Covid-19 Impacts on Ontario County's Hospitality Business
Status Survey – April 20, 2020

Conducted by Finger Lakes Visitors Connection
Analysis and Presentation by Valerie Knoblauch, President and CEO

When COVID-19 Executive Orders began to be invoked, the state of the hospitality industry within Ontario County instantly felt some dramatic shifts. No one knows how long the orders will last, how they will change, but we do know they have a deep and broad impact on the economics of our industry.

This document represents a benchmark industry survey to measure the impacts of COVID-19. Finger Lakes Visitors Connection's team needed to assess the "status" of the industry in terms of employment changes; revenue predictions, and industry sentiment and needs. This benchmark serves as the base of a program to monitor economic impacts, job impacts, and indirect impacts resulting from this extreme situation. While it was not designed to be statistically indisputable, the results will ultimately be tested against first-hand data such as labor reports, payroll analysis, and sales and occupancy tax revenues.

This survey tells the story of an industry under extreme pressures at a time when we are usually optimistically transitioning to our summer, high season. The travel industry is notably resilient having been through 9/11; the 2008/2009 financial crises, SARS, and more. Admittedly however, trying to find solid footing at this time is trying both from a business and personal perspective.

Social distancing is a concept is antithetical to the core of the hospitality industry. Our very product is intended to be experienced, touched, socially shared. Our practices in marketing and serving have been characterized as high touch, high tech. To have to stay away and promote stay away is challenging and requires massive rewiring. As stay-at-home orders are extended, executive orders are passed down, and concerns for safety extended, every business is having to rethink how it does business and if it's going to be able to do business down the road.

This survey and these discussions highlight the diversity of our industry, weaving the threads of commonalities in customer service and financial vulnerability. The results are stark and gut wrenching; yet optimism remains an underpinning of our resilient industry. We are "hashtag" many things – but right now, we are an industry with massive needs – and an industry that is desperately needed to return our communities, our residents, our economy and our lifestyle to #FLXstrong.

Valerie Knoblauch, President and CEO
Finger Lakes Visitors Connection

SURVEY OVERVIEW – A FEW BASIC DETAILS

A 14-question survey was conducted between April 1 and April 15, 2020.

Participation: The Covid-19 Business Survey was sent via Survey Monkey to 435 people (businesses) in our FLVC database; 118 questionnaires were opened; 84 responses were gathered. This was the highest level of response we have ever had to a business/industry survey.

Respondents business type were noted as: LLC … 44%; S Corp – 17%; 501c3 and 501c6 – 20%; Sole Proprietorship – 17%; Government/Municipal – 2%

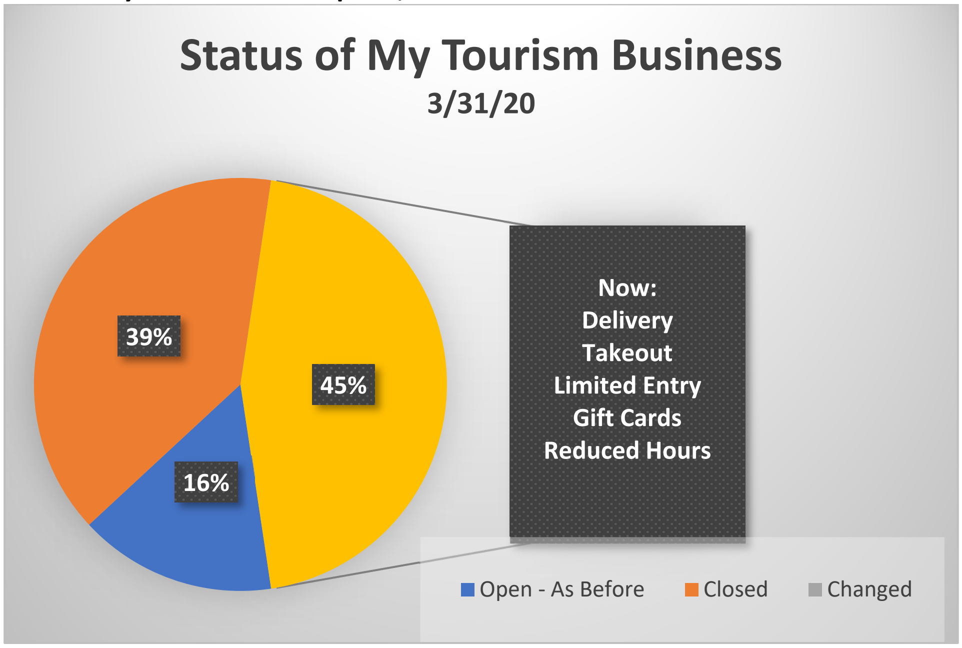
SURVEY RESULTS

Question: What is your business type – in your words.

Answer: When defining their type of business, these words (shown in the word cloud below) came up most often, illustrating the diversity of our businesses. Note: the bigger and bolder the word, the more prevalent it was.

BUSINESS STATUS

Question: Status of my business as of April 1, 2020



Question: What is the current status of your business?

Answer: Open: 15.48%; Closed: 39.29%; Partially open or changed services: 45.24%

Question: If you are partially open or changed what are the changes?

Answer: Most of the changed services are in the restaurant segment with takeout and/or delivery being added. For lodging – if open reduced services (i.e. room changeovers, etc. – amenities such as room turnover, linen turnover at request). For retail – we have mixed results depending on whether you were deemed essential or not essential. Overall, there is also consideration and concern for employee safety. (and employee unemployment, return, retention and retraining)

Question: What will cause you to reopen? When do you anticipate that (sentiment measure)?

Answer: Governors order, state rules and guidelines, federal guidance

Question: What is your estimate of reopening date:

Answer: May 1, May 15, June – July. most were very unwilling to predict.

Question: What is usually your "high" month?

Answer: Most frequent answers were: July, October, August, June. (in that order). While the industry is typically seen as seasonal, these dates show the rolling nature of high months for the different segments and signal the vulnerability in other months if this continues and/or returns.

EMPLOYMENT IMPLICATIONS

There are several notes in this section, for consideration in analyzing the responses. Please remember this is a baseline document only. Note that these results reflect the Survey Respondents only – this is not a total Ontario County tourism and travel industry calculation. These can be compared to the Tourism Economic 2018 (our latest numbers) as to what percentage of employment this is as compared to normal.

It is interesting when comparing this to other surveys and statistics which are being taken across the United States that our industry is roughly "in-line" with what is happening national in terms of job losses. At the time of publishing this, national jobs lost in travel and tourism were being reported as 42 – 45%. Our full-time number below is 31% but, this is definitely "clouded" by our 77% reported reductions in part time jobs. I do not have a number to compare this to at this point on a statewide or national basis. Surely more changes will be coming.

Anecdotally, employment is our highest area of distress.

Note that the highest losses are in part time workers. If each part time work is considered at 50% or, in other words, 2 part time jobs = 1 full time job we are higher than the averages.

Question: What is your businesses current working situation

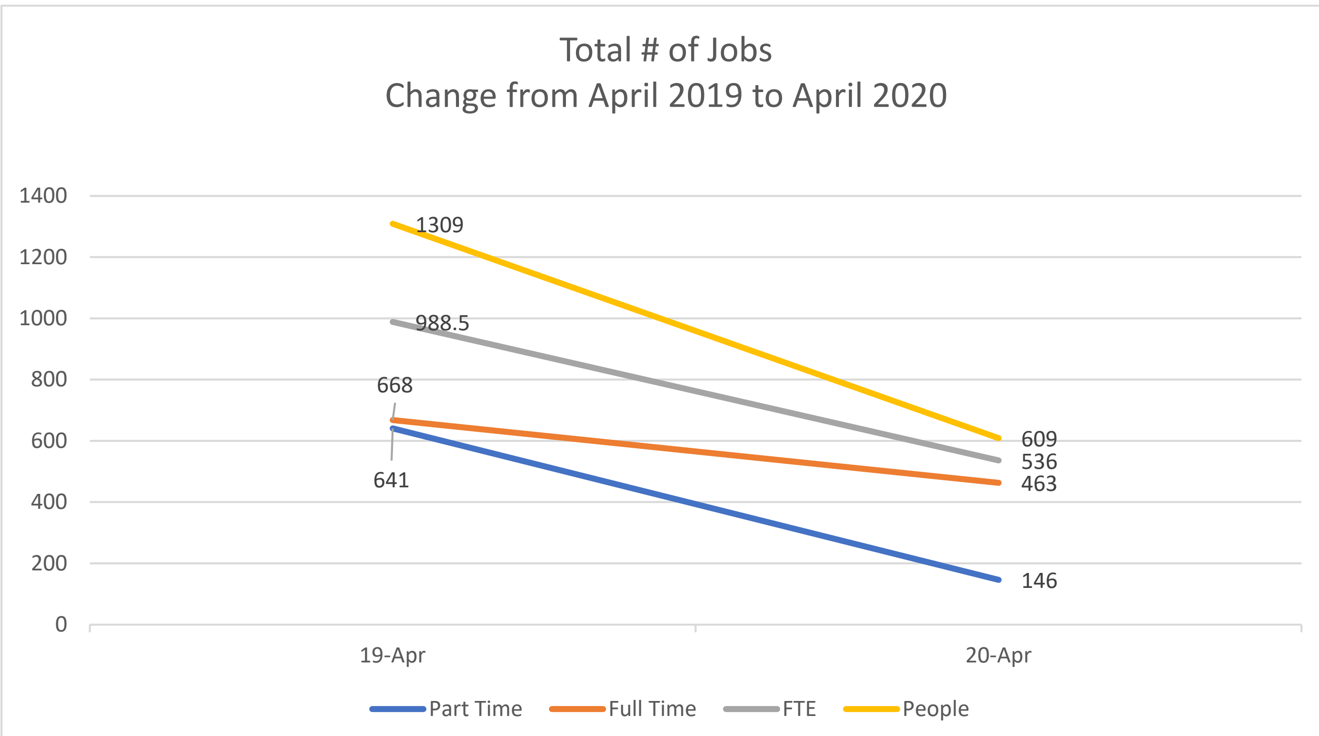
Answer: Onsite Workers - 162
Offsite Workers - 447 (unable to determine if part time or full time)

Note: Biggest Frustrations with working offsite?

It's difficult to work remotely because of lack of access to physical files (non-digital data) which are "secured", yet needed for analysis and collaboration and reporting to regulatory officials or grant seeking.
Technology has been adapting.

WORKFORCE CHANGES
2019 BEFORE COVID-19 (NORMAL) VS. 2020 APRIL 15

TOTAL	2019 BC	2020 - April 15				Percent Change	
Full Time	**668**	**463**				**-.31%**	
Part Time	**641**	**146**				**-.77%**	
TOTAL FTE	**988**	**536**				**-.54%**	
TOTAL PEOPLE	**1309**	**609**				**-.46%**	



Assumption: Volunteers count as “employees”; Assumption: 2 part time jobs = 1 full time job (FTE)

Question: How has your Workforce changed from April 2019 to April 2020

WORKFORCE CHANGES – TEAM MAKEUP

Question: What is your typical workforce make-up? How many employees on 2019 vs. 2020. How many full time vs. how many part-time

Answer: See Charts below

Note: Compression on the lower numbers because of the losses at the upper numbers.

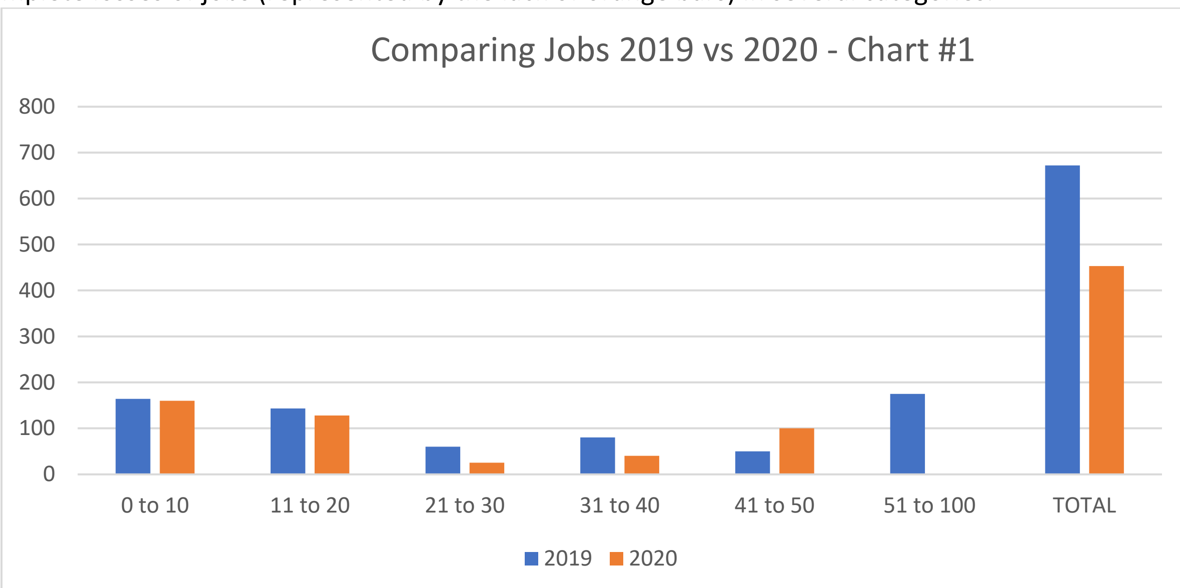
Note: Reduction in volunteerism (see "0" figure). The value of volunteers needs to be calculated and considered in the future when calculating business value/costs.

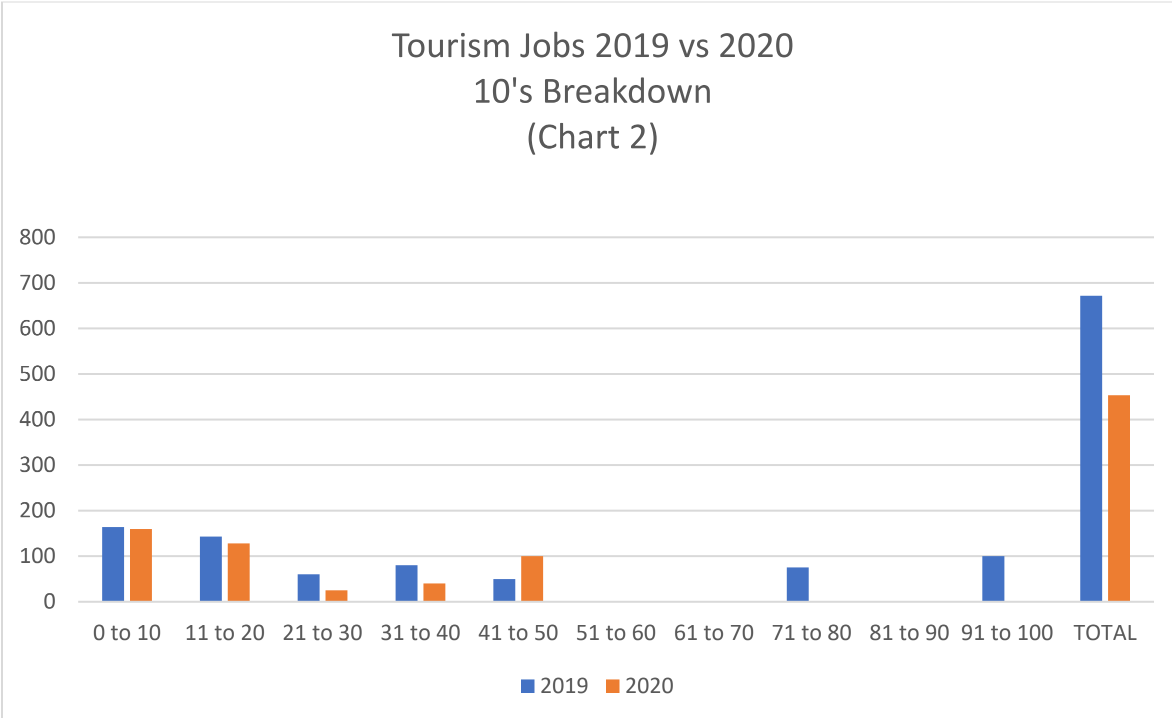
Typical Workforce Size	2019 Full Time	2020 Full Time	Totals Full Time 2019 vs 2020	2019 Part time	2020 Part time	Totals (10's) Part Time 2019 vs 2020	Total Change PT and FT
0 (Volunteers or self-employed)	21	11		18	37		
1 – 3	43	30		32	33		
4 – 5	36	29		36	17		
0 – 5			100 vs 70			86 vs 87	186 vs 157
6	12	18		6	6		
7	21	28		14	14		
8	21	16		32	0		
9	0	18		0	0		
10	10	10		10	10		
6 - 10			64 vs 90			62 vs 30	126 vs 120
11 – 12	24	12		24	0		
13 – 14	28	0		13	14		
15	15	60		15	15		
11 - 15			67 vs 72			52 vs 29	119 vs 101
16 – 19 (all 16)	16	16		16	0		
20	60	40		60	0		
16 – 20			76 vs 56			76 vs 0	152 vs 56
21 – 29 (all 25)	0	25		0	0		
21 - 29			0 vs 25			0 vs 0	0 vs 25
30	60	0		60	0		
30			60 vs 0			60 vs 0	120 vs 0
40	80	40		0	0		
40			80 vs 40			0 vs 0	80 vs 40
50	50	100		50	0		
50			50 vs 100			50 vs 0	50 vs. 100
75	75	0		75	0		
75			75 vs 0			75 vs 0	75 vs. 0
100	100	0		100	0		
100			100 vs 0			100 vs 0	100 vs 0

TOTALS 2019 vs 2020			**668 vs 463**			**988 vs 536**	**1309 vs 609**

WORKFORCE CHANGES – TEAM MAKEUP

Notes: Chart #1 (10's Breakdown). Our industry is made up of very many small businesses and a few large. Notice the midsize range. This is reflective of an ability to operate at a certain "scale". The middle of the scale is not an easy or profitable area to operate within. As we move forward, social distancing requirements may not provide the flexibility of scale for a breakeven for some of our industry.
Chart #2 While the data is the same for both charts, this one more quickly and visually illustrates the complete losses of jobs (represented by the lack of orange bars) in several categories.



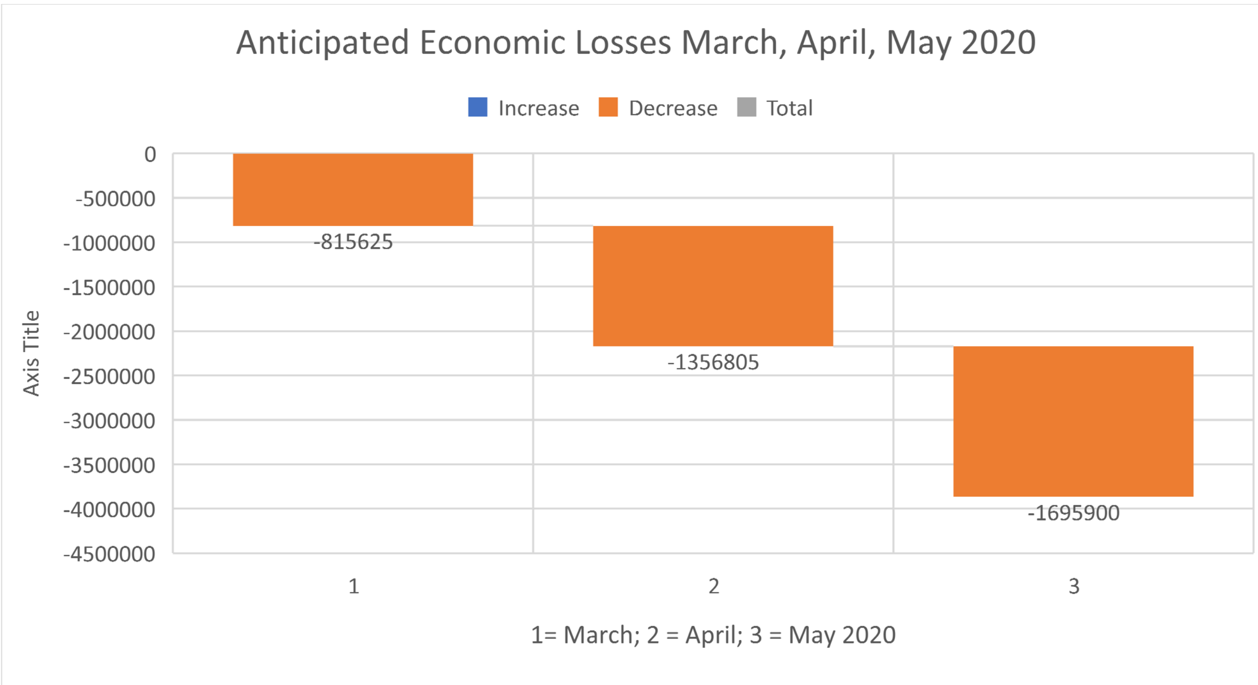

Tourism Jobs 2019 vs 2020
10's Breakdown
(Chart 2)
800
700
600
500
400
300
200
100
0
0 to 10
11 to 20
21 to 30
31 to 40
41 to 50
51 to 60
61 to 70
71 to 80
81 to 90
91 to 100
TOTAL
2019
2020

Economic/Dollar Losses Projected

Question: Please predict what your changes in revenues will be for March, April, and May

Answer: Total Projected loss over these three months: $3,868,330

Note: Not to state the obvious, but there are higher losses in May because that is typically the soft start to the tourism season and heavily impacted by graduations, Spring events.



Specific Concerns

Reduced traffic and the spontaneity of tourism cannot happen if people can't get out. The number of people on Rt. 332 on Rt. 14 is sad, were among the comments on the survey free answer area.

SPENDING CHANGES

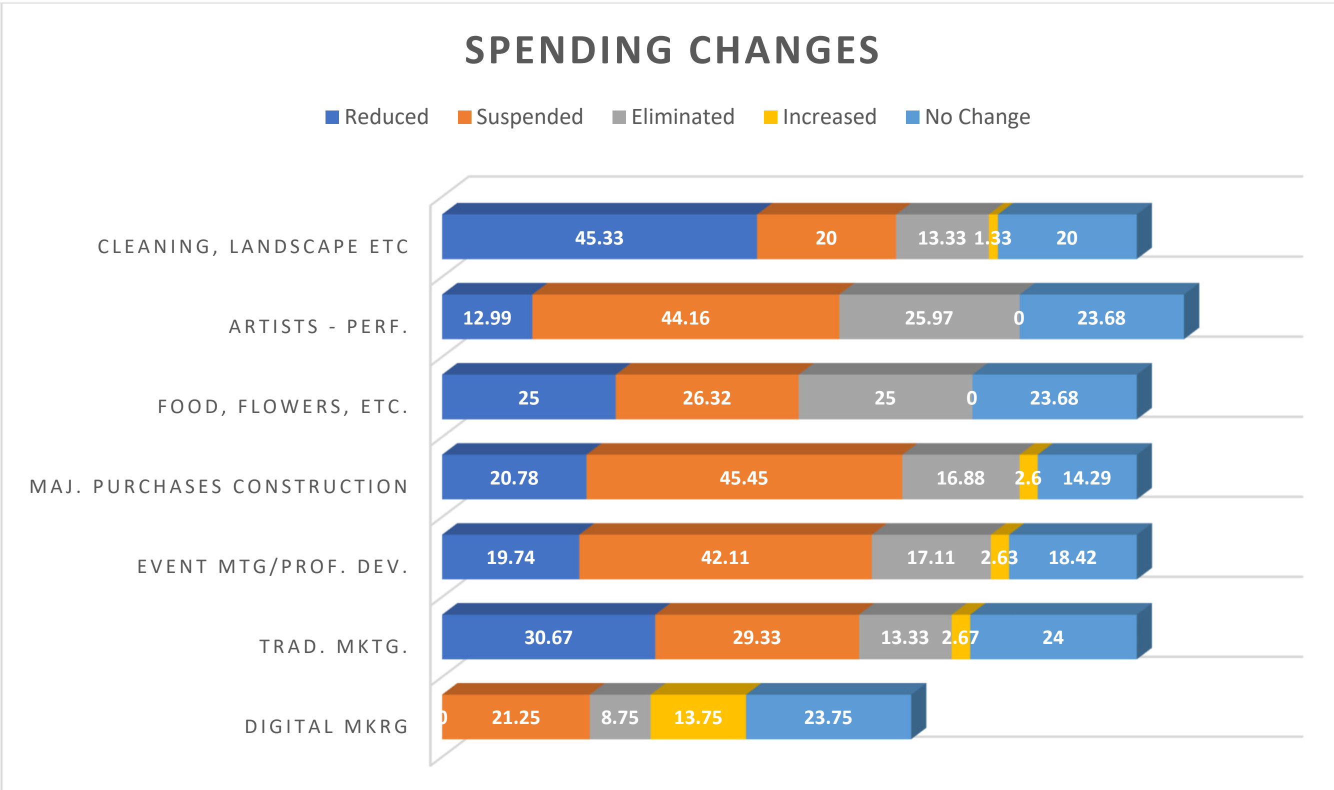
Tourism has a long standing story of not only the direct impacts, as measured in sales taxes, occupancy taxes, payroll, and jobs. However, often undercounted is the indirect and induced considerations and impacts of the industry. This area needs to be developed even more, but this data begins to tell the story of the interconnectivity of tourism to the broader economy. From construction to manufacturing to groceries, and services, many more industries are impacted by tourism business and employee spending.

This area explores the first line of indirect purchases. The final layer, which is not indicated here is the induced impacts. For example: If a hotel or restaurant would typically be open and receiving income from guests (direct); the hotel provides entertainment for its guests through hiring a small set bank. These band members get paid (indirect); These band members take their pay and spend it in the community for personal services like haircuts or groceries or savings at a bank (induced). These impacts are yet to be shown through this crisis.

Notes: An example was given by the Geneva Red Wings who showed the purchases that are made when they are in season, from players, families and visitors. If there is no baseball there is no bussing, food purchase, clothing purchase, maintenance and upgrades.

SPENDING CHANGES AS A RESULT OF COVID-19 CLOSURES

Question: What is our industry "not buying" during this time.
Answers: See the chart below.



Notes:
- Most affected are performers, artists. Note the length of the bar.
- Least affected is digital advertising; in fact this was the area that businesses reported the largest increase in spending at 19% and the only area of marketing that was suffering no reduction.
- Construction and major purchases hold the largest "suspended and eliminated" numbers.

NEEDS AND SUPPORT

Question: What do you need most right now?

Answers in rank order

#1 Grants, loans, financial Help
#2 Networking resource group who is going through the same thing and problem solve together
#3 HR/Employment Services
#4 Personal; Mental Health
#5 Planning for all the unknowns

CURATED RESOURCES ON TRAVELER SENTIMENT, CARES ACT, AND BUSINESS REINVENTION

Resources and Postings: https://www.visitfingerlakes.com/partners/research-and-data/
Specific Credits and thanks for continuing to provide factual data and resources to our industry:

US Travel
Destinations International
New York State Tourism Industry Association (NYSTIA)
I Love NY
Young Strategies, Berkeley Young
Destinations Analyst – Consumer Traveler Sentiment
TripAdvisor
American Bus Association, National Tour Association, Ontario Motorcoach Association

ANECDOTAL and CONFIDENTIALITY

Stories of Positives (#48,14,24,46,47,70, 63,61)

One participant noted that that they were "astounded by the Gift Card purchases (noting) … my March will be better than normal because of local support. I am so appreciative."

Finger Lakes Visitors Connection will always honor the confidentiality of individual data and only share the stories provided to our organization with the permission of the respondent. These stories are compelling and illustrate the true human impacts of this crises – and underscores the need for thoughtful, expedient, and efficient reopening.

Produced by Finger Lakes Visitors Connection
4/20/20

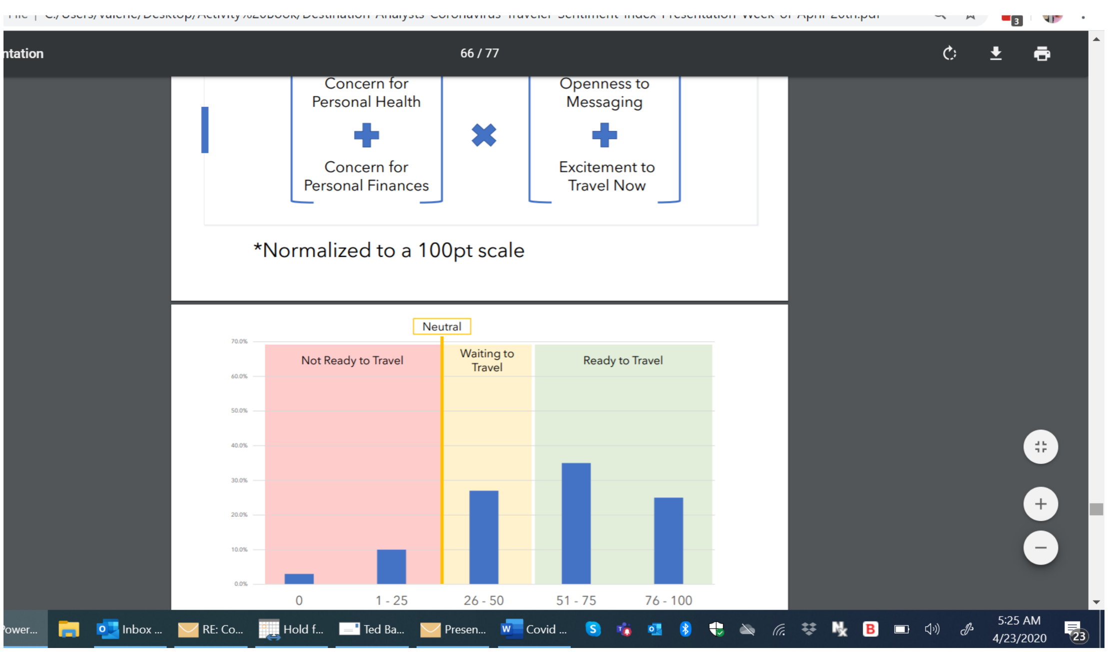
Addendum

Curated Traveler Sentiment Information

Following are several slides which have been curated from travel industry webinars, where models of recovery and rebuilding are being developed. The slides below are from Destinations Analysts Consumer Travel Sentiment. These reports are also being placed in the FLVC resource library online.

Resources and Postings: https://www.visitfingerlakes.com/partners/research-and-data/

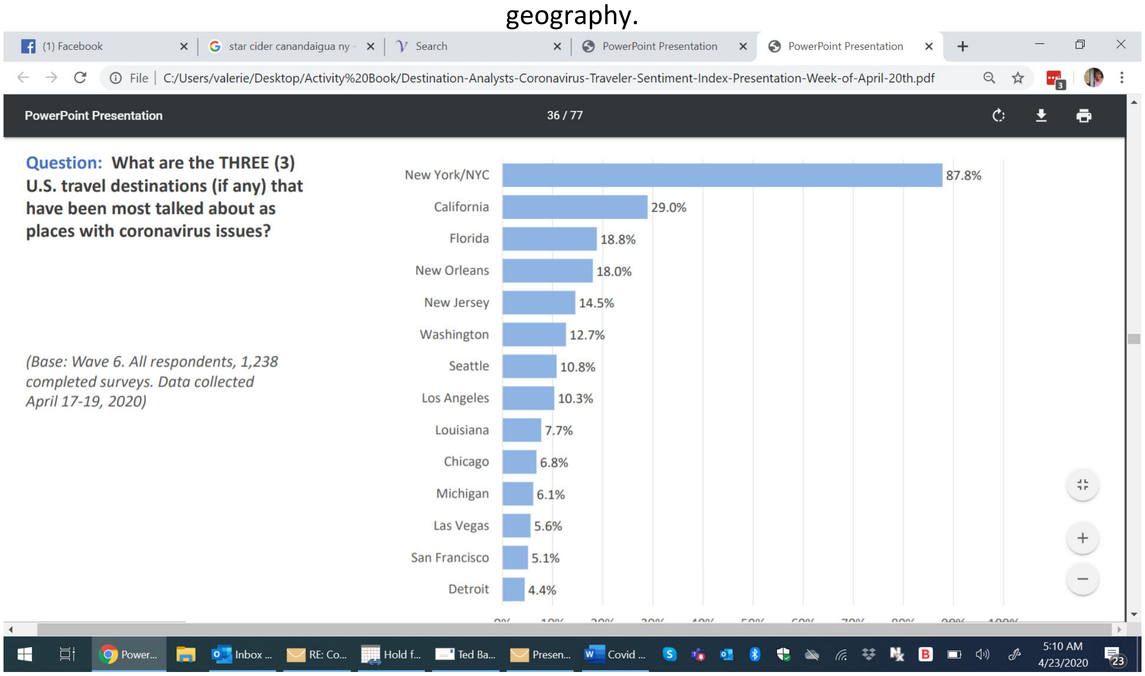
Stages of Recovery
#1 – Business recovery. Get your business back in order and ready to operate under any new regulations. Stabilize your workforce and your systems. This business recovery must include business reimagination.
#2 – Community recovery and focus. The first people that need to come back to you is your community. We need to grow a safe, clean environment. Community does not just mean your immediate community – but rather your regional community. Is your community even ready or want visitors? It's important that there is a mutual understanding, as you can't have it both ways. i.e. a closed, fearful and insular community will not get a destination to step #3.
#1 -- #2 and before #3. Business Reimagination and Reinvention. Who are you now? What does your new business look like in terms of services, atmosphere, inventive products? All of this must be considered to differentiate yourself in the marketplace.
#3 – Visitors. Visitors will return, but remember they are going through the same things as everyone else and their sentiment toward travel is being modified as situations develop. Even your visitor base is changing. Drive range means not 300 miles, but perhaps 150 miles. Borders need to be open. Certain segments of travelers (i.e. millennials) are more likely to travel right now.



VISITOR SENTIMENT CURATED

From Destination Analysts - April 20, 2020 and April 30, 2020

Note: the "NY" moniker may be a deficit at this time. Especially for those that do not understand our geography.

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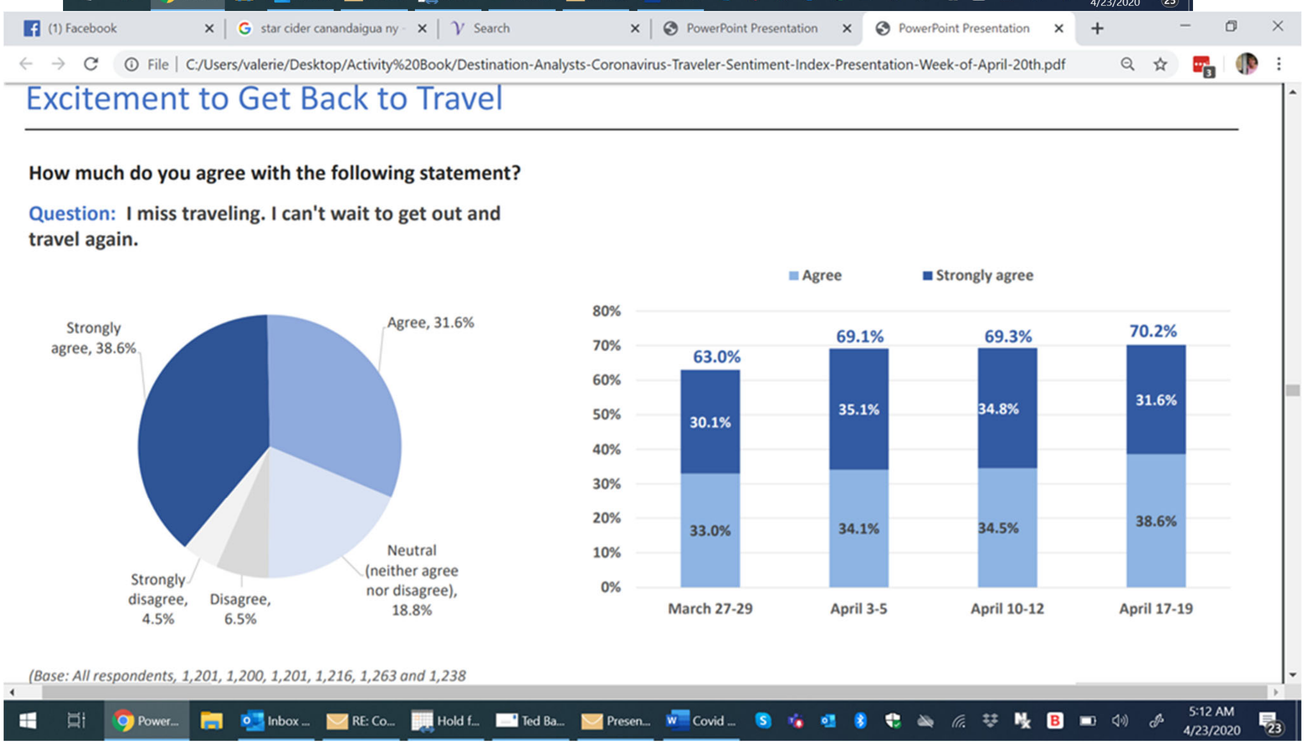
How much do you agree with the following statement?
Statement: I'm planning to avoid all travel until the coronavirus situation blows over.
(Base: All respondents, 1,201, 1,200, 1,201, 1,216, 1,263 1,238 completed surveys. Data collected March 13-15, 20-22, 27-29, April 3-5, 10-12 and 17-19, 2020)
March 13-15
March 20-22
March 27-29
April 3-5
April 10-12
April 17-19
60%
40%
20%
0%
2.4%
2.1%
7.0%
4.4%
12.8%
11.6%
33.8%
29.7%
52.2%
44.0%
Strongly disagree
Disagree
Neutral (neither agree nor disagree)
Agree
Strongly agree
Destination Analysts
5:11 AM
4/23/2020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Excitement to Get Back to Travel
How much do you agree with the following statement?
Question: I miss traveling. I can't wait to get out and travel again.
Strongly agree, 38.6%
Agree, 31.6%
Neutral (neither agree nor disagree), 18.8%
Disagree, 6.5%
Strongly disagree, 4.5%
Agree
Strongly agree
80%
70%
60%
50%
40%
30%
20%
10%
0%
63.0%
30.1%
33.0%
69.1%
35.1%
34.1%
69.3%
34.8%
34.5%
70.2%
31.6%
38.6%
March 27-29
April 3-5
April 10-12
April 17-19
(Base: All respondents, 1,201, 1,200, 1,201, 1,216, 1,263 and 1,238
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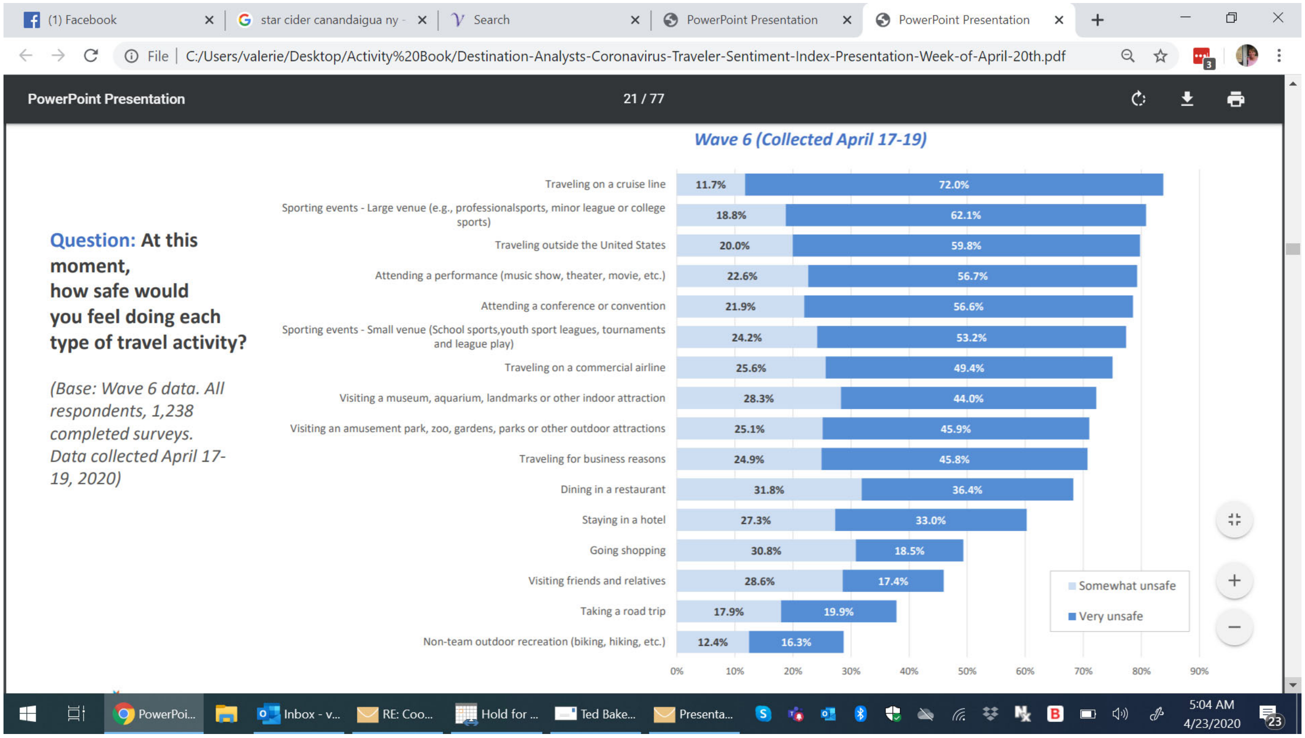
4/23/2020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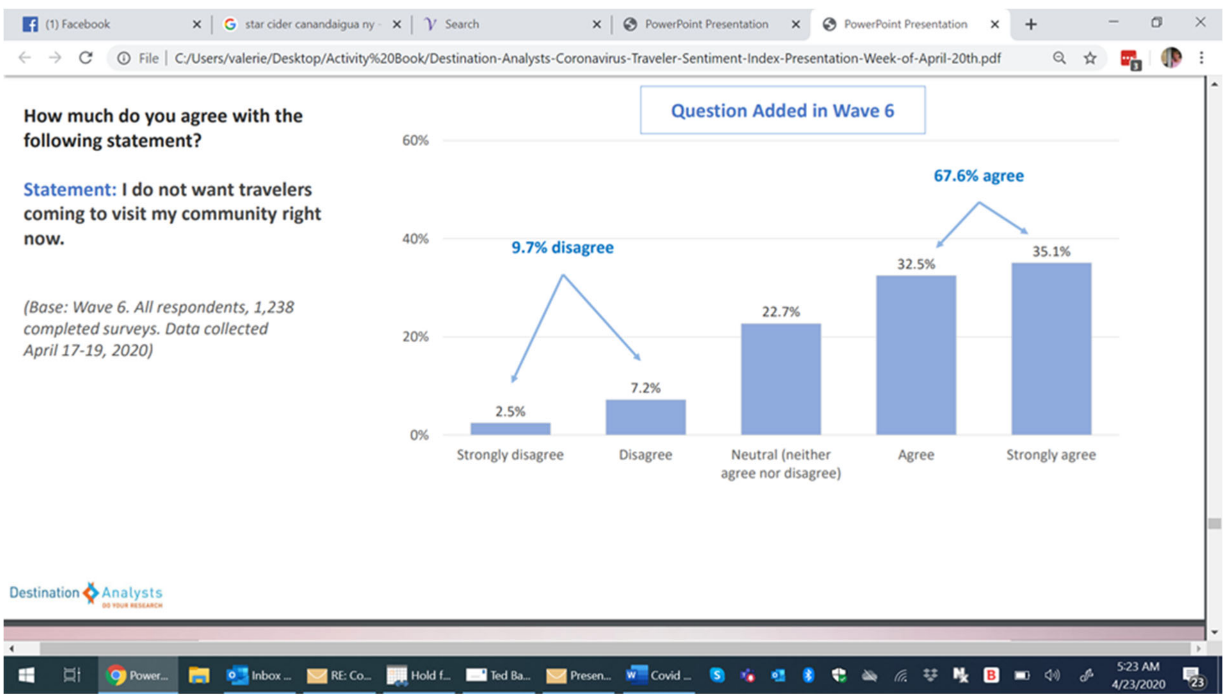
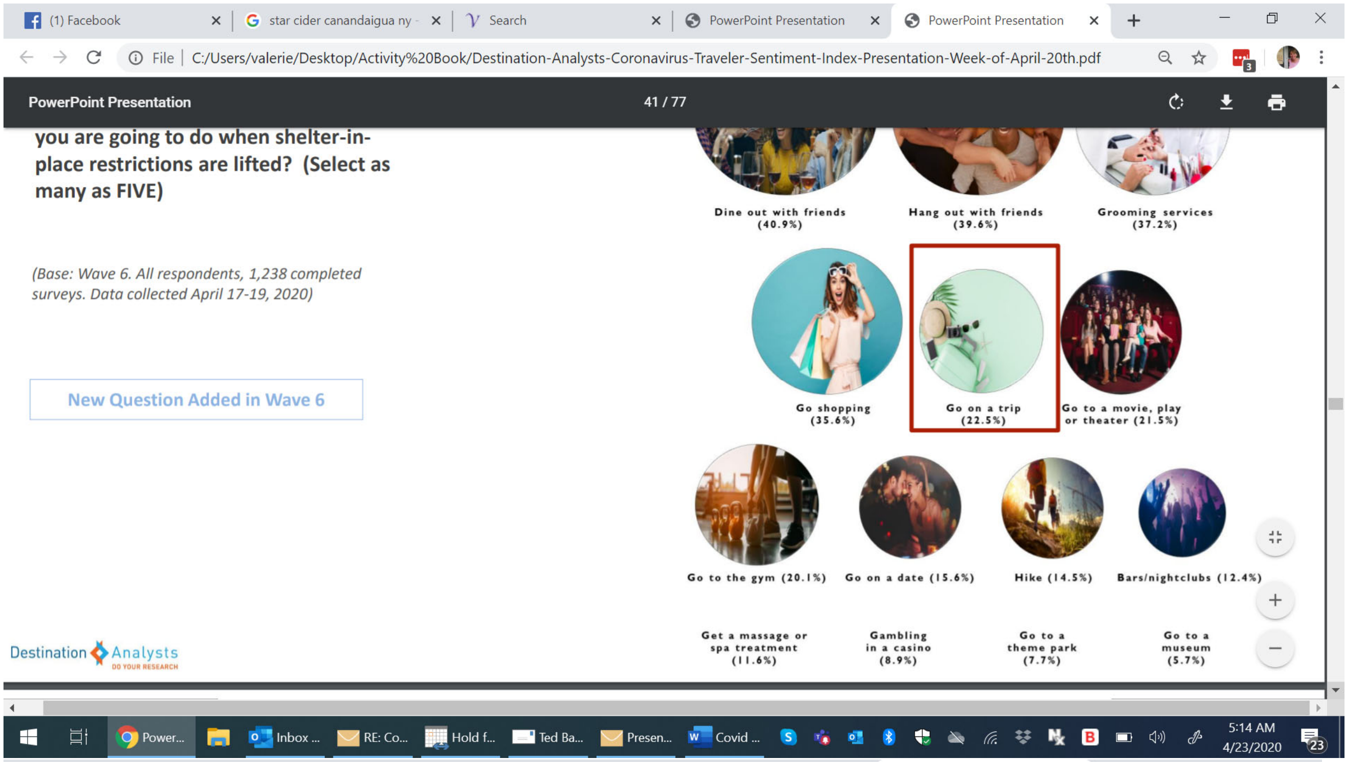
Wave 6 (Collected April 17-19)
Question: At this moment, how safe would you feel doing each type of travel activity?
(Base: Wave 6 data. All respondents, 1,238 completed surveys. Data collected April 17-19, 2020)
Traveling on a cruise line 11.7% 72.0%
Sporting events - Large venue (e.g., professionalsports, minor league or college sports) 18.8% 62.1%
Traveling outside the United States 20.0% 59.8%
Attending a performance (music show, theater, movie, etc.) 22.6% 56.7%
Attending a conference or convention 21.9% 56.6%
Sporting events - Small venue (School sports,youth sport leagues, tournaments and league play) 24.2% 53.2%
Traveling on a commercial airline 25.6% 49.4%
Visiting a museum, aquarium, landmarks or other indoor attraction 28.3% 44.0%
Visiting an amusement park, zoo, gardens, parks or other outdoor attractions 25.1% 45.9%
Traveling for business reasons 24.9% 45.8%
Dining in a restaurant 31.8% 36.4%
Staying in a hotel 27.3% 33.0%
Going shopping 30.8% 18.5%
Visiting friends and relatives 28.6% 17.4%
Taking a road trip 17.9% 19.9%
Non-team outdoor recreation (biking, hiking, etc.) 12.4% 16.3%
0% 10% 20% 30% 40% 50% 60% 70% 80% 90%
Somewhat unsafe
Very unsafe


Question Added in Wave 6
How much do you agree with the following statement?
Statement: I do not want travelers coming to visit my community right now.
(Base: Wave 6. All respondents, 1,238 completed surveys. Data collected April 17-19, 2020)
9.7% disagree
67.6% agree
60%
40%
20%
0%
2.5%
7.2%
22.7%
32.5%
35.1%
Strongly disagree
Disagree
Neutral (neither agree nor disagree)
Agree
Strongly agree
Destination Analysts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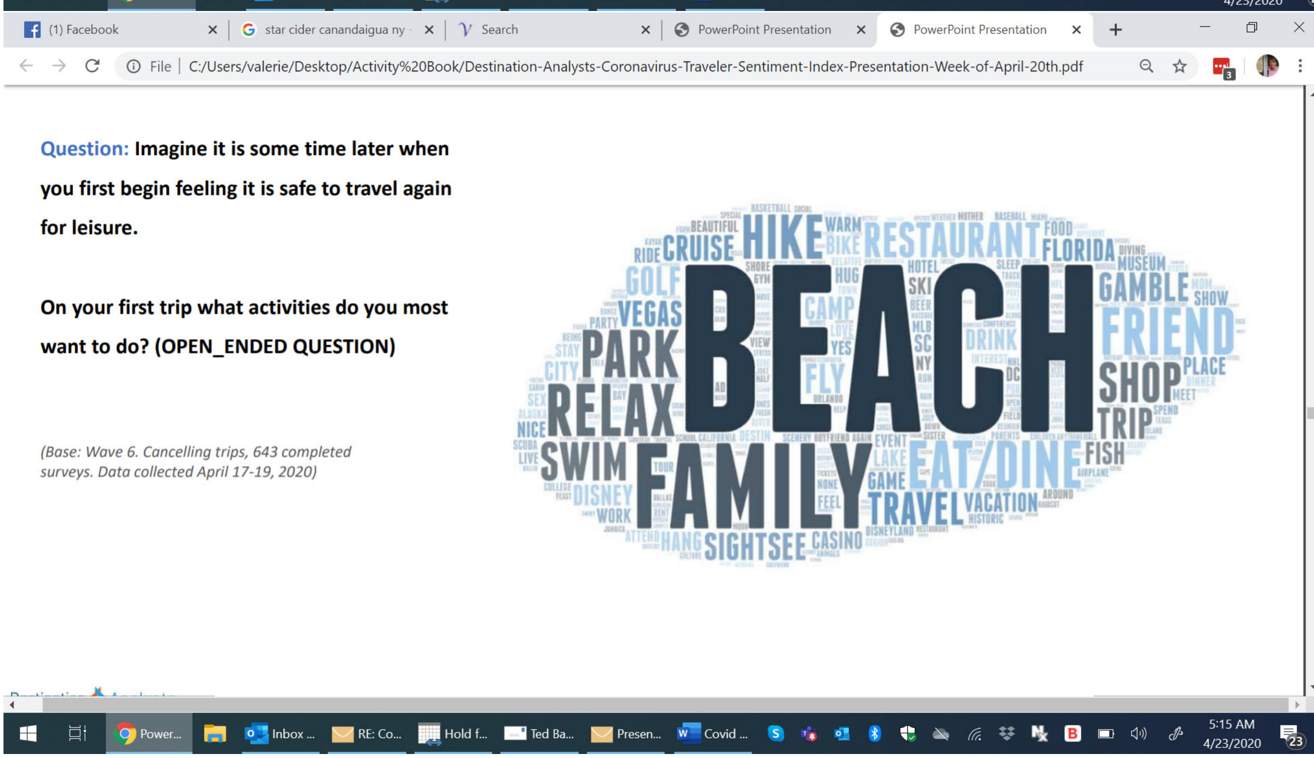
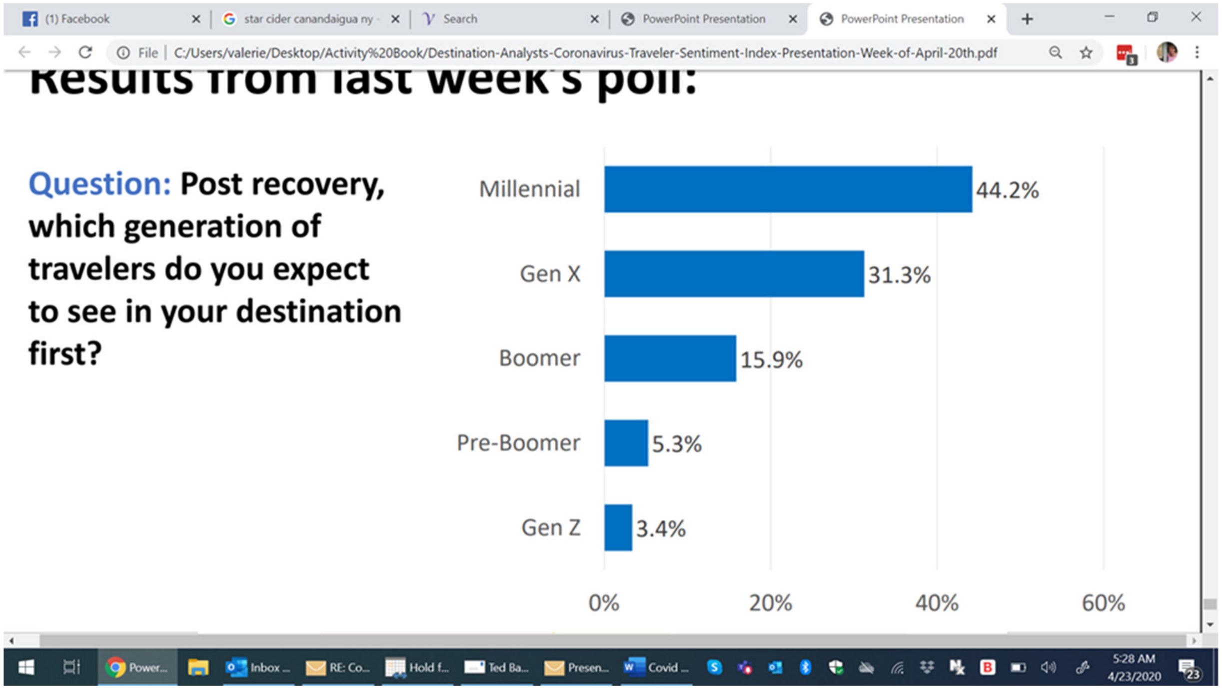
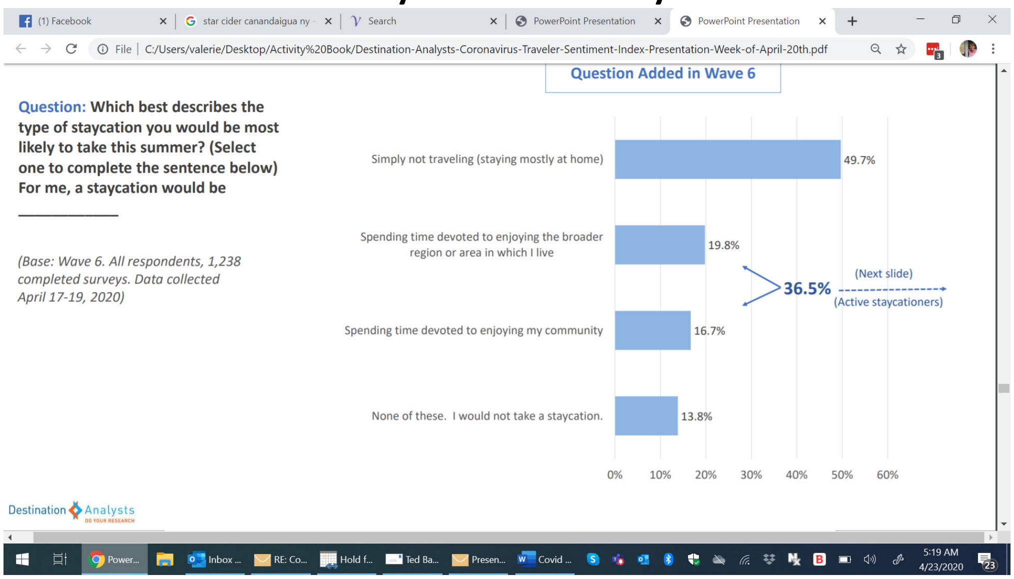
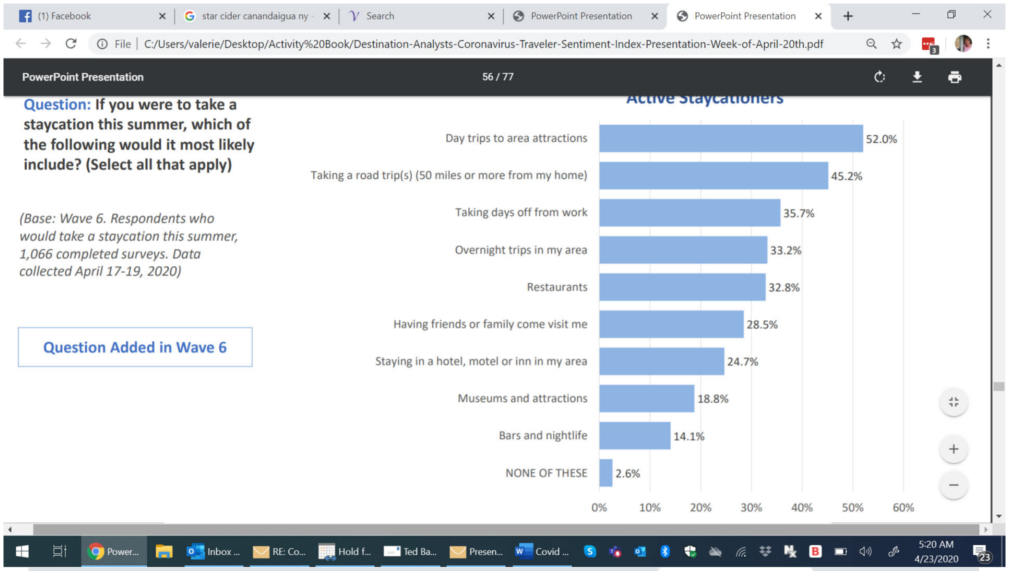
you are going to do when shelter-in-place restrictions are lifted? (Select as many as FIVE)
(Base: Wave 6. All respondents, 1,238 completed surveys. Data collected April 17-19, 2020)
New Question Added in Wave 6
Dine out with friends (40.9%)
Hang out with friends (39.6%)
Grooming services (37.2%)
Go shopping (35.6%)
Go on a trip (22.5%)
Go to a movie, play or theater (21.5%)
Go to the gym (20.1%)
Go on a date (15.6%)
Hike (14.5%)
Bars/nightclubs (12.4%)
Get a massage or spa treatment (11.6%)
Gambling in a casino (8.9%)
Go to a theme park (7.7%)
Go to a museum (5.7%)
Destination Analysts


Question: Imagine it is some time later when you first begin feeling it is safe to travel again for leisure.
On your first trip what activities do you most want to do? (OPEN_ENDED QUESTION)
(Base: Wave 6. Cancelling trips, 643 completed surveys. Data collected April 17-19, 2020)
BEACH
FAMILY
HIKE
CRUISE
RESTAURANT
FLORIDA
GAMBLE
FRIEND
SHOP
TRIP
PARK
RELAX
SWIM
VEGAS
GOLF
CAMP
FLY
DRINK
EAT/DINE
TRAVEL
VACATION
SIGHTSEE
CASINO
DISNEY
FISH
LAKE
GAME
CITY
NICE
WORK
HANG
MUSEUM
PLACE
SKI
HOTEL
FOOD


Results from last week's poll:
Question: Post recovery, which generation of travelers do you expect to see in your destination first?
Millennial
44.2%
Gen X
31.3%
Boomer
15.9%
Pre-Boomer
5.3%
Gen Z
3.4%
0%
20%
40%
60%

Staycation Mentality

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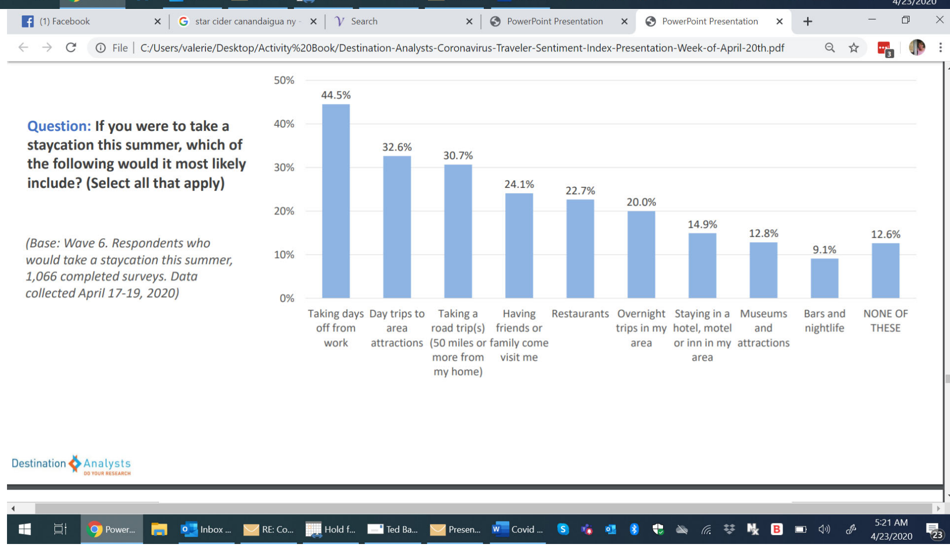
Active Staycationers
Question: If you were to take a staycation this summer, which of the following would it most likely include? (Select all that apply)
(Base: Wave 6. Respondents who would take a staycation this summer, 1,066 completed surveys. Data collected April 17-19, 2020)
Question Added in Wave 6
Day trips to area attractions 52.0%
Taking a road trip(s) (50 miles or more from my home) 45.2%
Taking days off from work 35.7%
Overnight trips in my area 33.2%
Restaurants 32.8%
Having friends or family come visit me 28.5%
Staying in a hotel, motel or inn in my area 24.7%
Museums and attractions 18.8%
Bars and nightlife 14.1%
NONE OF THESE 2.6%
0% 10% 20% 30% 40% 50% 60%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Day trips to area attractions 32.6%
Taking a road trip(s) (50 miles or more from my home) 30.7%
Having friends or family come visit me 24.1%
Restaurants 22.7%
Overnight trips in my area 20.0%
Staying in a hotel, motel or inn in my area 14.9%
Museums and attractions 12.8%
Bars and nightlife 9.1%
NONE OF THESE 12.6%
0% 10% 20% 30% 40% 50%
Destination Analysts