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TENNESSEE®



TENNESSEE COVID-19 RESEARCH & INSIGHTS

4.17.2020



# TRAVEL RESEARCH PARTNERS

## IMPACT & FORECASTING



## SENTIMENT



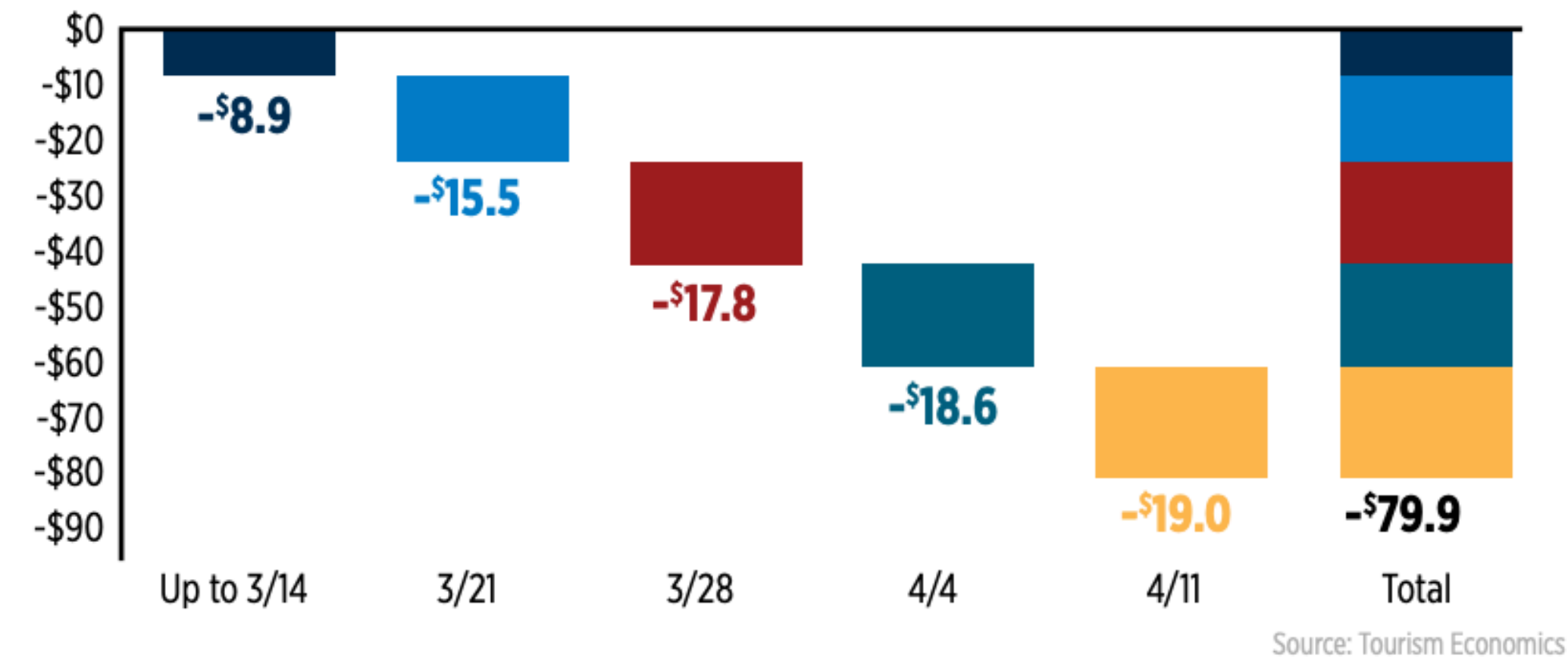
## CONSUMER BEHAVIOR



## WEEKLY TRAVEL SPENDING - U.S. & TENNESSEE

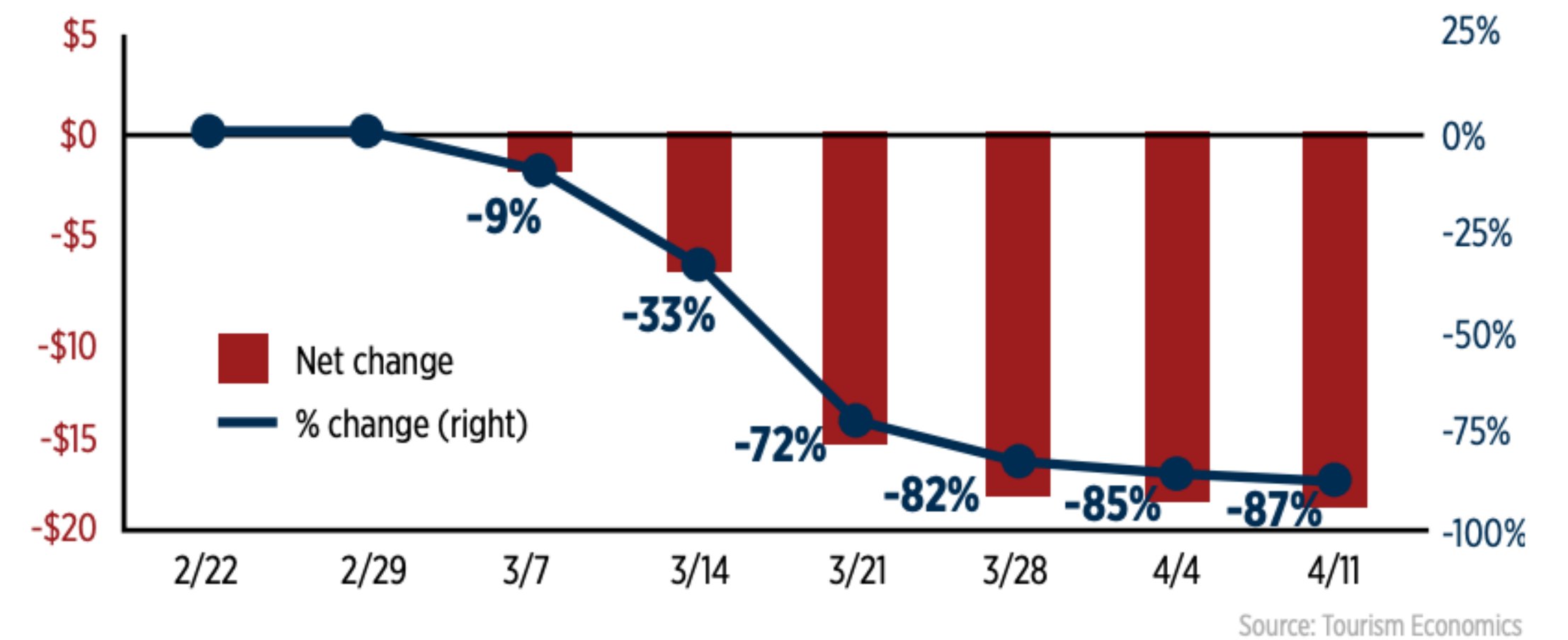
**Weekly Travel Spending Losses Through April 11<sup>th</sup>**

(\$ billions)



**National Weekly Travel Spending**

(\$ billions, year-over-year change)

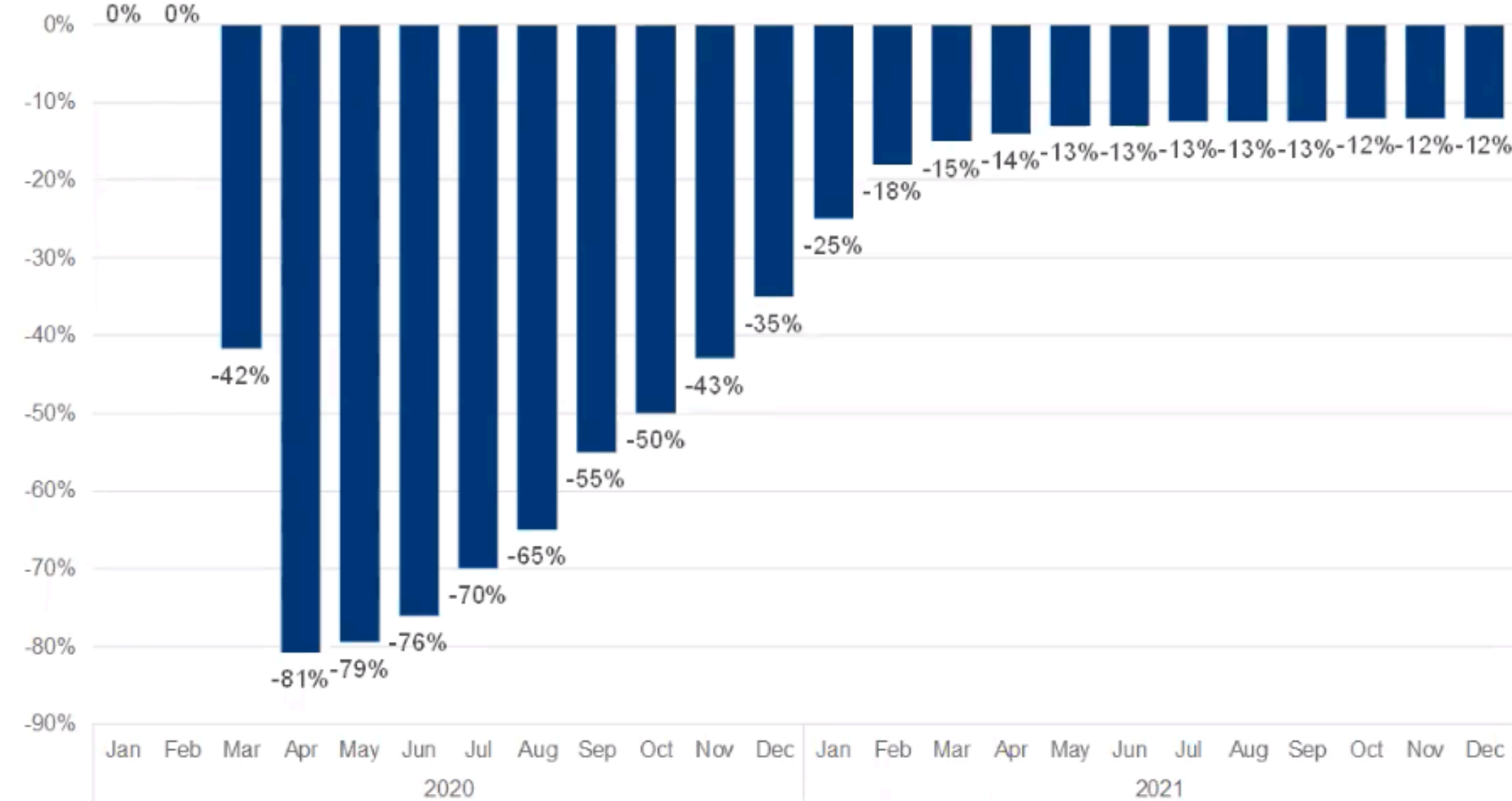


### Tennessee

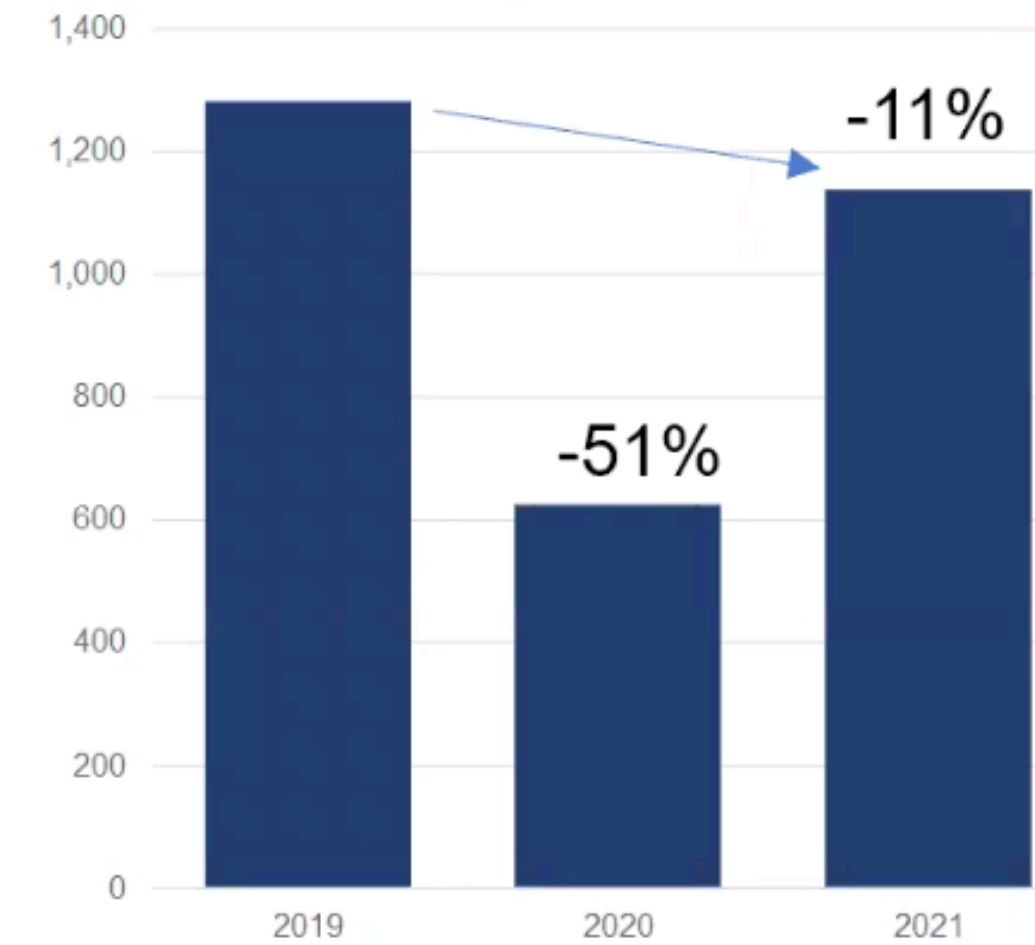
Week Ending	8-Feb	15-Feb	22-Feb	29-Feb	7-Mar	14-Mar	21-Mar	29-Mar	4-Apr	11-Apr
Spending (\$ Millions)	414	425	426	422	433	346	143	76	66	57
Percent Change over 2019	0%	3%	3%	2%	-1%	-21%	-67%	-83%	-85%	-87%

## Profile of latest TE / STR forecast

**Covid-19 scenario losses: Demand**  
Percentage difference from counterfactual

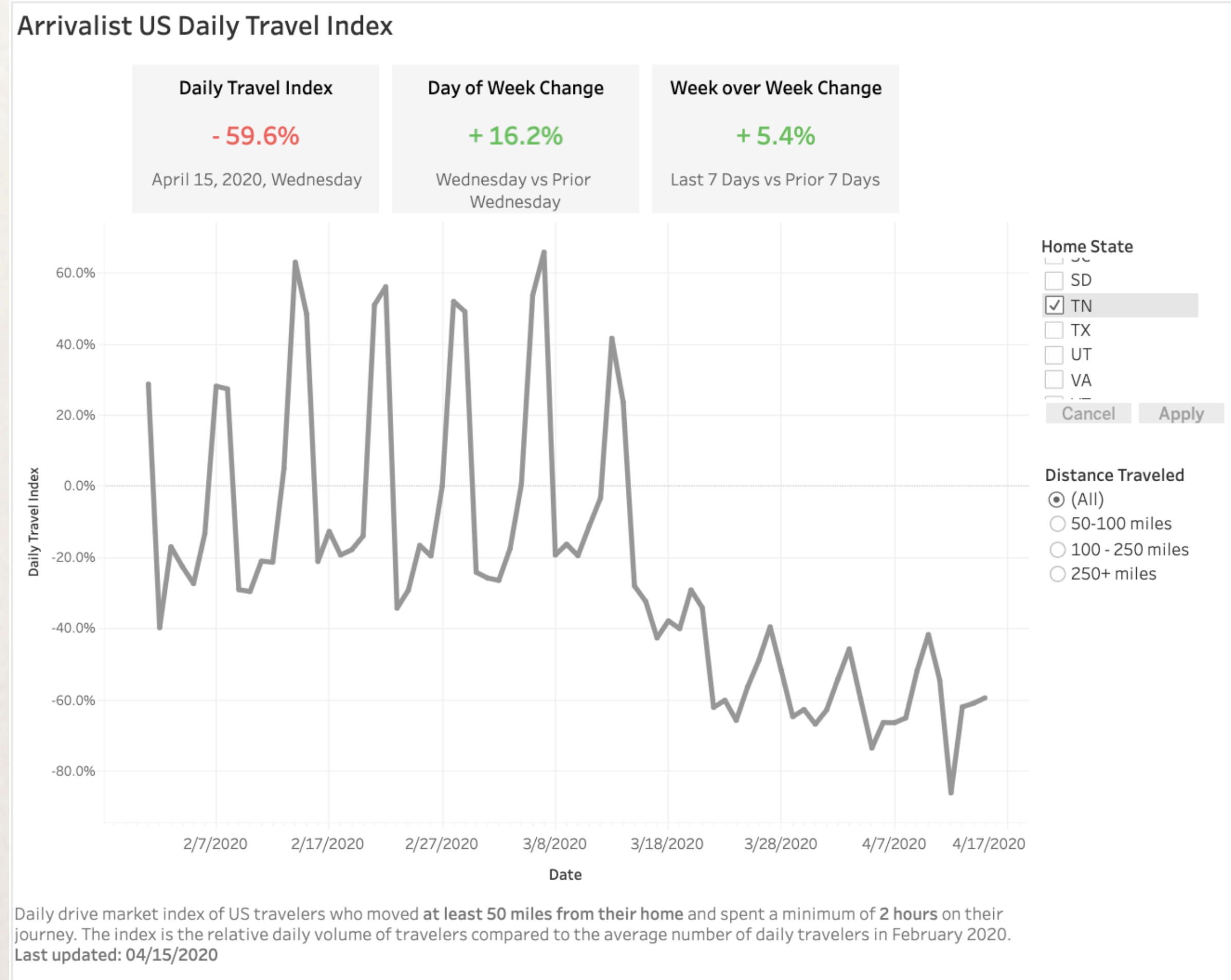


**Demand (million room nights)**

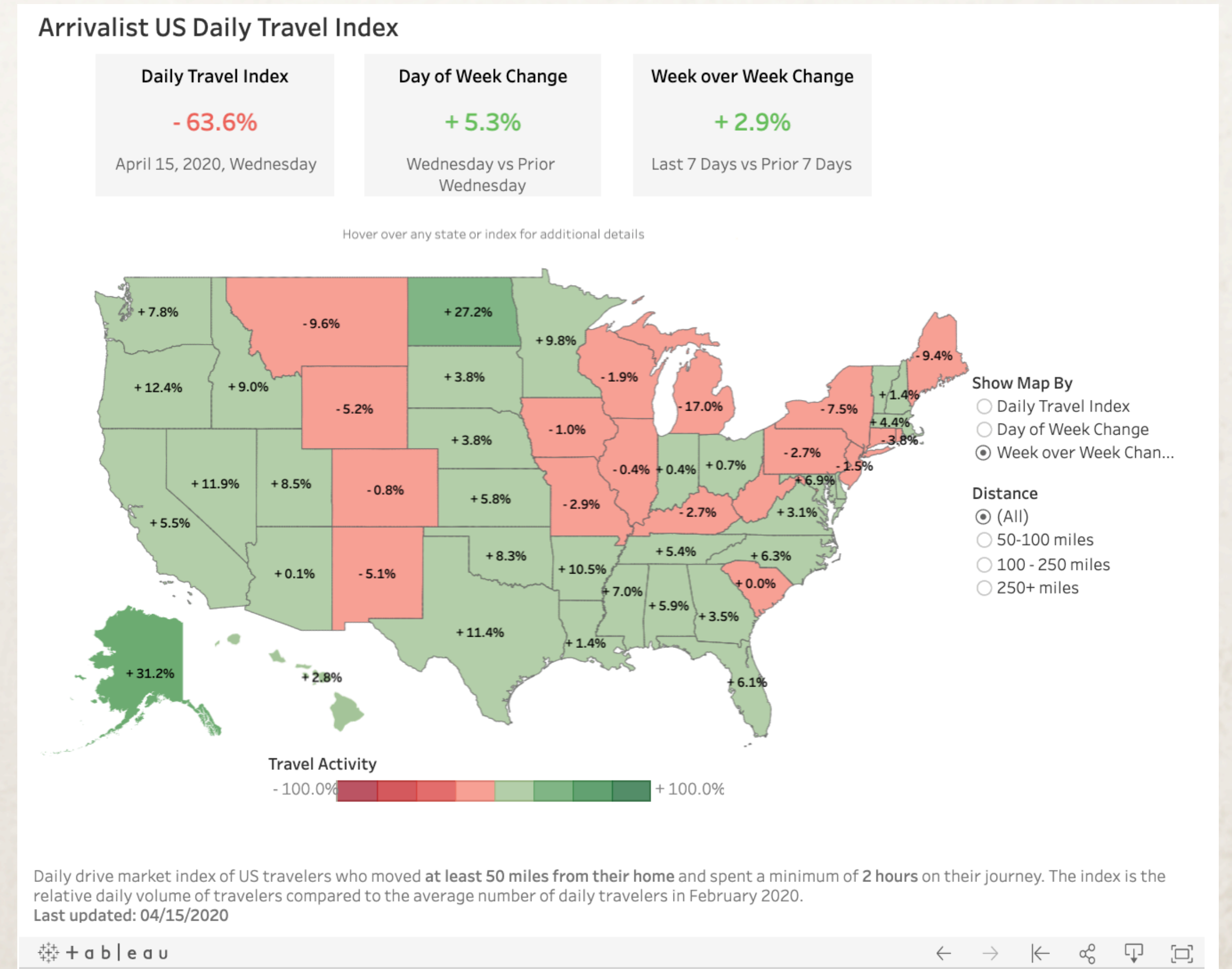


The forecast right now shows that as we move into the summer months restrictions will hopefully loosen and people start to travel again. Room demand will be down YoY about 51%. There will be a massive rebound in 2021 with about an 80% increase; however, even with the increases in 2021 room demand will still be down 11% over 2019 because of the economic collateral damage and residual restrictions on gatherings.

# TENNESSEE ARRIVALS UP WEEK OVER WEEK (4/9-4/15)



Tennessee



U.S.

- Likely to recover soonest
- Likely to recover later
- Likely to recover latest

• **Personal Travel**

- Required or deferred (e.g., students returning to universities)
- Visiting friends and relatives
- **Leisure**
  - Short distance
  - Long distance

- Likely to recover soonest
- Likely to recover later
- Likely to recover latest

• **Business Travel**

- **Managed corporate travel**
  - Operational
  - Business Development
  - Internal
- Unmanaged corporate travel

• **Meetings and Groups**

- **Corporate**
  - **Small**
    - Senior level
    - Mid-level
  - Large
- Conferences
- Associations and other (e.g., social, fraternal)

## DOMESTIC LEISURE TRAVEL WILL LEAD RECOVERY

Adam Sacks from Tourism Economics believes leisure is going to lead travel recovery as seen after other recessions. Allowing corporate business travelers back on the road will be a decision no CEO will take lightly.

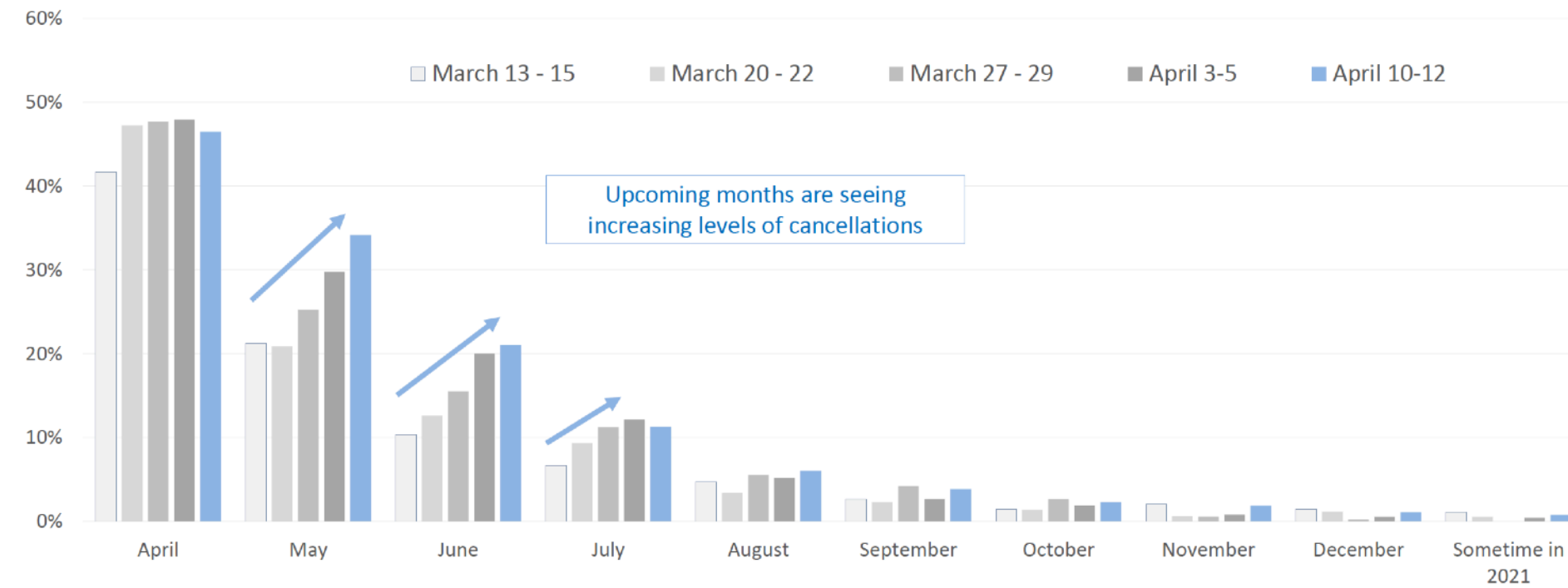
Domestic travel is going to pick up first. International travel to the US will be slower. US travelers are also going to be less likely to travel aboard and will travel domestic.

According to Tennessee's visitor profile 25% of visitors come to see family and friends, which is slightly higher than the U.S. average and 63% of visitors are within 200 miles.

SOURCE: ADARA - 4/9 Webinar, Tm O'Toole

## Month of Trip Cancellation

Question: The trip(s) you CANCELED would have taken place in which months? (Select all that apply)



(Base: Cancelling trips, 292, 477, 506, 580 and 623 completed surveys. Data collected March 13-15, 20-22, 27-29, April 3-5, 10-12, 2020. Note: Data purposefully excluded from this chart for readability.)

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## AMERICAN TRAVELERS START LOOKING TO FALL AS NEAR-TERM CONCERNS GROW

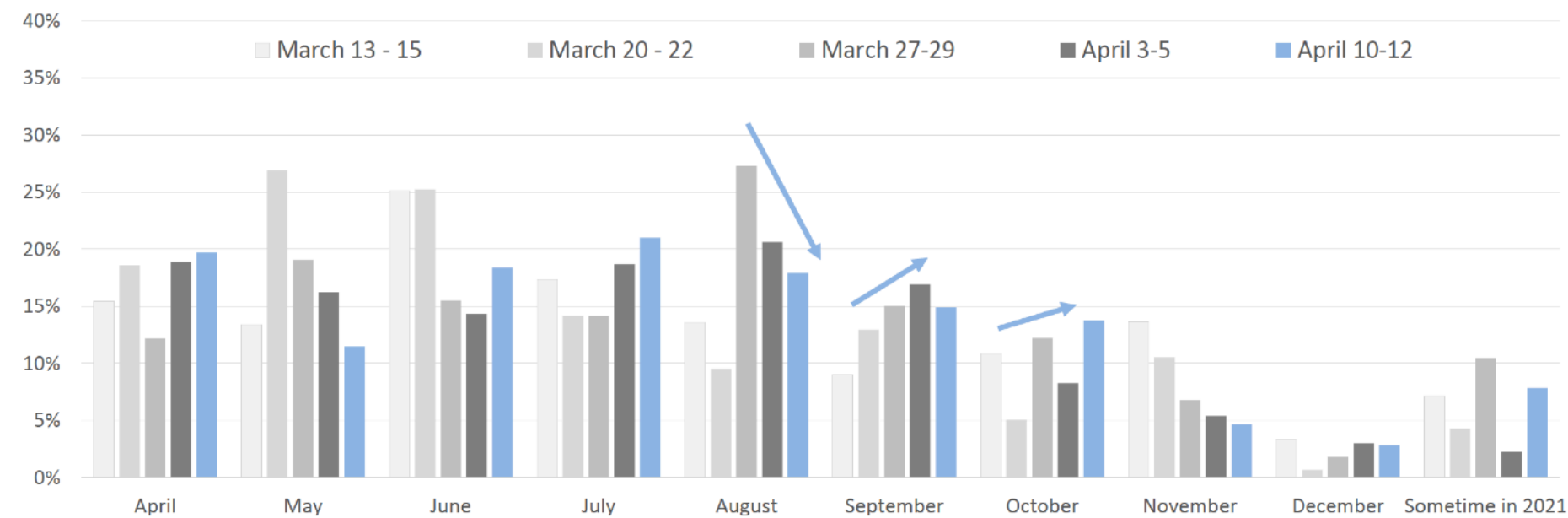
There is an **uptick** in cancellations reported in **May, June, and July**.

48.5% feel the Coronavirus situation will get worse in the U.S. next month. **About 31.6% are confident that Coronavirus will be resolved by the summer travel season.**

**53.1% of American travelers say they expect they will be traveling in the fall.**

## Month Postponed Trips Rescheduled

Question: The trip(s) you postponed were rescheduled to take place in which month(s)? (Select all that apply)



(Base: Postponing trips rescheduled, 99, 86, 120, 107 and 132 completed surveys. Data collected March 13-15, 20-22, 27-29, April 3-5 and 10-12 2020)

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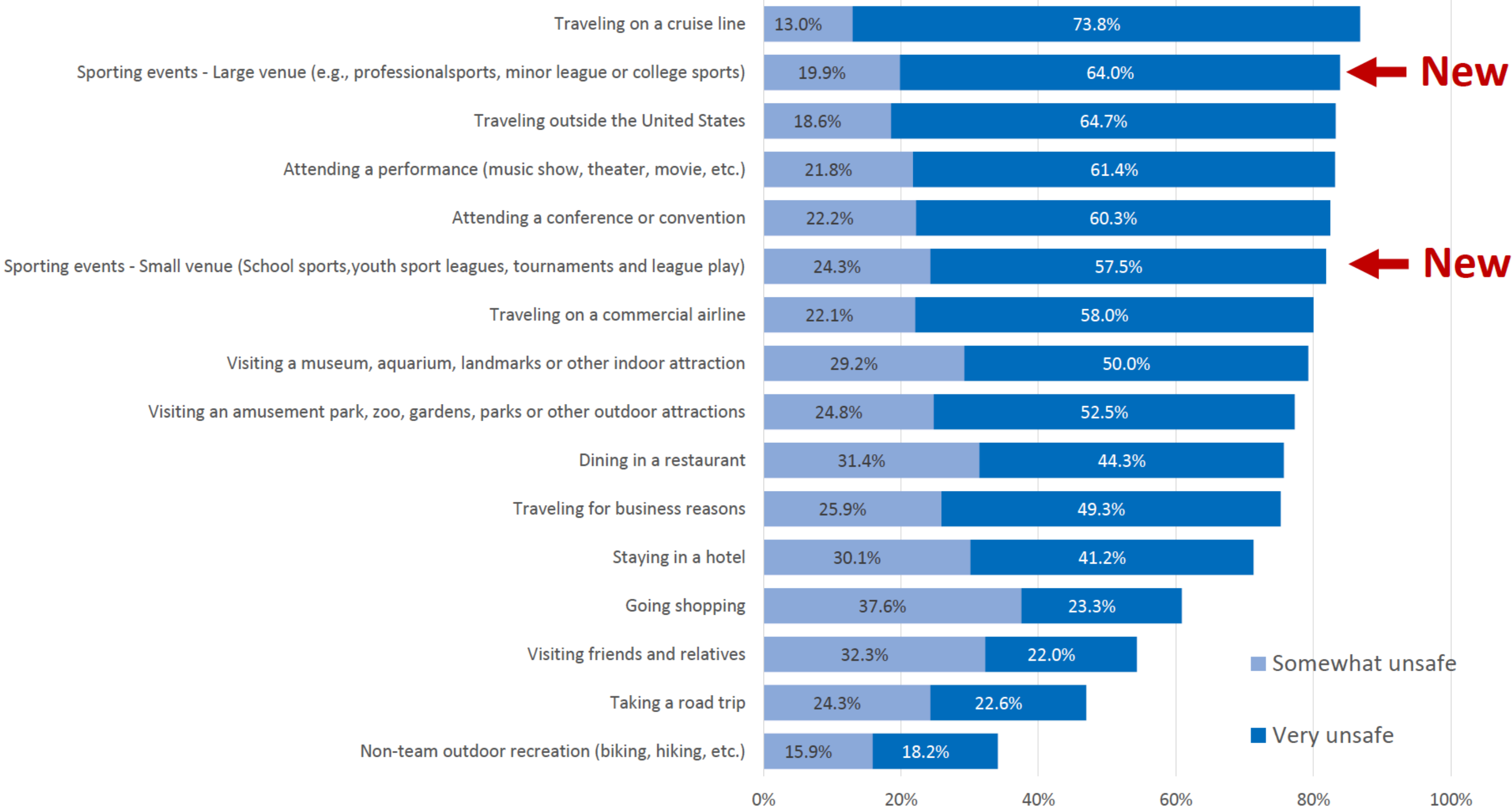


# TRAVELERS WILL PRIORITIZE SAFETY POST-CORONAVIRUS

## Perceived Safety of Travel Activities (Wave 5)

**Question: At this moment, how safe would you feel doing each type of travel activity?**

*(Base: All respondents, 1,263 completed surveys. Data collected April 10-12, 2020)*

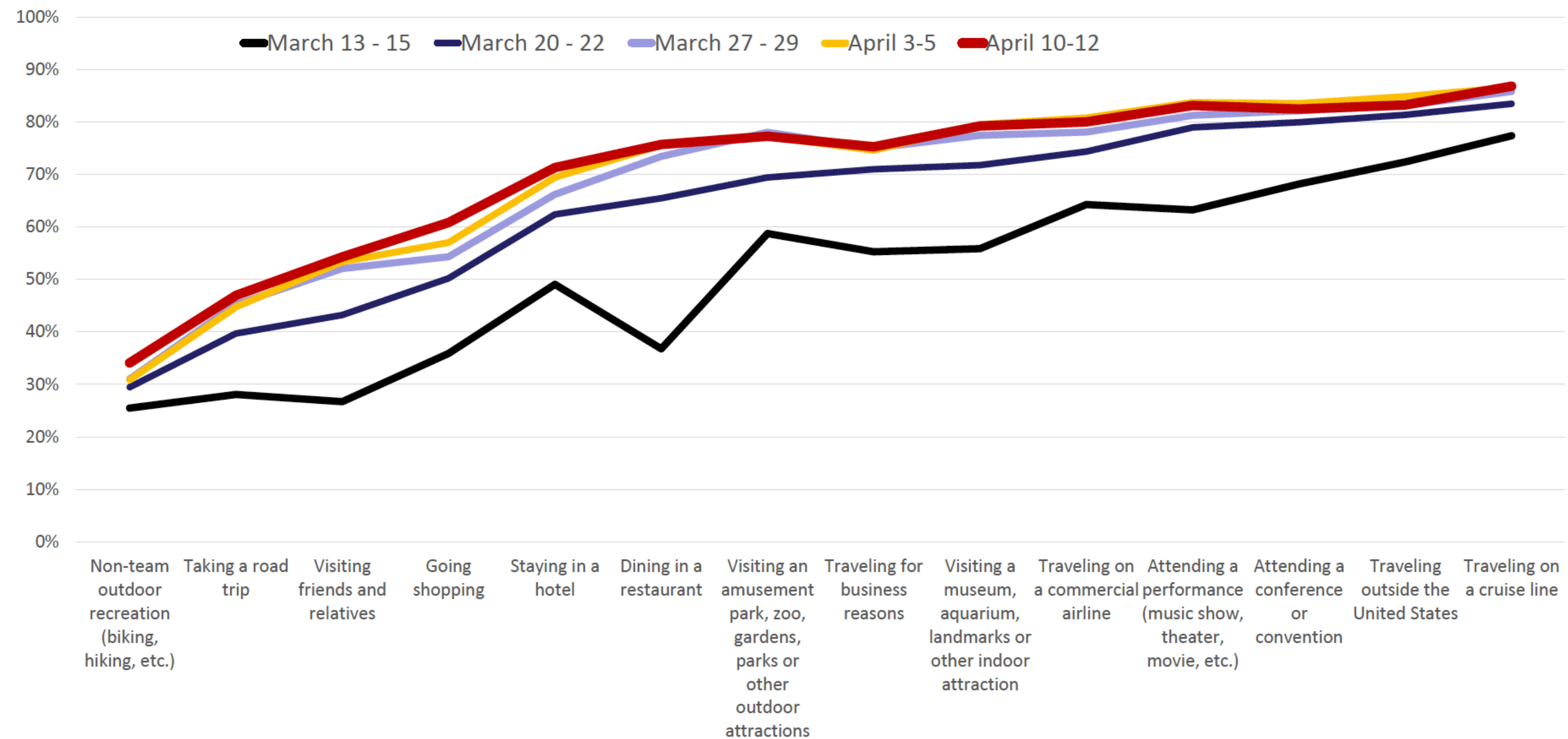


# LITTLE CHANGE IN PERCEIVED SAFETY OVER LAST WEEK

## Perceived Safety of Travel Activities (Waves 1-5 Comparison)

**Question: At this moment, how safe would you feel doing each type of travel activity?**

*(Base: (Base: All respondents, 1,201, 1,200, 1,201, 1,216 and 1,263 completed surveys. Data collected March 13-15, 20-22, 27-29, April 3-5 and 10-12, 2020)*



**“Just following the news and seeing reports of things being deemed safe to open. Both on a federal and local level.”**

Leisure Traveler Panel on Destination Analysts' Weekly Webinar April 14, 2020

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**“I will feel safe when Disneyland is back open, that is the current metric in our household. It is the general litmus test for the nation, is Disneyland open or not?”**

Leisure Traveler Panel on Destination Analysts' Weekly Webinar April 14, 2020

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**TRAVELERS NEED TO HEAR “ALL CLEAR” BEFORE FEELING COMFORTABLE PLANNING A TRIP**

**71% need to hear some sort of governmental “all clear” before they will consider leisure travel** and 47% need to know the place they are traveling to has had no new COVID-19 cases in the past 2 weeks.

Seeing others travel first as well as friends and family traveling also makes people more comfortable planning leisure travel.

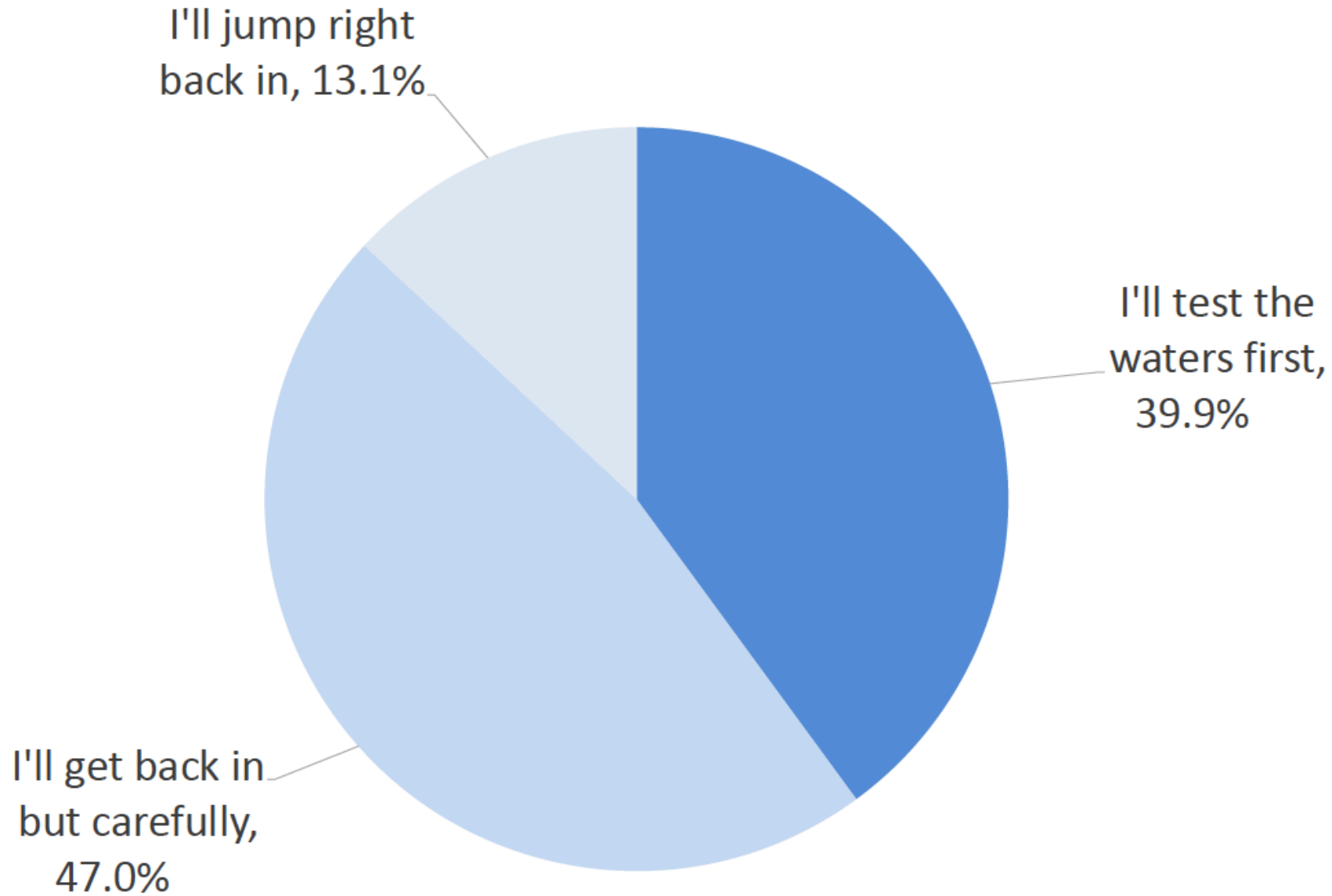
# SOME AMERICANS WILL JUMP RIGHT BACK INTO TRAVELING

## How Will They Get Back to Travel?

New Question Added in Wave 5

**Question:** In the period after coronavirus, how are you going to approach getting back into travel? (Pick the image that best describes you)

*(Base: All respondents, 1,263 completed surveys. Data collected April 10-12, 2020)*



## In their own words:

*"I won't visit any place where a lot of people go"*

*"I will be camping, instead of relying on how others clean and care for different spaces"*

*"I will probably be more local with only one person in party"*

*"I will be spending more time doing individual things and outdoor activities"*

National travel sentiment survey conducted March 27-29, 2020

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## TRAVELERS WILL STAY CLOSE TO HOME

After the pandemic, **over half of American travelers say they will avoid crowded destinations (55.7%).**

**55%** of Americans will probably take a Staycation this summer.

**49%** say they will take road trips with summer and **46%** say they will take more regional trips near their home.

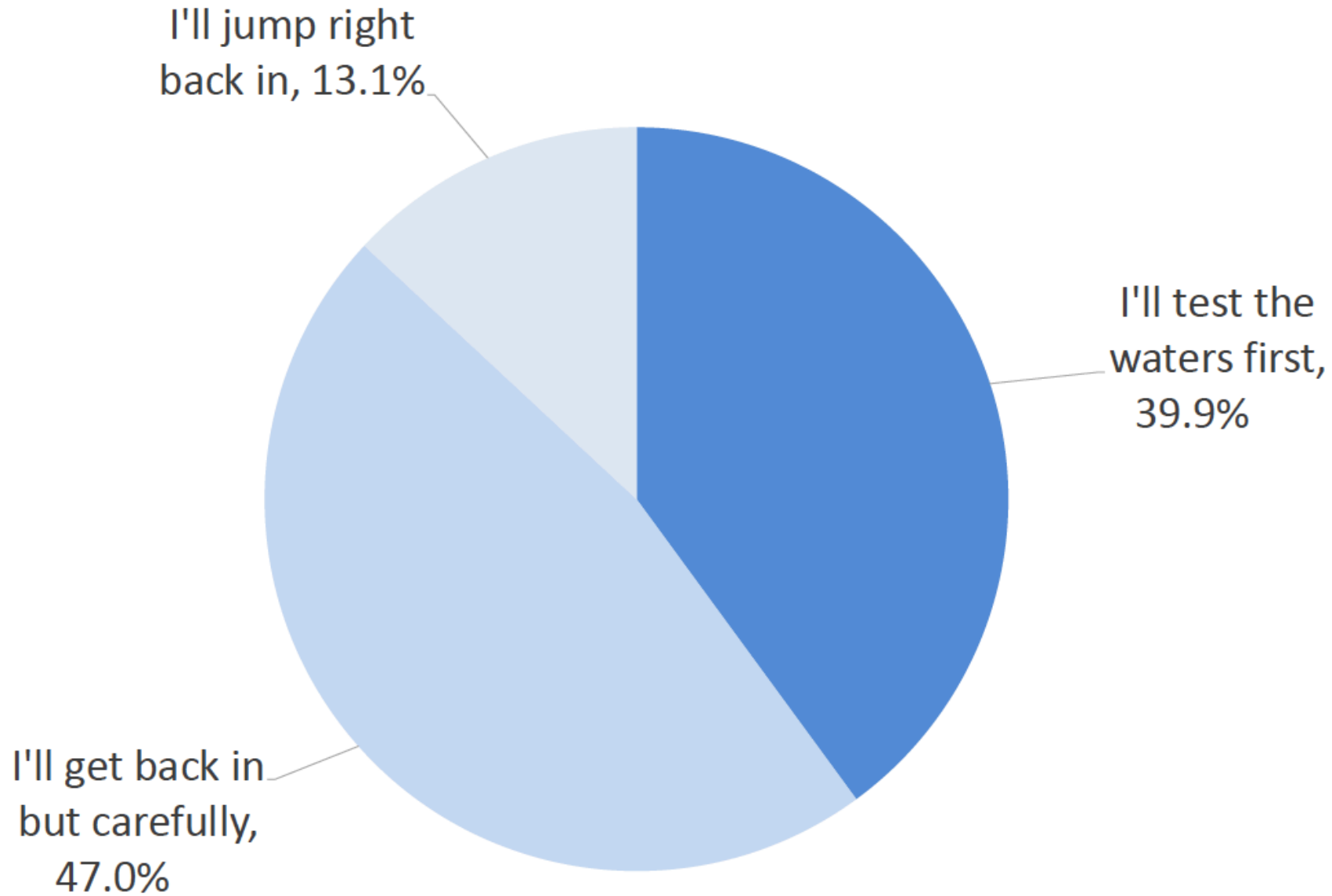
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## AMERICANS ARE DREAMING OF VACATION, BUT TRAVEL BRANDS NEED TO BE SENSITIVE

**About half of U.S. travelers (52 percent)** said that they **only** want to see travel advertising that is **addressing their response to the COVID-19 pandemic**, and 48 percent said that they feel it is insensitive for travel companies and destinations to advertise right now.

That doesn't mean that Americans aren't dreaming of travel, meaning those thinking about marketing to travelers should be plan campaigns that are sensitive to the way Americans are feeling.

# KEY TAKEAWAYS

**1**

Americans need to feel safe to start traveling again

**2**

People will start to vacation by car close to home

**3**

Travelers will seek more solitary locations and activities

**4**

Travel brands need to be sensitive to how Americans are feeling