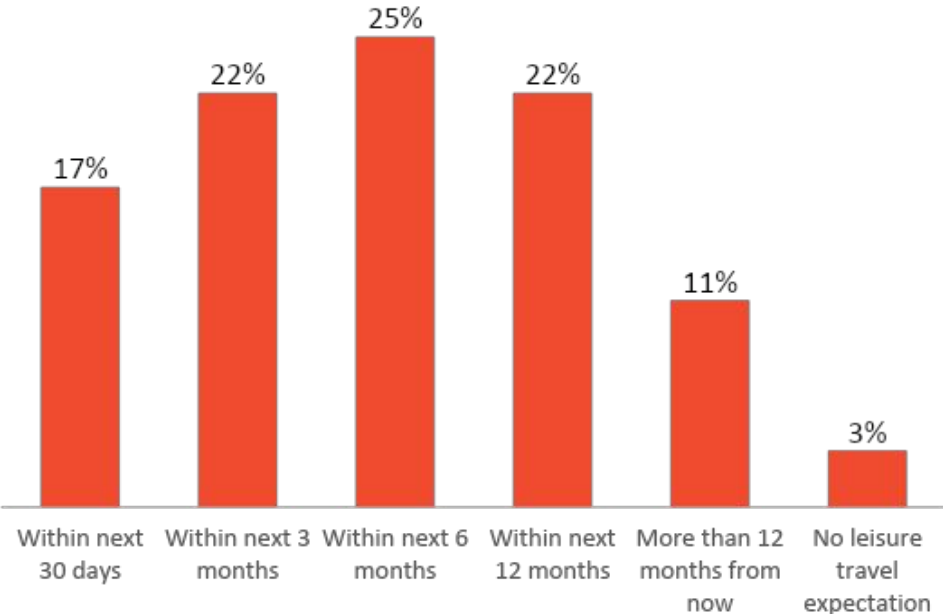
Some sort of virtual/hybrid meeting that has both a virtual component and in-person component.



# The Majority of Respondents Expect to Take a Leisure Trip or a Business Trip during the Next Six Months

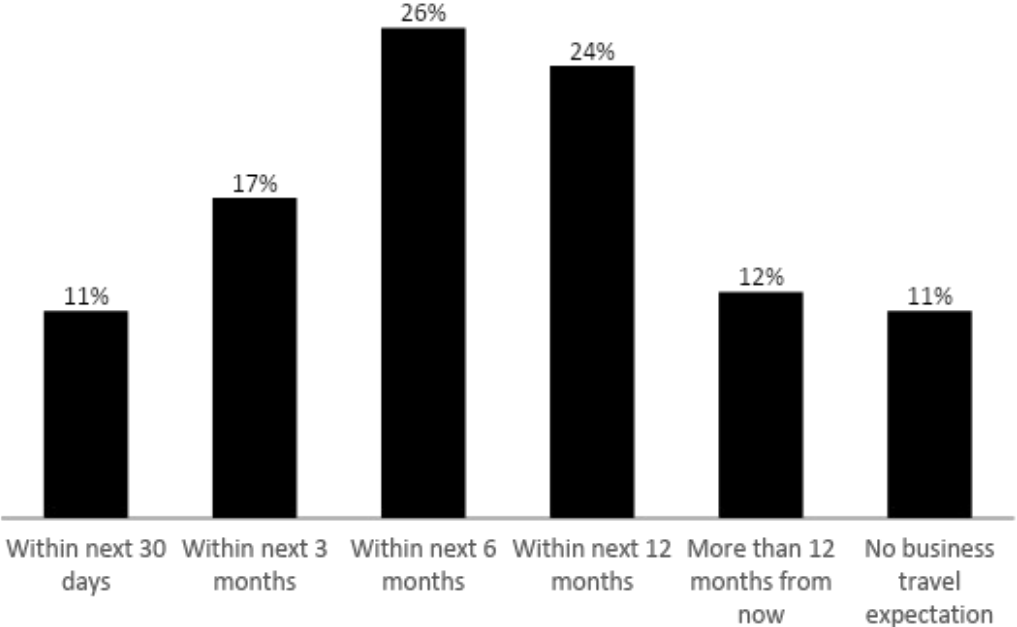
## When Expect to Take Next Leisure Trip

(among those who took a leisure trip in past 12 months)



## When Expect to Take Next Business Trip

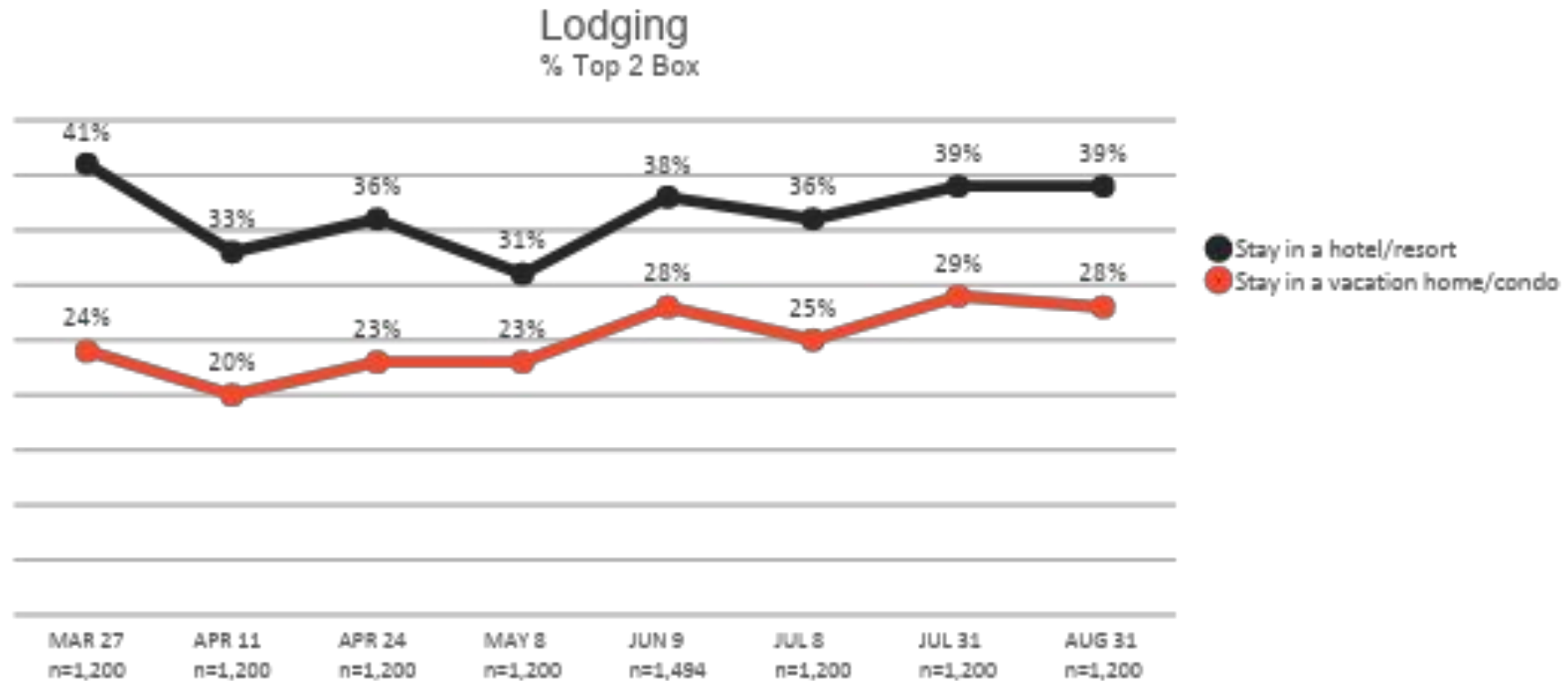
(among those who took a business trip in past 12 months)



Question / When do you expect to take your next leisure trip? n=1,141

Question / When do you expect to take your next business trip? n=725

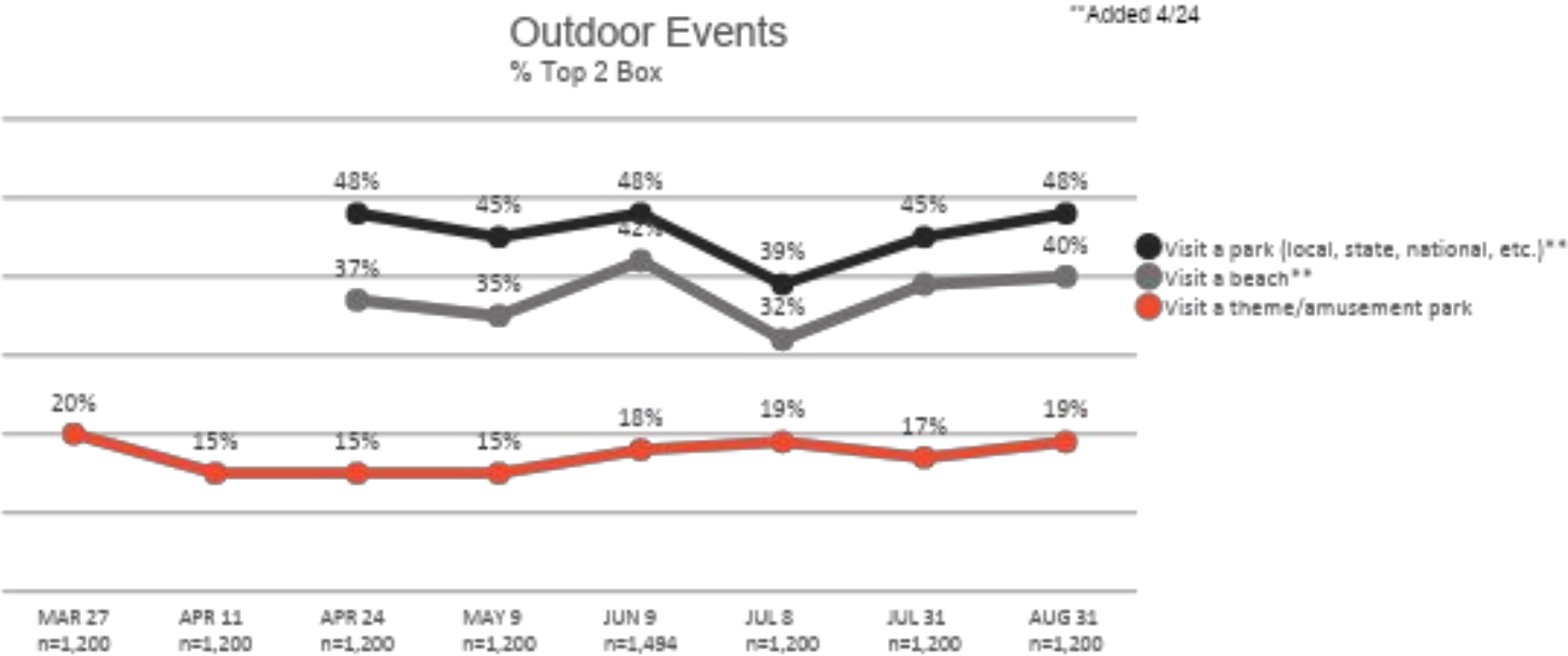
# Likelihood of Staying in Hotels, Resorts and Vacation Homes Is Flat



**Question** / Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 6 months?

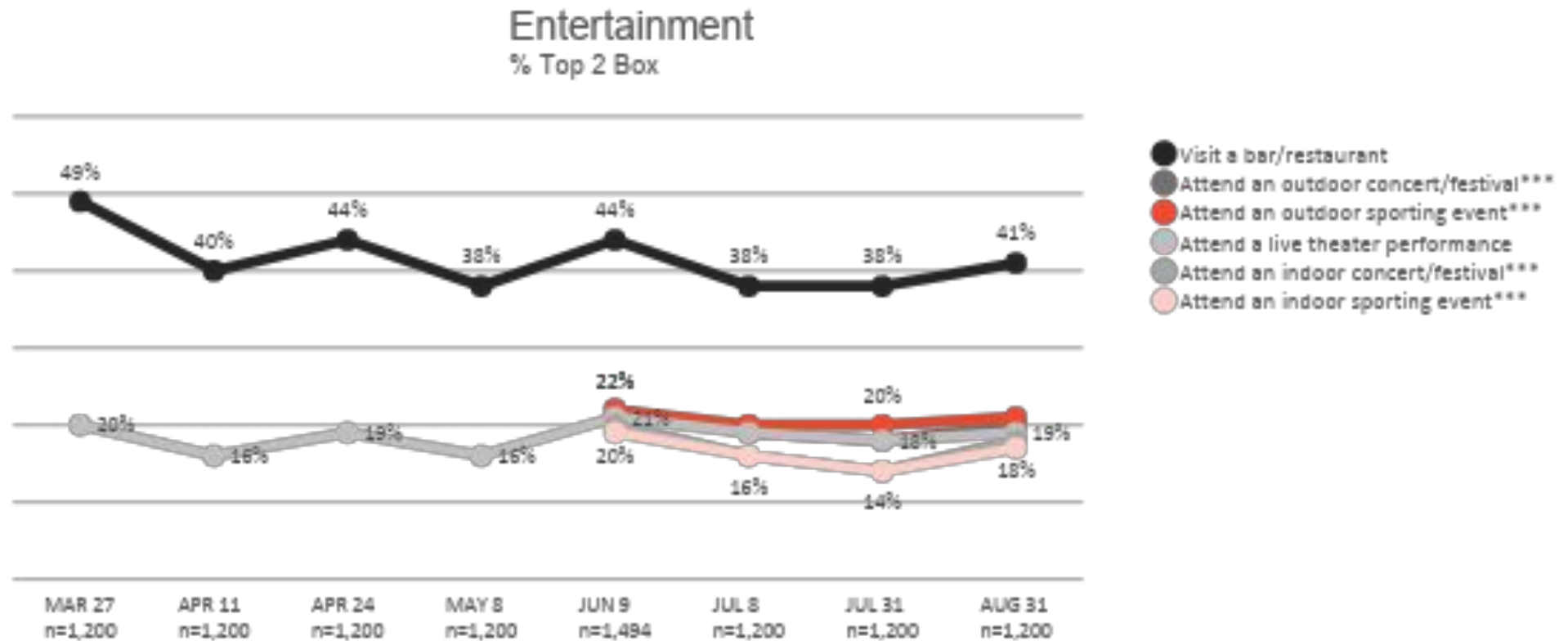


# Likelihood of Visiting A Park, Beach Or Theme Park During The Next Six Months All Increased Slightly



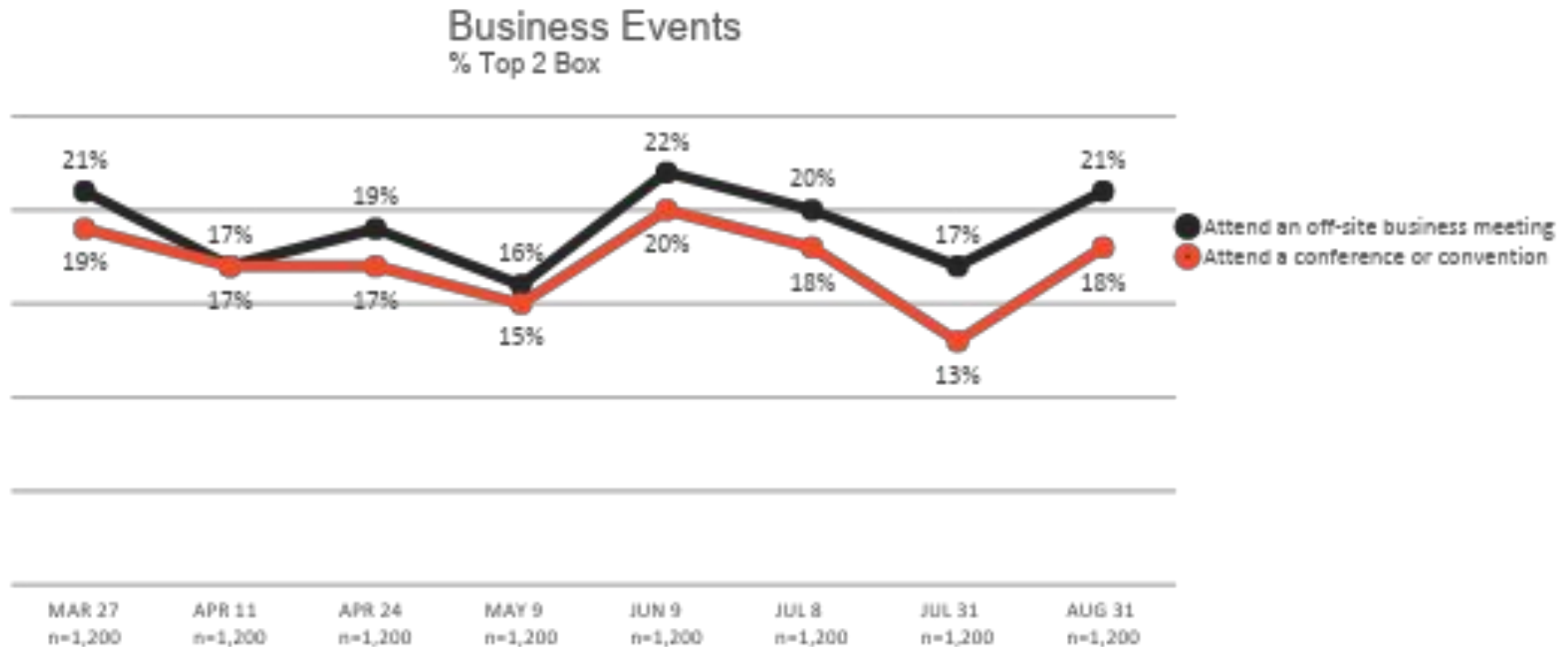
**Question /** Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 6 months?

# Intentions To Visit Bars/Restaurants or Attend Sporting Events/Concerts Increased or Remain Flat



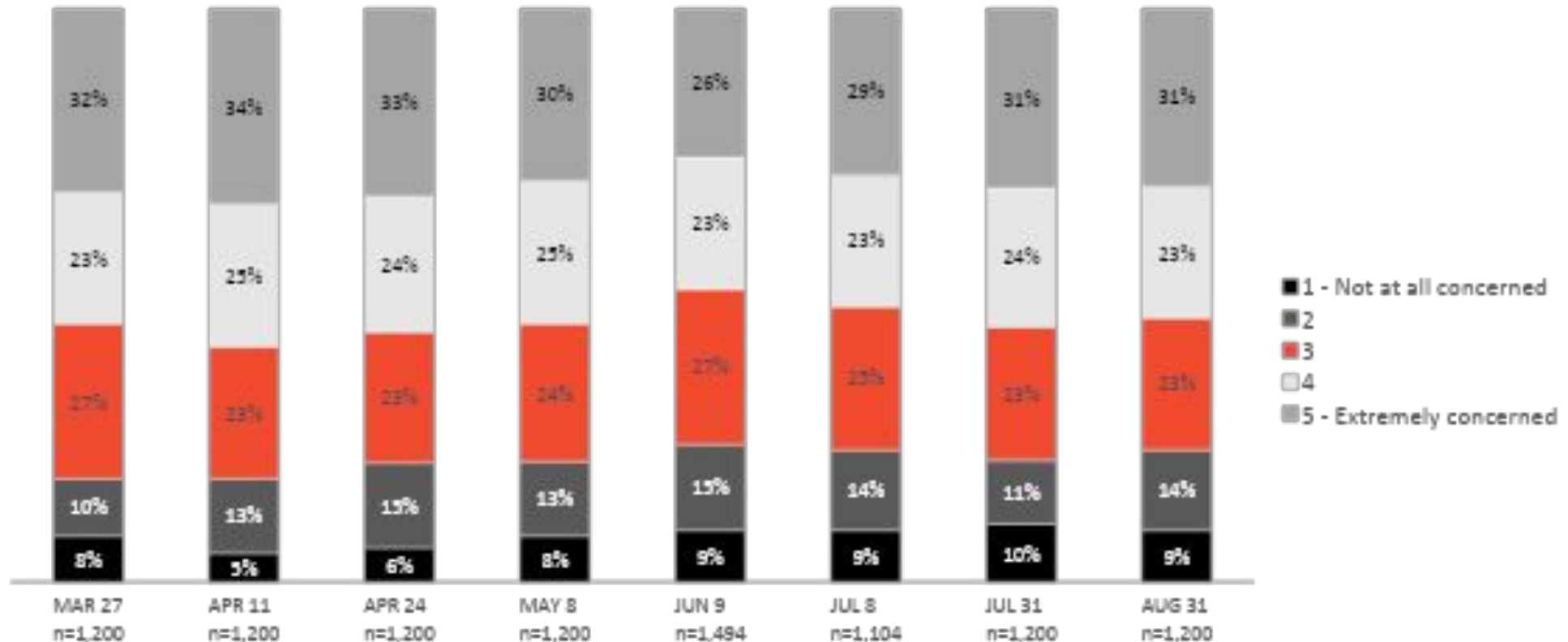
**Question /** Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 6 months?

# Likelihood of Attending A Business Meeting or Convention During the Next Six Months Increased



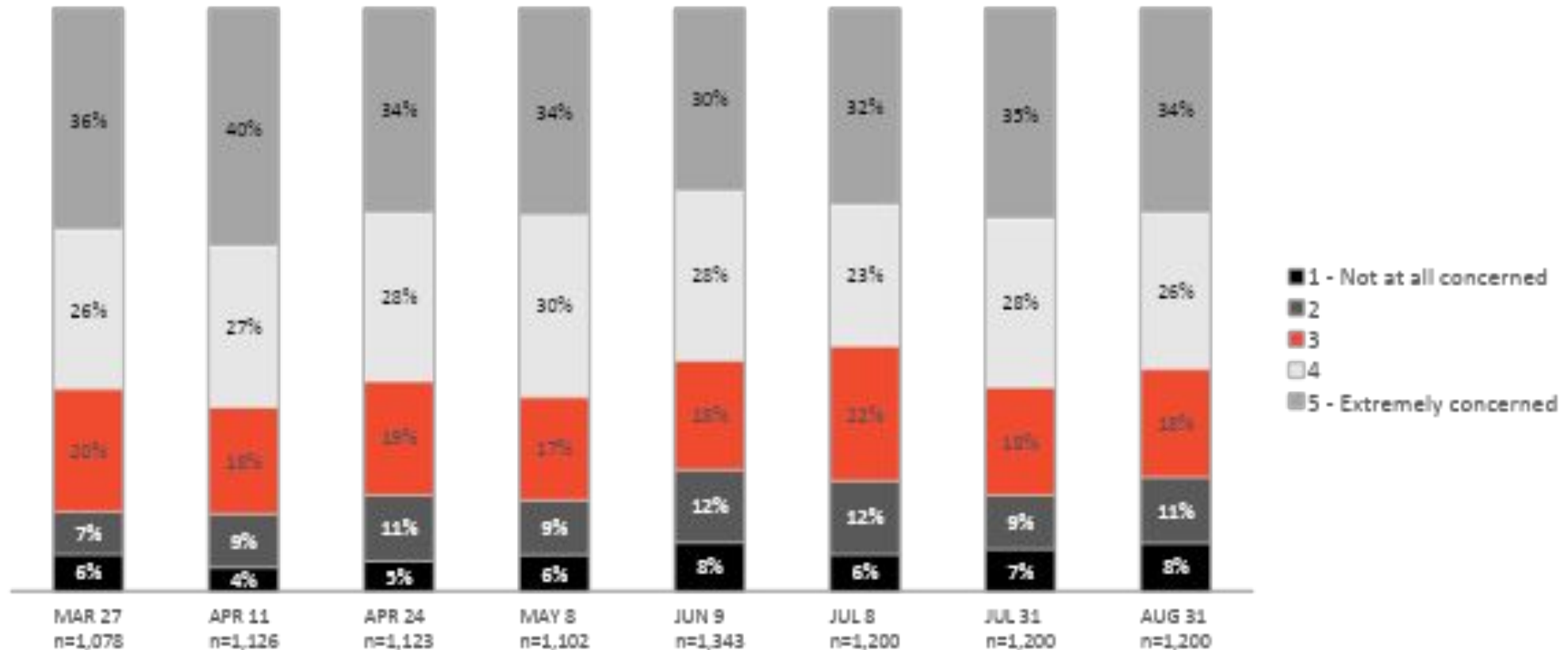
**Question** / Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 6 months?

# Concerns About Contracting COVID-19 Are Relatively Unchanged From Last Month, Still Higher Than Early June



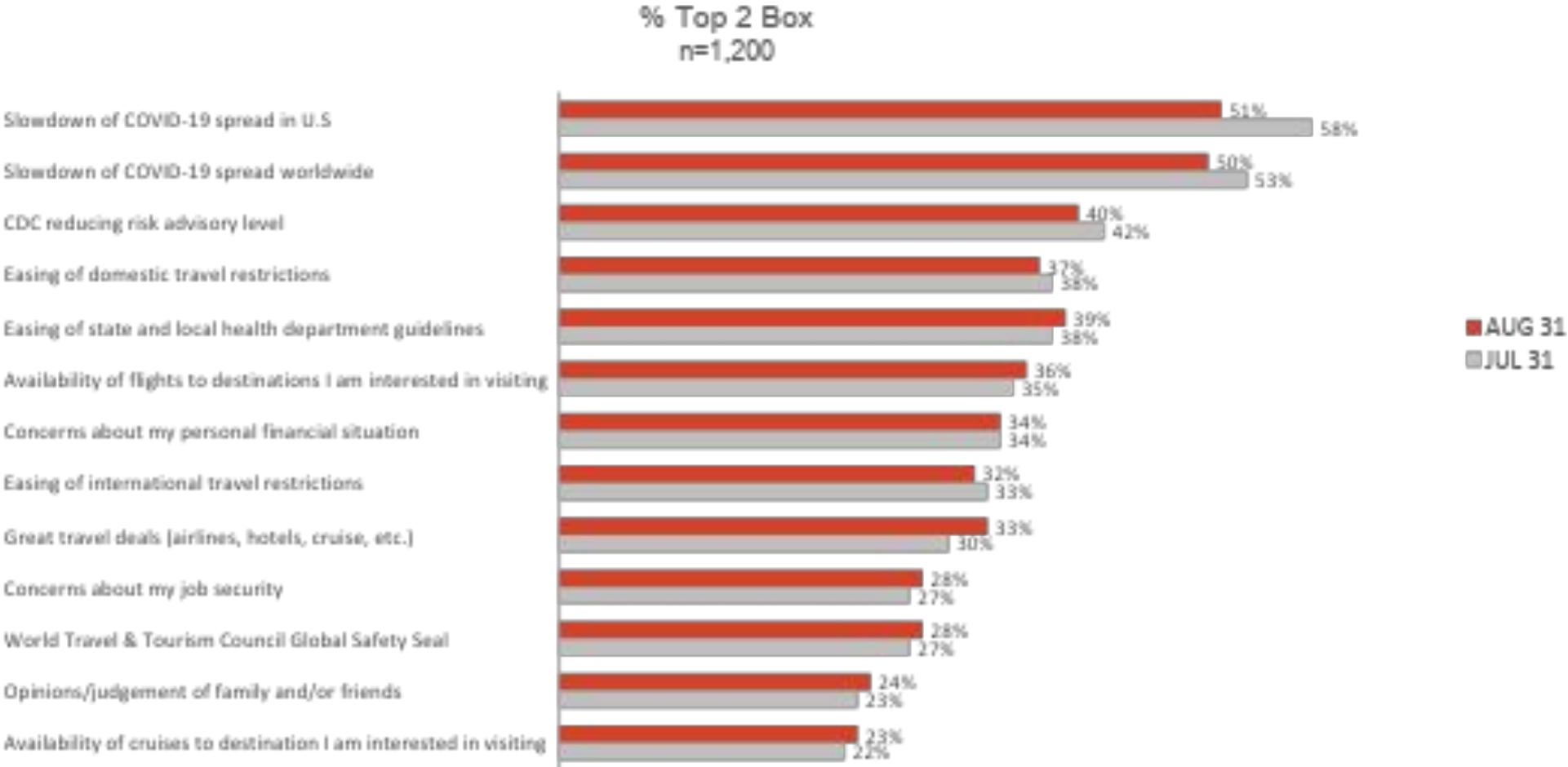
**Question** / Using a scale of 1 (not at all concerned) to 5 (extremely concerned), how concerned are you that you or other members of your household will contract coronavirus (COVID-19)?

# Three in Five Respondents Are Concerned About Members of Their Household Contracting COVID-19



**Question** / Using a scale of 1 (not at all concerned) to 5 (extremely concerned), how concerned are you that you or other members of your household will contract coronavirus (COVID-19)?

# Containing the Spread of COVID-19 Will Continue to Have Greatest Impact on Future Travel Decisions



Question / Using a scale of 1 (no impact) to 5 (extreme impact), how will each of the following impact your decision to take a trip primarily for leisure purposes during the next 6 months?