



**COVID-19**

# Virginia Tourism Corporation Industry Survey Report


Draft 1: June 2, 2020



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**I.  
Objectives  
and  
Approach**

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# Objectives and Approach

## OBJECTIVE:

- As a follow-up to a survey fielded in March/April, VTC wanted to continue to gauge partners' perceptions of the impact of the COVID-19 crisis on the tourism industry in their area and on their organization.
- The survey also assessed VTC partners' understanding, usage, sentiment, and needs regarding the national Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act").

## SURVEY METHODOLOGY:

- A 12-minute online survey was designed by SIR with input and approval from the VTC Team.
- Survey field dates: May 5-26, 2020
- Total surveys: n=500



**II.  
Executive  
Summary  
Highlights**

# Overall Disruption



96%

feel COVID-19 is  
**affecting tourism** in  
their area

Q1. Overall, how is the COVID-19 crisis  
affecting tourism in your area?  
% 4-5 Extremely disruptive



91%

feel COVID-19 is  
**affecting their  
organization**

Q2. More specifically, how is the COVID-  
19 crisis affecting your organization?  
% 4-5 Extremely disruptive



# Key Reductions



**88%**

report **loss of revenue**



**75%** have seen revenue reduced by **>50%**



**62%**

have **closed completely**



**39%** closed temporarily

**22%** unsure they'll reopen

**1%** closed permanently



**60%**

report **reduced workforce**



**37%** hope to start increasing staffing again by June

Q3. Specifically, how has the COVID-19 crisis impacted your organization to date? Select all that apply

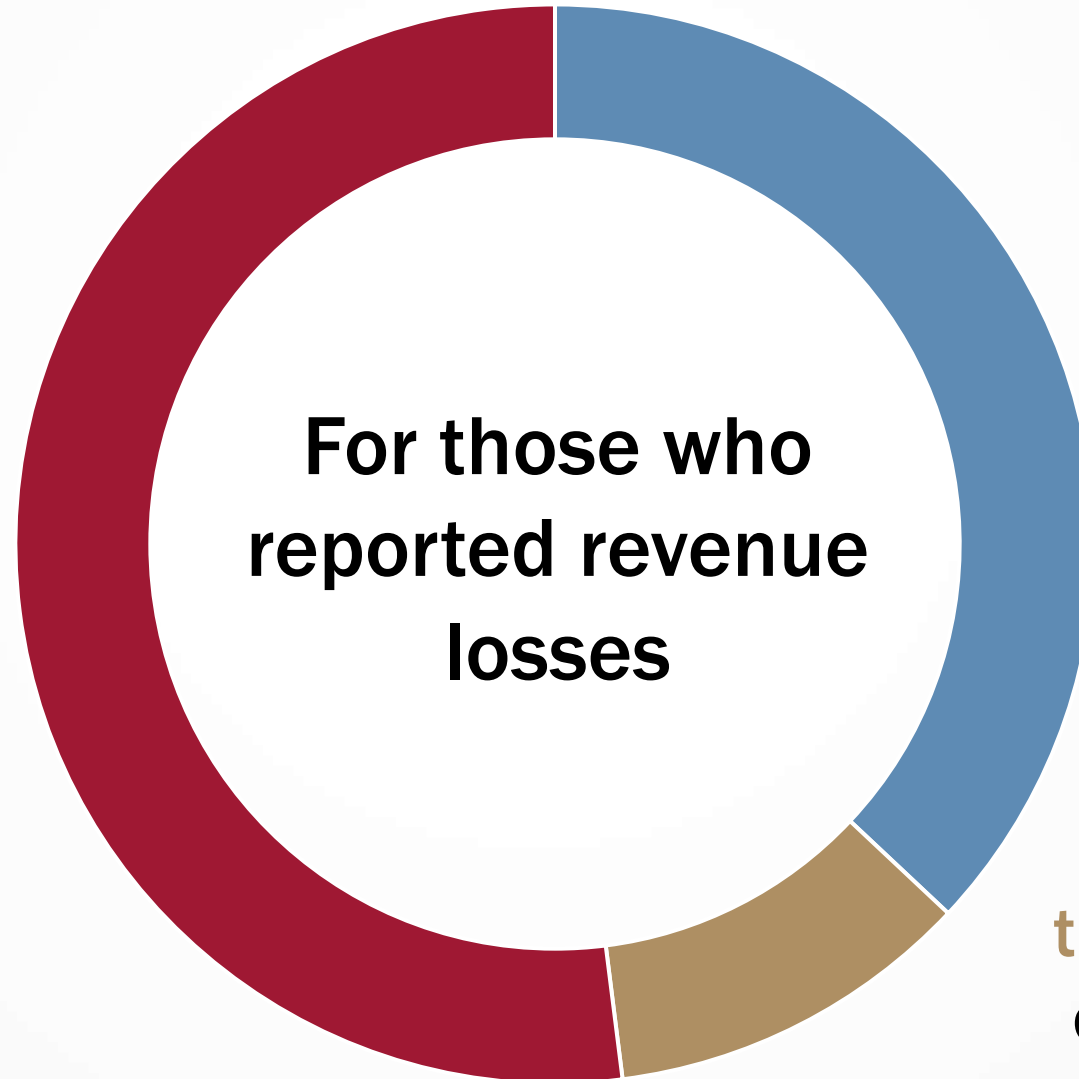
Q4. Please estimate the decline in revenue from the same period last year Q8. If you have reduced workforce in response to the COVID-19 pandemic, when do you expect to start to increase staffing?

n = 500



# Revenue Loss Breakdown

**52%**  
have **lost over three-quarters** of their revenue



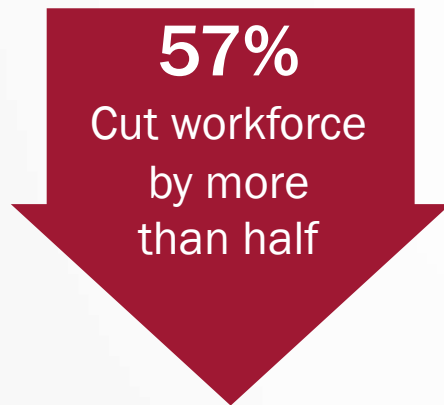
**37%**  
have **lost between one-quarter and three-quarters** of their revenue

**11%**  
Have **lost less than one-quarter** of their revenue

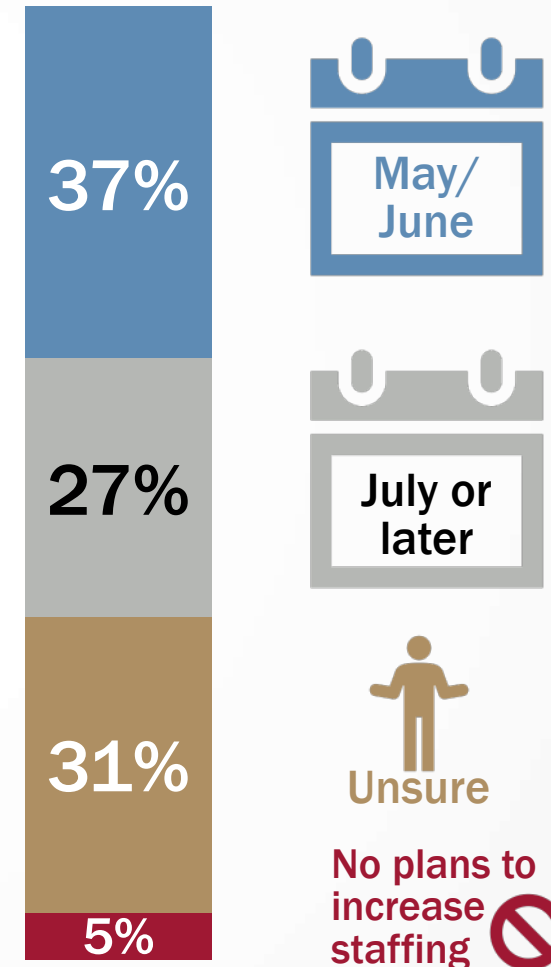
Q4. Please estimate the percentage decline in revenue from the same period last year. Note: question was asked to those who responded "reduced revenue" in Q3.



# Workforce Change Breakdown



## When do you expect to increase staff?



# Length of Impact



39%

feel they can  
remain open only 6  
months or less

Q9. If stay at home orders continue for the foreseeable future, how long can your organization remain open?



57%

Need revenue in  
the next 8 weeks  
to re-open

Q10. By when do you have to start getting customer revenue to make certain your organization can reopen?  
Note: question was asked to those who “closed completely” or “unsure” in Q3.



64%

feel their businesses  
will be affected for  
one year or more

Q13. If your business has been adversely impacted by COVID-19, how long do you believe it will take to recover to the pre-COVID-19 level of operations?  
n = 500

# Top Concerns

Loss of Revenue



93%

Long-term Economic Impact



87%

Projecting the Future



86%

Cash Flow



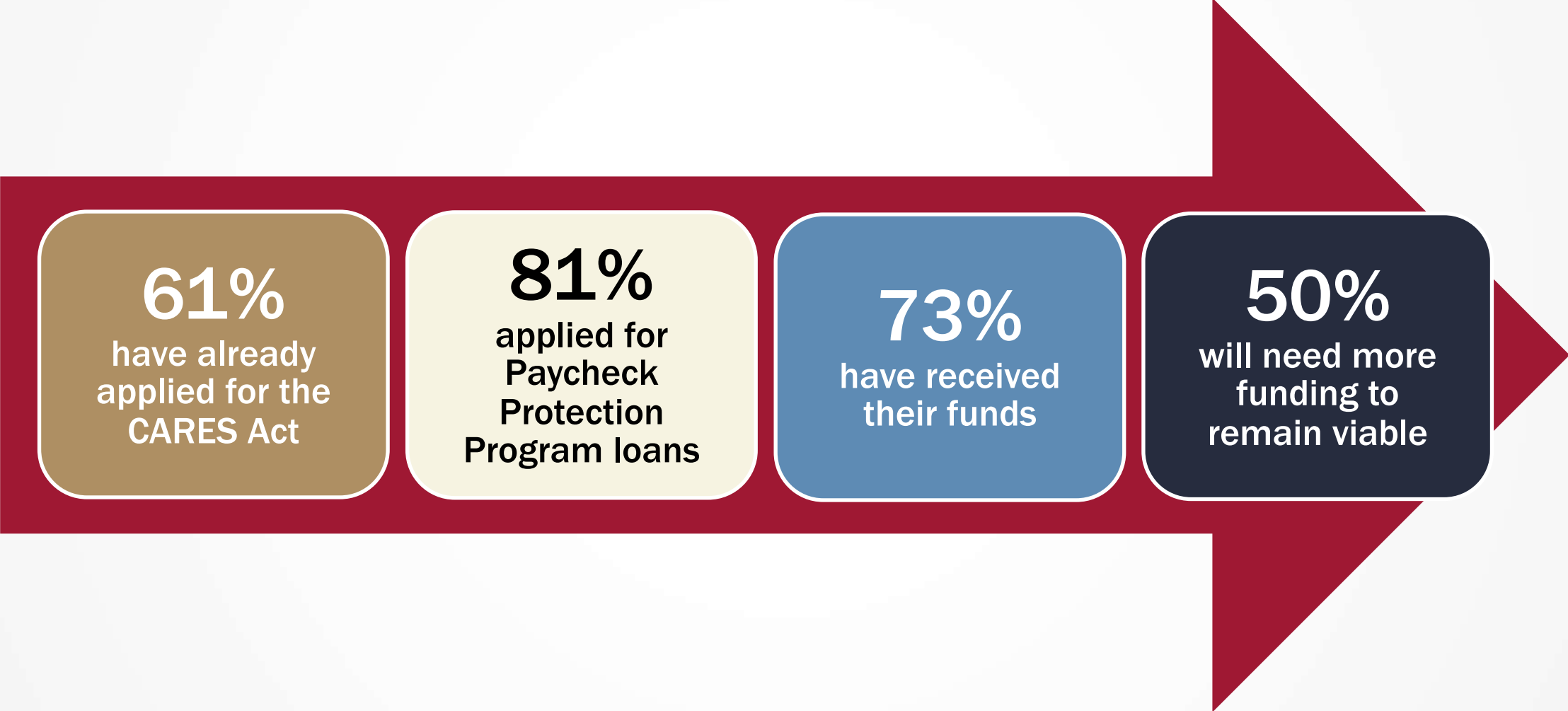
83%

Long-term Industry Impact



83%

# CARES Act Process



Q16. What best describes your business's actions related to the CARES Act?

Q17. What specific parts of the CARES Act have you already applied for? Select all that apply.

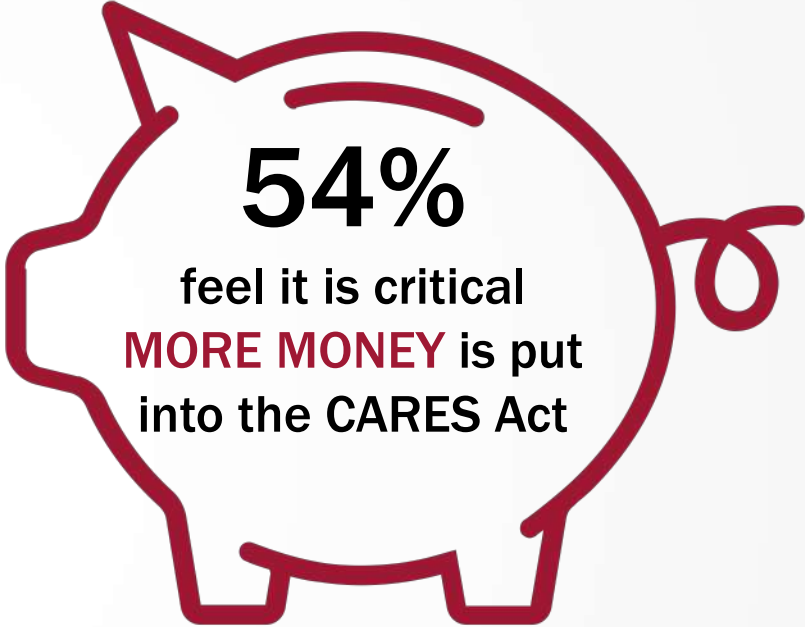
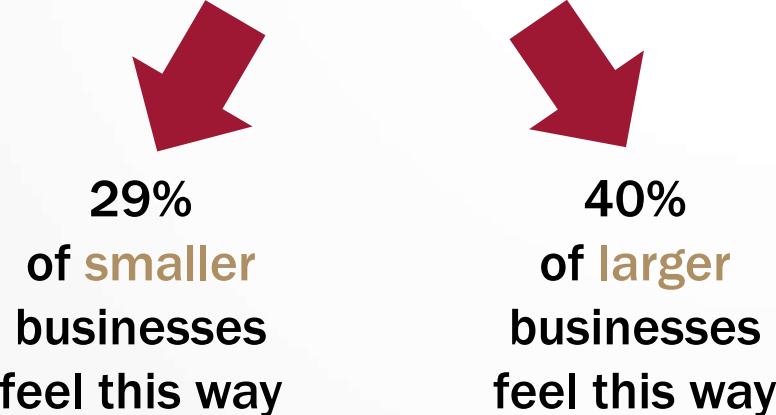
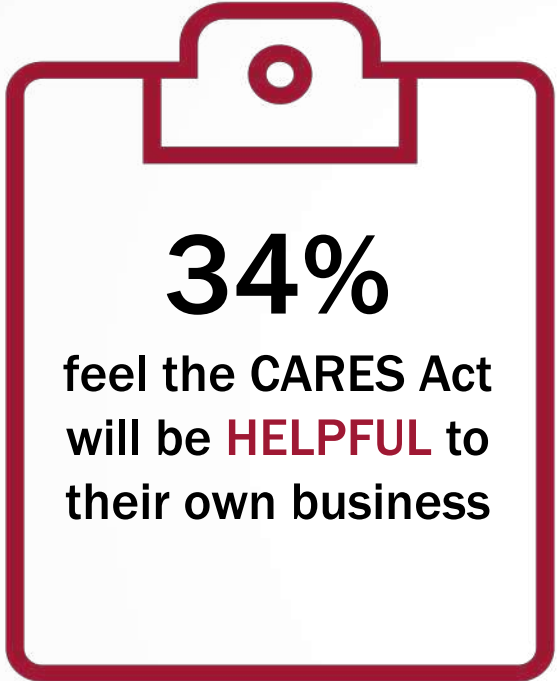
Q18. Have you received any funds to date?

Q19. Will your business need additional CARES Act programs funding to remain viable?

# CARES Act Funding

Q14. How helpful do you feel the CARES Act will be to you and your business?

Q21. How critical to your business is it that the government put more money into these CARES Act programs?



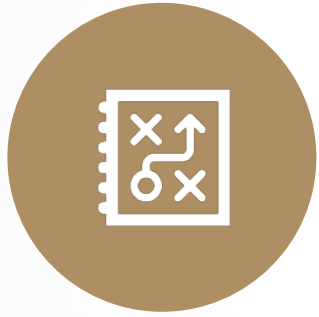
# Top Needs

Tourism  
Advocacy  
Messaging



49%

Consumer  
Messaging  
Strategy



39%

Marketing  
Content  
Ideas



33%

Economic  
Impact  
Research



32%

Business  
Assistance  
Guidance



32%



**III.  
Key  
Findings**

5

This section is  
organized around  
5 key insights.

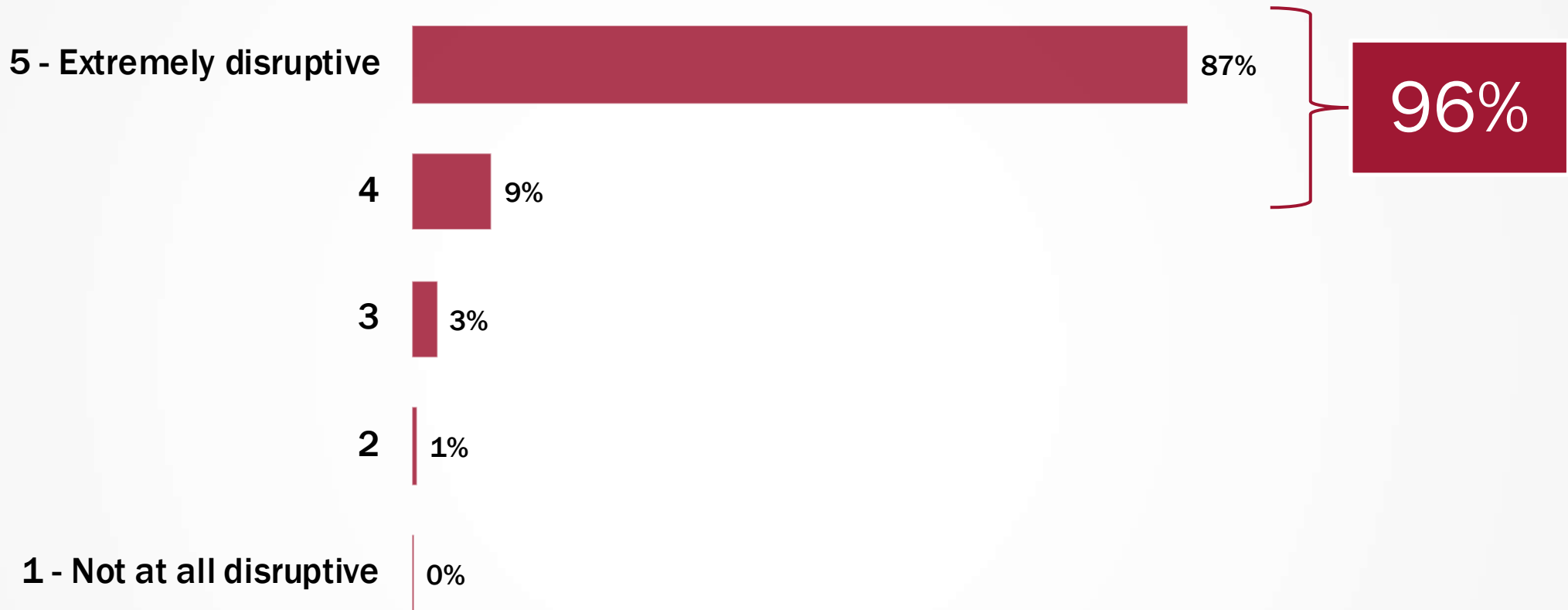


1

Nearly all businesses believe the COVID-19 crisis has been extremely disruptive to tourism and to their organizations, with many, especially restaurants and hotels, experiencing sharp declines in revenue and deep cuts to their workforce.

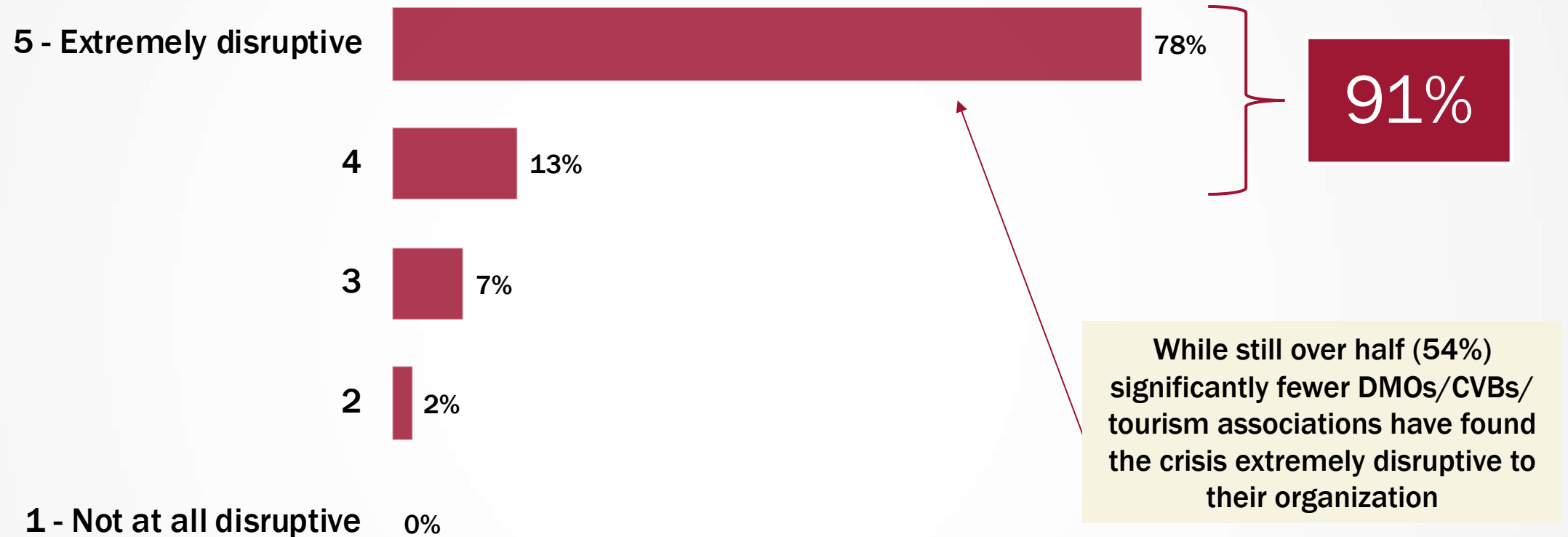
## COVID-19 IMPACT

Nearly all feel the COVID-19 crisis has been disruptive to tourism in their area



## COVID-19 IMPACT

Nine in 10 feel the COVID-19 crisis has been disruptive to their organization



# COVID-19 IMPACT

Nine in ten have experienced decreased revenue, while three in five have had to reduce their workforce



More Urban businesses (64%) have reduced workforce than Rural businesses (55%)

## COVID-19 IMPACT

More large businesses have reduced workforce and changed business models, while more young businesses have experienced supply chain disruptions

IMPACT	BUSINESS SIZE (# employees)		BUSINESS AGE (# years)	
	1-10	11+	<6	6+
Decreased revenue	86%	91%	90%	88%
Reduced workforce (include full-time and hourly)	51%	72%*	56%	60%
Caused us to reduce hours of operation	39%	51%*	51%	43%
Caused us to change our business model	32%	50%*	47%	38%
Disrupted supply chain	29%	45%*	48%*	33%
Caused us to close completely but only temporarily	40%	38%	33%	41%
Decreased expenses	20%	29%*	20%	24%
Increased expenses	15%	22%*	28%*	16%
Caused us to close but unsure if/when we will reopen	24%	20%	26%	21%
Increased workforce (include full-time and hourly)	1%	2%	1%	1%
Increased revenue	1%	0%	1%	1%
Caused us to close permanently	1%	0%	0%	1%

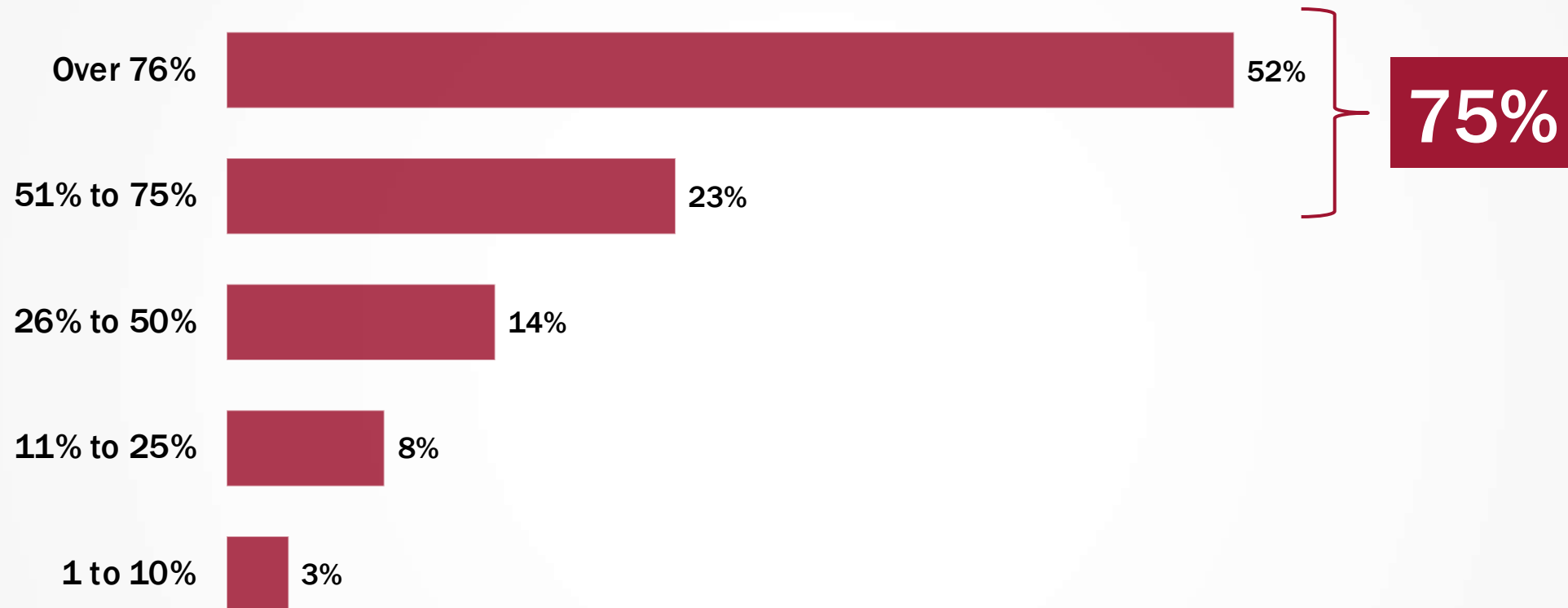
## COVID-19 IMPACT

Lodging and food & beverage establishments have more revenue and workforce declines, in addition, food & beverage and retail also have reduced hours and changed business models

IMPACT	Type of Organization				
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44
Decreased revenue	93%*	94%*	78%	88%*	91%
Reduced workforce (include full-time and hourly)	74%*	77%*	48%	55%	57%
Caused us to reduce hours of operation	29%	83%*	33%	40%	55%*
Caused us to change our business model	37%	80%*	29%	27%	45%*
Caused us to close completely but only temporarily	33%	25%	36%	59%*	32%
Disrupted supply chain	48%*	52%*	22%	29%	39%*
Decreased expenses	23%	23%	32%*	19%	20%
Caused us to close but unsure if/when we will reopen	20%	17%	14%	31%*	20%
Increased expenses	20%*	25%*	9%	19%*	18%
Increased workforce (include full-time and hourly)	1%	3%	0%	2%	0%
Increased revenue	0%	1%	1%	0%	0%
Caused us to close permanently	0%	1%	2%	0%	0%

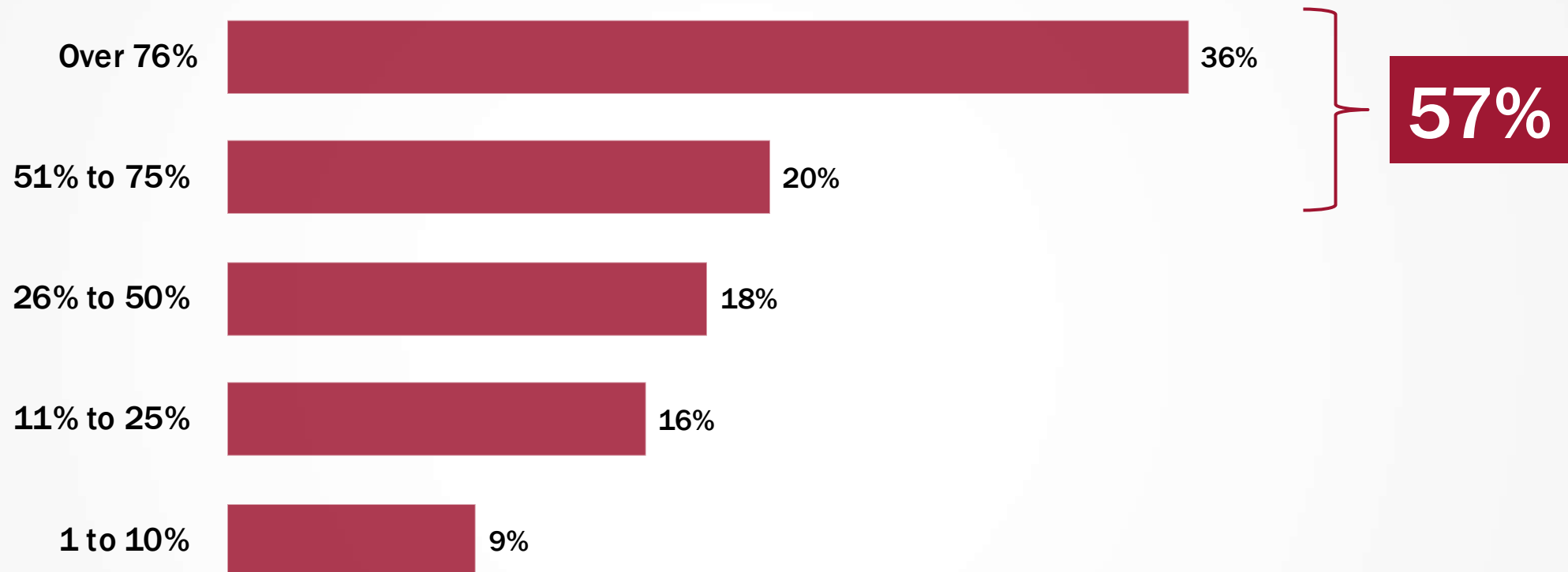
## COVID-19 IMPACT

Three quarters have seen their revenue reduced by more than 50%, with more than half seeing a reduction of over 76%



## COVID-19 IMPACT

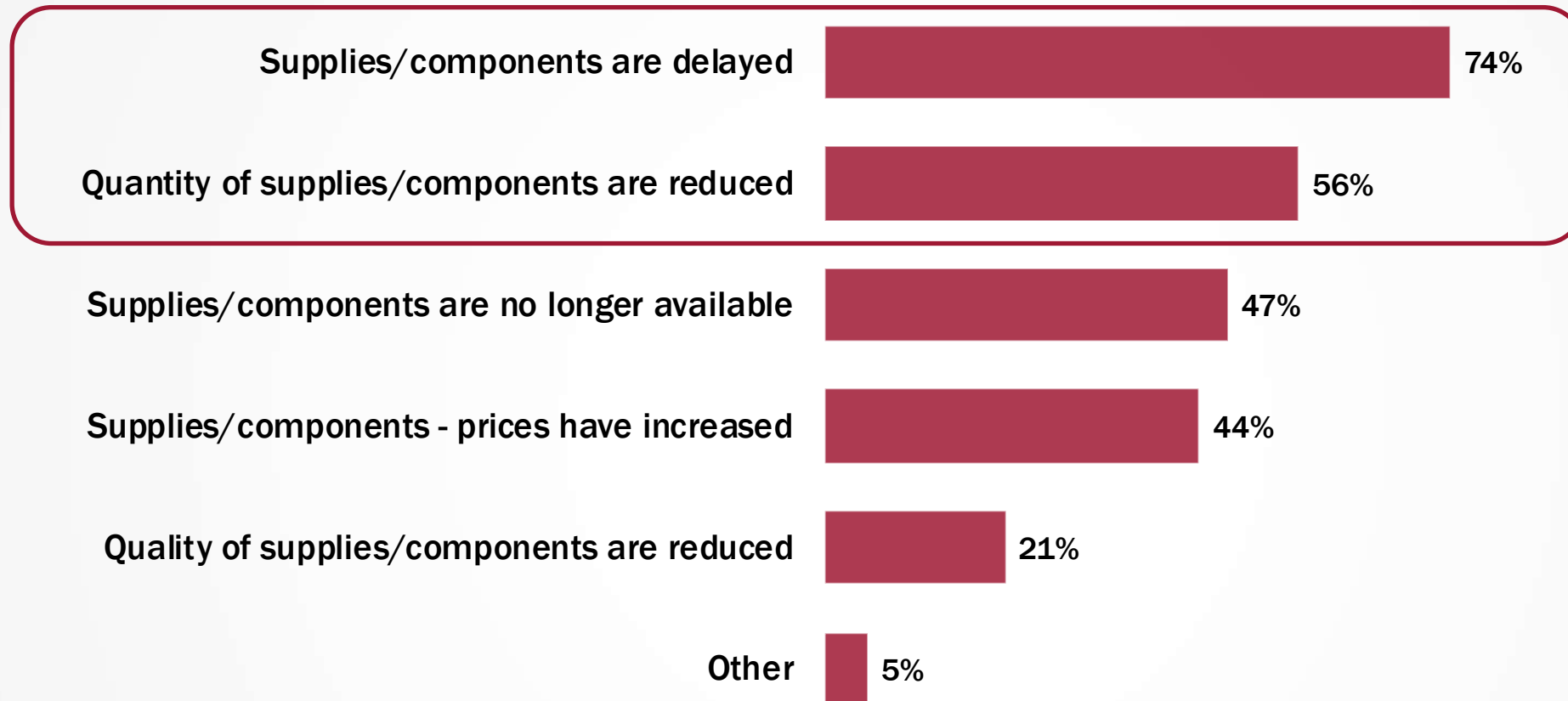
Over half have had to reduce their workforce by more than than 50%





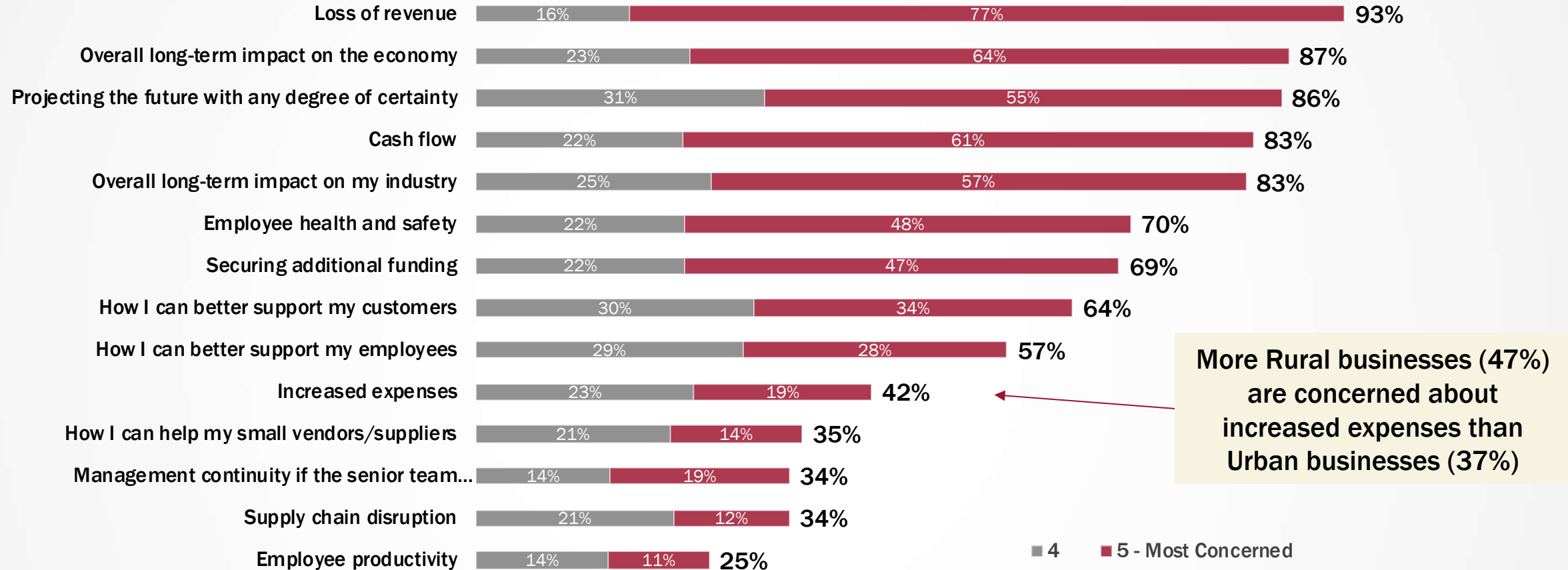
## COVID-19 IMPACT

### Delayed and reduced quantity of supplies and components are the biggest supply chain disruptions



# COVID-19 IMPACT

Businesses are most concerned about revenue loss, long-term impact on the economy & industry, projecting the future and cash flow



Q7. What business-related issue are you most concerned with right now? Please use a 1-5 scale where “1” means “least concerned” and “5” means “most concerned.”



## COVID-19 IMPACT

Large businesses are more concerned about revenue loss and employee health & safety, while young businesses are more worried about cash flow

IMPACT	BUSINESS SIZE (# employees)		BUSINESS AGE (# years)	
	1-10	11+	<6	6+
Loss of revenue	91%	96%*	92%	93%
Overall long-term impact on the economy	88%	86%	93%	86%
Projecting the future with any degree of certainty	88%	85%	85%	87%
Cash flow	83%	84%	92%*	82%
Overall long-term impact on my industry	82%	84%	83%	83%
Employee health and safety	63%	80%*	69%	71%
Securing additional funding	69%	69%	69%	69%
How I can better support my customers	65%	62%	62%	64%
How I can better support my employees	46%	72%*	50%	58%
Increased expenses	42%	43%	57%*	39%
How I can help my small vendors/suppliers	35%	36%	35%	35%
Supply chain disruption	30%	39%*	42%	32%
Management continuity if the senior team becomes ill	36%	30%	44%*	31%
Employee productivity	20%	32%*	24%	25%

## COVID-19 IMPACT

Lodging and food & beverage establishments are concerned with a wide range of issues, while DMOs & tourism associations are more concerned with supporting customers

TIMING	Type of Organization				
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44
Loss of revenue	98%*	96%	87%	94%	93%
Overall long-term impact on the economy	90%	91%	88%	82%	89%
Projecting the future with any degree of certainty	87%	87%	84%	88%	86%
Cash flow	90%*	88%*	68%	82%*	93%*
Overall long-term impact on my industry	87%	86%	81%	82%	80%
Employee health and safety	71%	80%*	67%	72%	68%
Securing additional funding	66%	58%	72%	80%*	61%
How I can better support my customers	62%	58%	77%*	56%	68%
How I can better support my employees	63%	65%	51%	55%	48%
Increased expenses	53%*	58%*	34%	40%	43%
How I can help my small vendors/suppliers	36%*	32%	50%*	20%	41%*
Supply chain disruption	47%*	45%*	26%	27%	32%
Management continuity if the senior team becomes ill	40%*	41%*	24%	28%	39%
Employee productivity	33%*	25%	26%	26%	16%

Q7. What business-related issue are you most concerned with right now? Please use a 1-5 scale where “1” means “least concerned” and “5” means “most concerned.”

\* Significantly larger than comparison @ 95% confidence

n = 500



# 1

## IMPLICATION

**The unprecedented revenue declines and workforce reductions are creating profound levels of concern among business owners and are resulting in an economic impact that will be felt in the travel and tourism industry for the foreseeable future.**

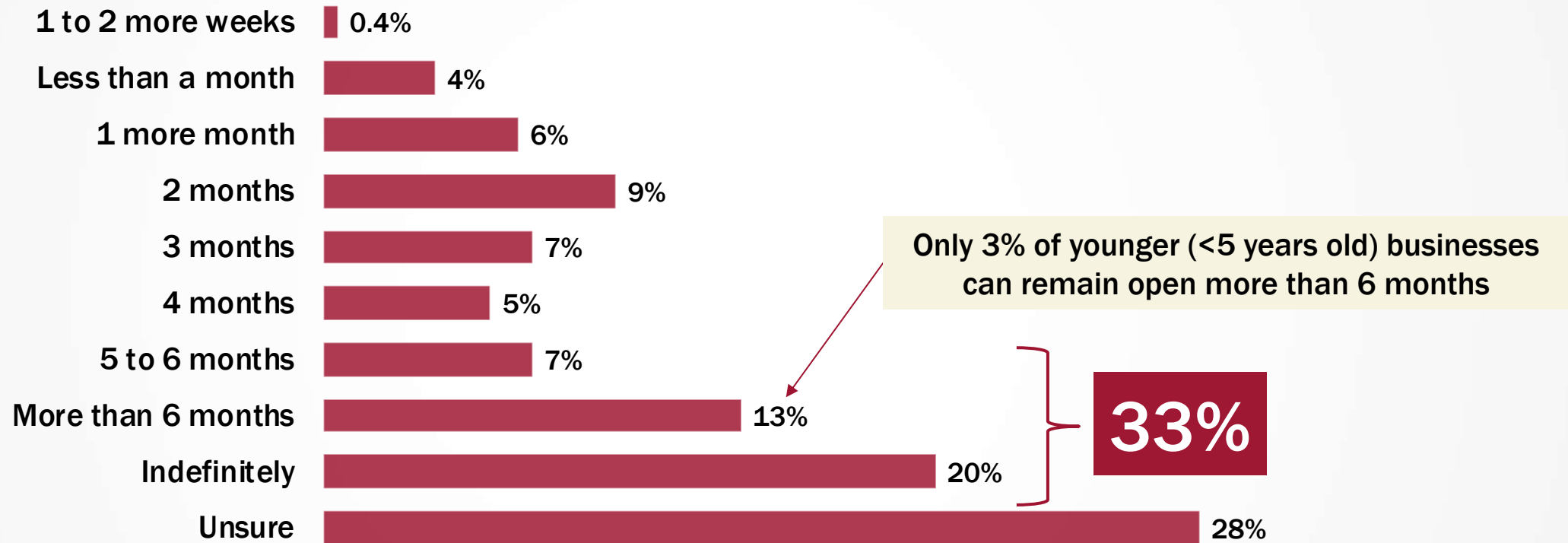
2

While many are unsure how long the impact will last, and few are confident they'll ever return to pre-COVID levels, most need revenue very soon to cover fixed costs. Lodging and food & beverage categories are in particularly dire straits, but many plan to re-staff soon.

## IMPACT LONGEVITY

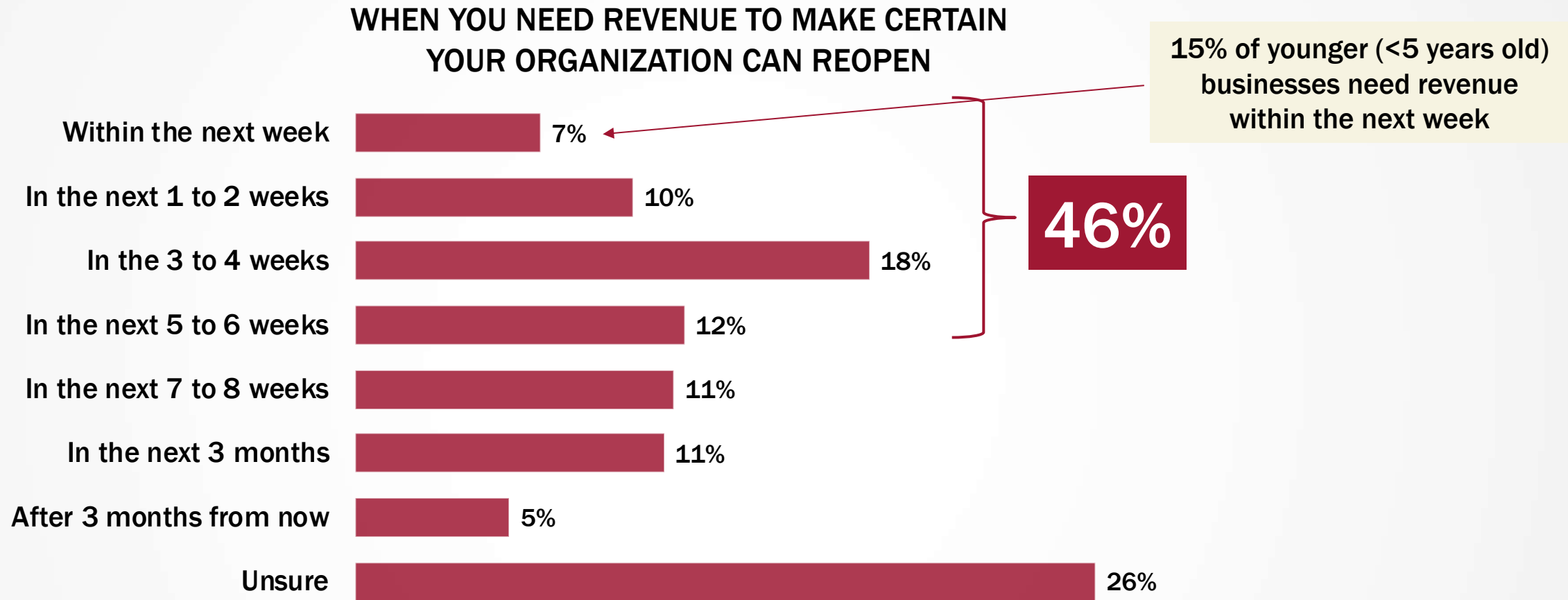
Only a third of businesses currently open feel they can remain open for six or more months if stay-at-home orders continue

### HOW LONG ORGANIZATION CAN REMAIN OPEN



## IMPACT LONGEVITY

Nearly half of closed businesses need revenue within the next six weeks or less to make certain they can reopen





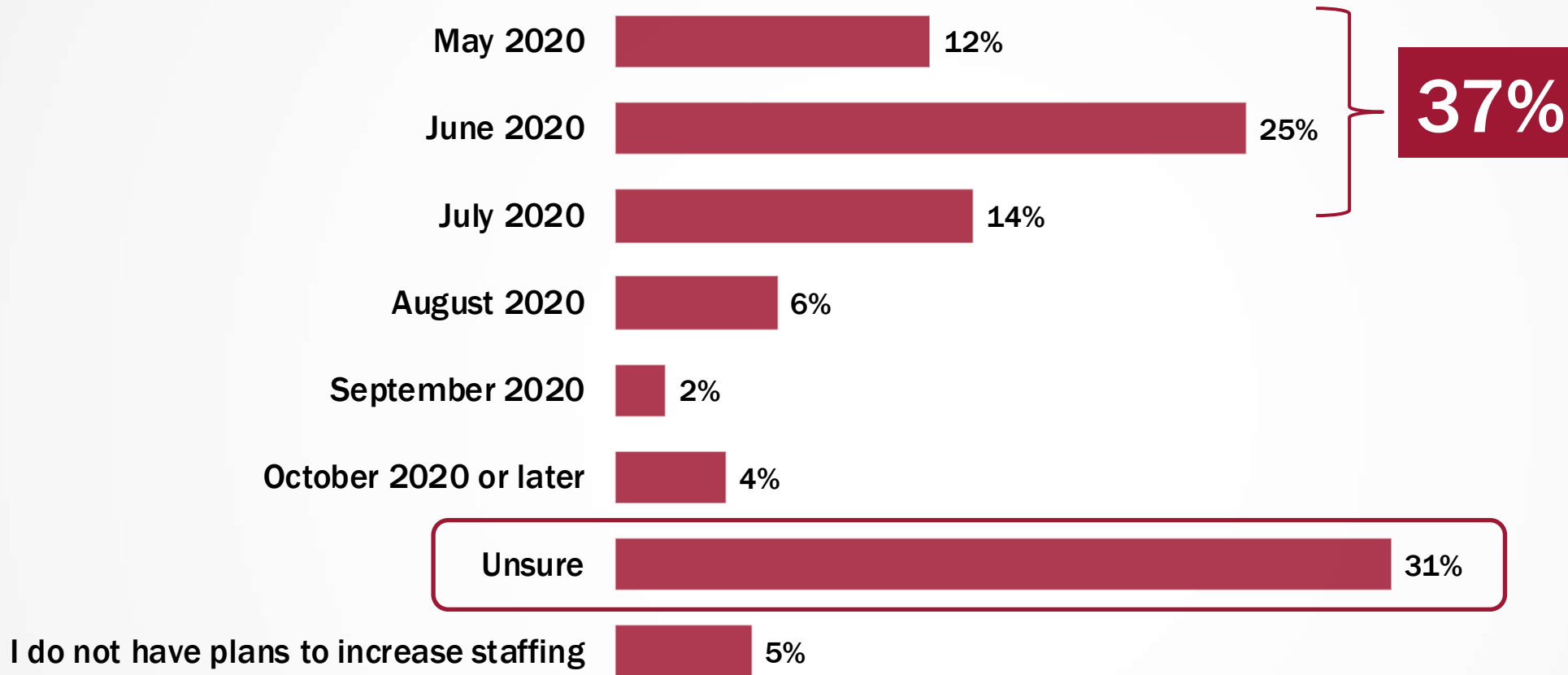
## IMPACT LONGEVITY

Organizations across categories say they need revenue soon to be able to reopen, while DMOs & tourism associations are unsure

TIMING	TYPE OF ORGANIZATION					LOCATION	
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44	Rural n=249	Urban n=250
Within the next week	12%*	20%*	6%	2%	10%	9%*	3%
In the next 1 to 2 weeks	7%	24%*	2%	12%*	15%*	12%*	7%
In the 3 to 4 weeks	26%	12%	11%	16%	15%	21%*	15%
In the next 5 to 6 weeks	12%	16%	4%	15%	0%	7%	17%*
In the next 7 to 8 weeks	14%	4%	13%	12%	10%	9%	13%
In the next 3 months	5%	4%	13%	16%	15%	8%	14%*
After 3 months from now	0%	0%	4%	9%*	0%	4%	7%
Unsure	24%	20%	47%*	17%	35%	29%	23%

## IMPACT LONGEVITY

While over a third of businesses with reduced workforce hope to increase staffing by June, nearly another third are unsure



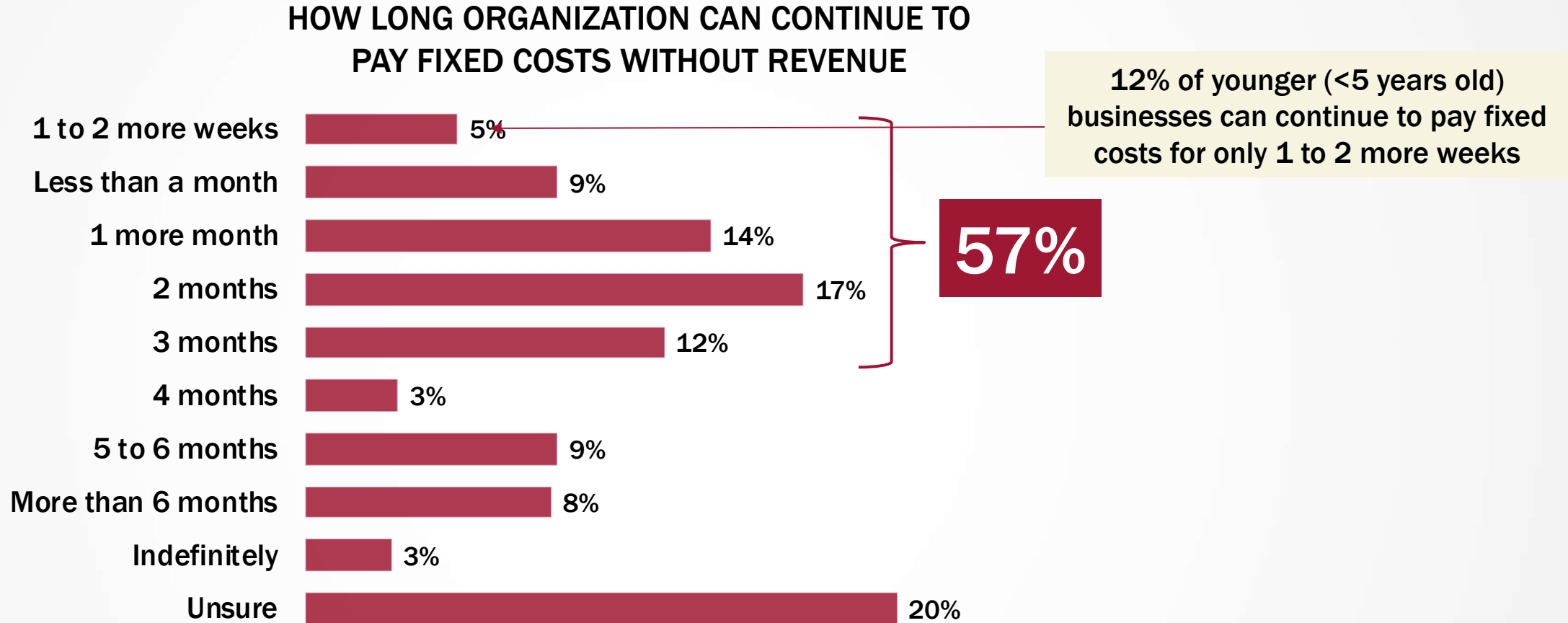
## IMPACT LONGEVITY

Food & beverage establishments plan to re-staff the soonest, followed by lodging and attractions

TIMING	TYPE OF ORGANIZATION				
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44
May 2020	9%	23%*	11%	6%	16%
June 2020	28%*	36%*	9%	29%*	20%
July 2020	19%*	8%	21%*	15%	16%
August 2020	12%*	2%	6%	7%	8%
September 2020	0%	0%	2%	3%	4%
October 2020 or later	4%	4%	6%	4%	0%
Unsure	24%	25%	36%	31%	32%
I do not have plans to increase staffing	3%	4%	9%	4%	4%

# IMPACT LONGEVITY

## Over half can pay fixed costs for only three months or less without revenue



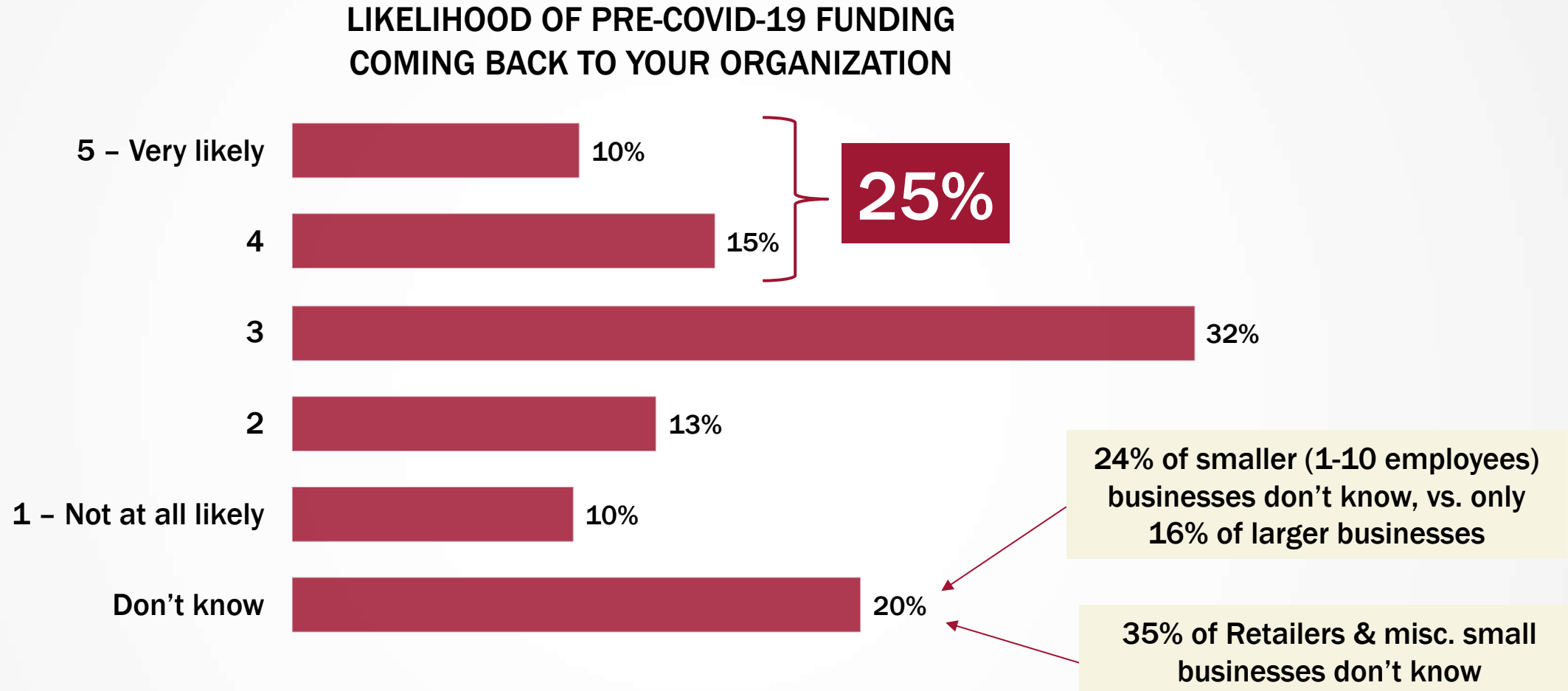
## IMPACT LONGEVITY

Many lodging and food & beverage establishments can only cover their fixed costs without revenue for a month or less, while many DMOs & tourism associations are unsure

TIMING	TYPE OF ORGANIZATION				
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44
Less than a month	8%	14%*	3%	10%	13%*
1 more month	20%*	15%*	5%	13%	10%
2 months	14%	20%	13%	18%	18%
3 months	7%	12%	12%	17%*	15%
4 months	2%	2%	5%	6%	3%
5 to 6 months	5%	9%	12%	6%	8%
More than 6 months	8%	3%	14%*	10%	3%
Indefinitely	4%	3%	4%	2%	3%
Unsure	24%*	9%	29%*	17%	20%

## IMPACT LONGEVITY

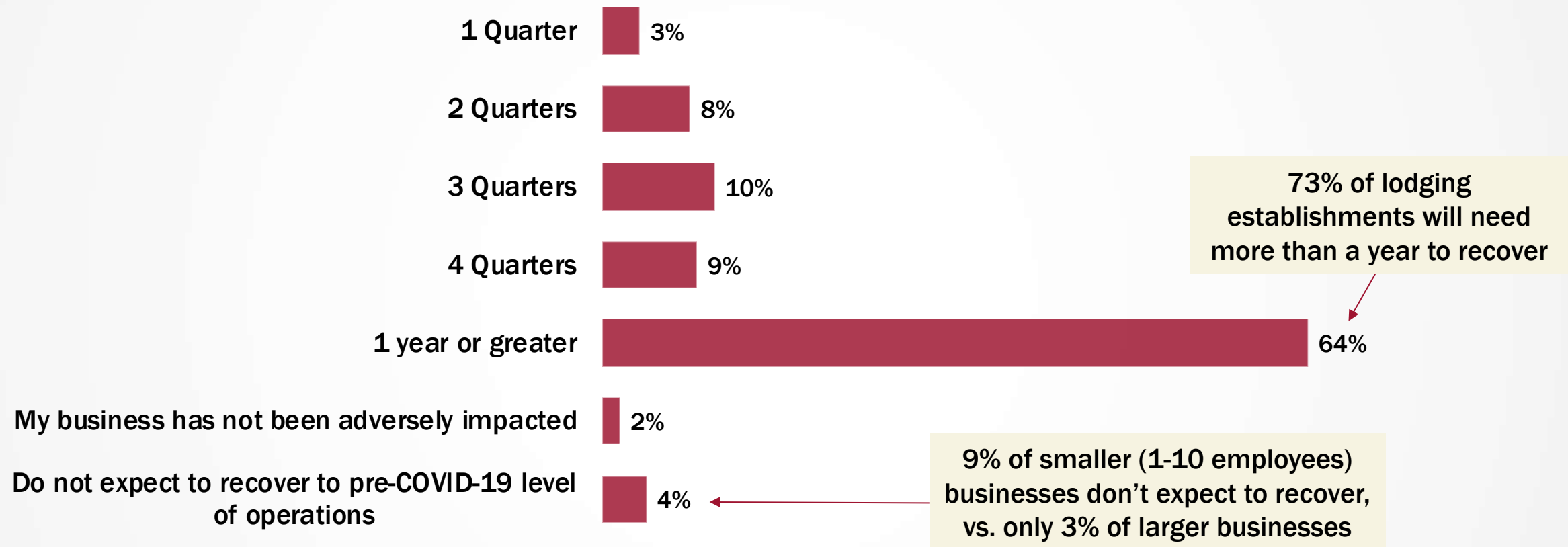
Only a quarter are confident they'll return to pre-COVID-19 funding levels, while half are unsure



## IMPACT LONGEVITY

Nearly two-thirds of businesses feel they need one year or more to recover post-COVID-19

### TIME NEEDED TO RECOVER POST-COVID-19



# 2

## IMPLICATION

**Although there are high levels of uncertainty across the board regarding the longevity of COVID-19 impacts in the industry – particularly when it comes to both if and when some will reopen – the recovery period for lodging and food & beverage establishments looks to be an especially long haul.**

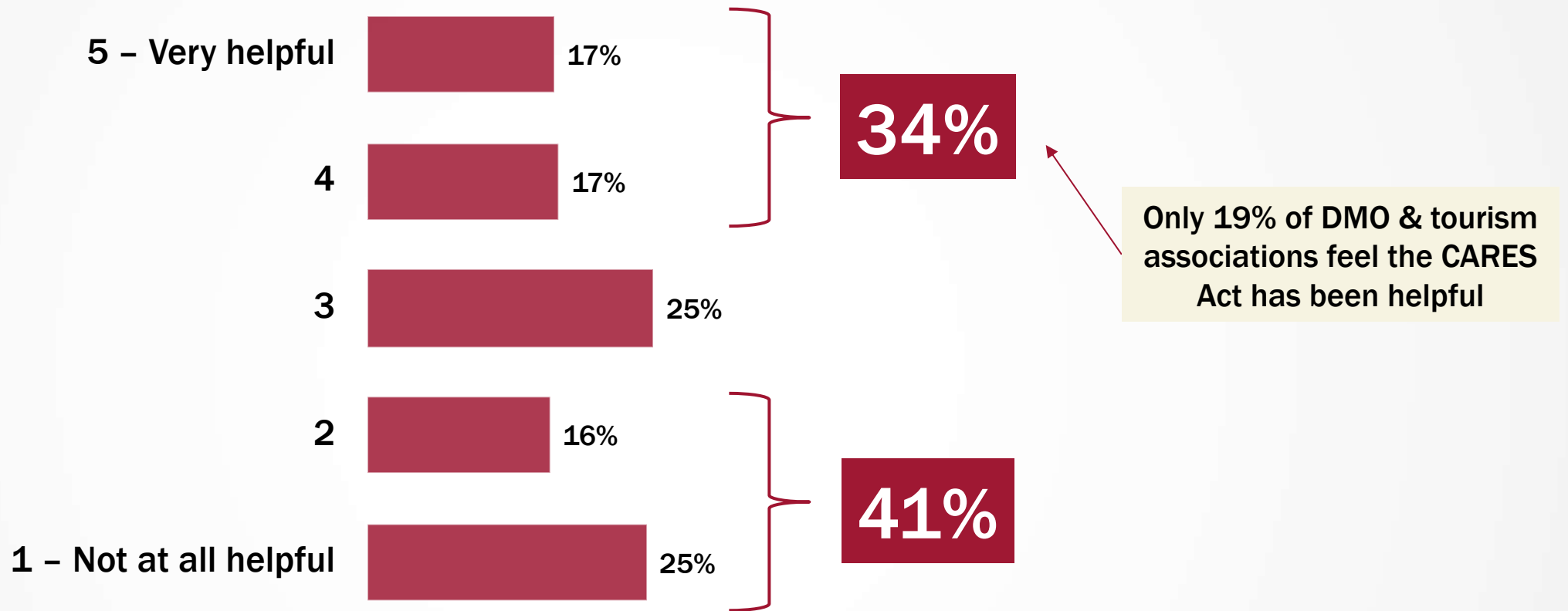


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Views of the CARES Act are mixed, with slightly more feeling it was unhelpful than helpful. While many have applied for the Paycheck Protection Program, some still want to better understand future funding and loan forgiveness requirements.

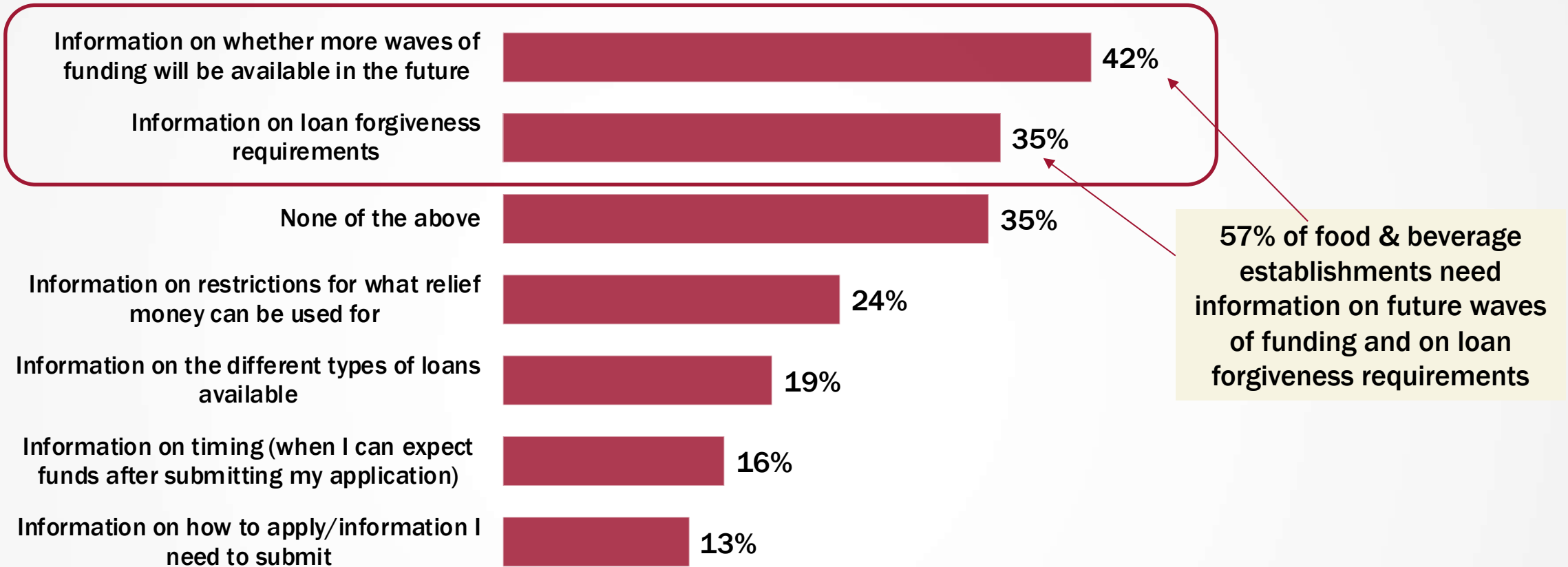
# CARES ACT

More businesses feel the CARES Act is unhelpful than feel it is helpful



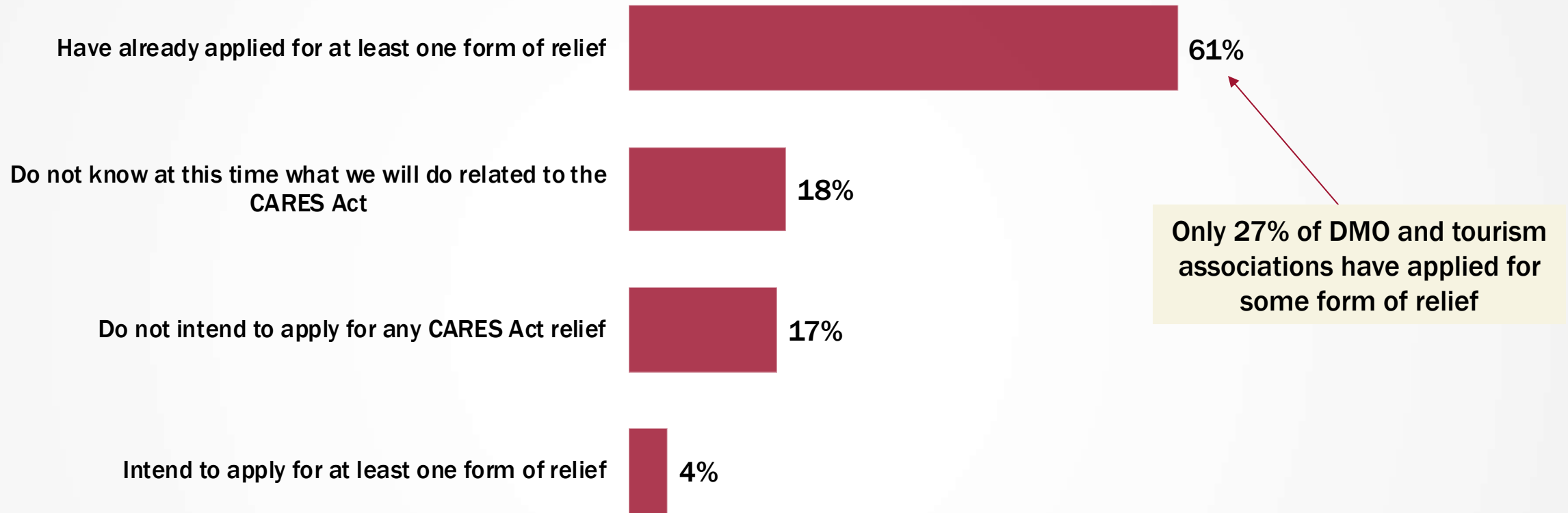
## CARES ACT

Two in five want to know more about future funding and loan forgiveness requirements, while a third say they don't need additional information



## CARES ACT

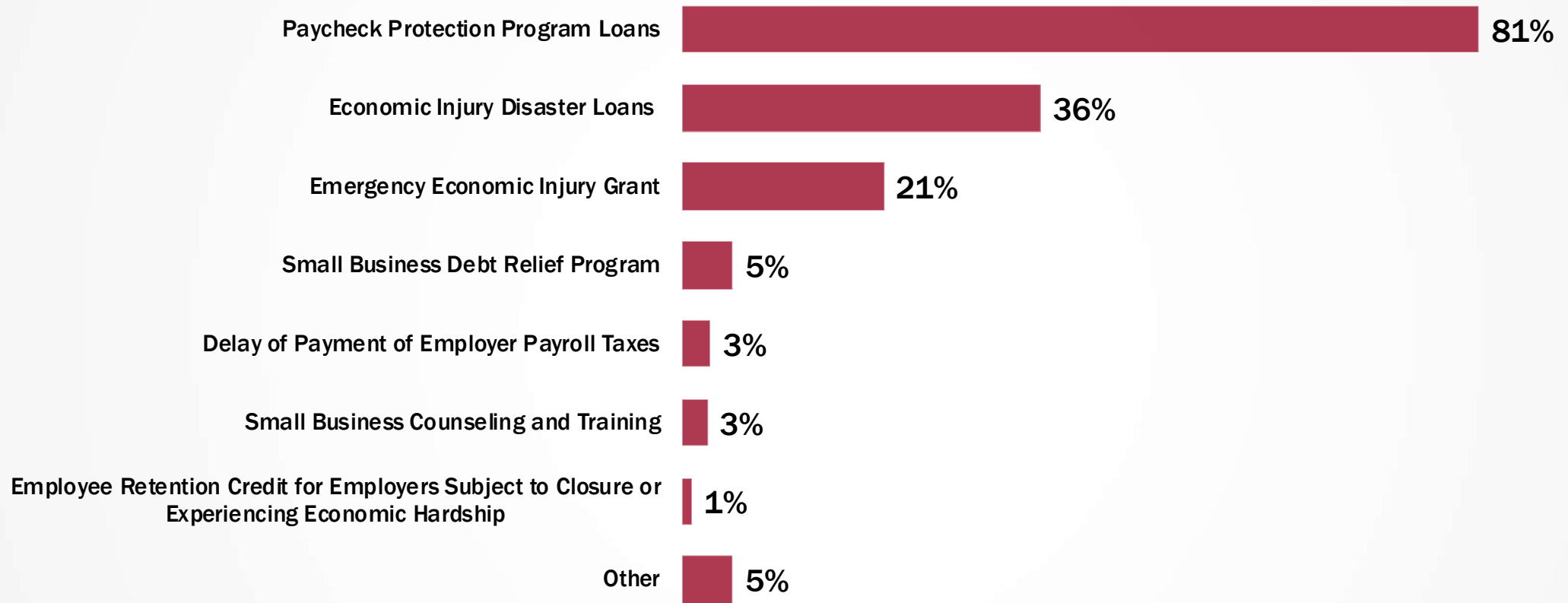
Three in five have already applied for some form of CARES Act relief, while nearly one in five are unsure what they'll do



## CARES ACT

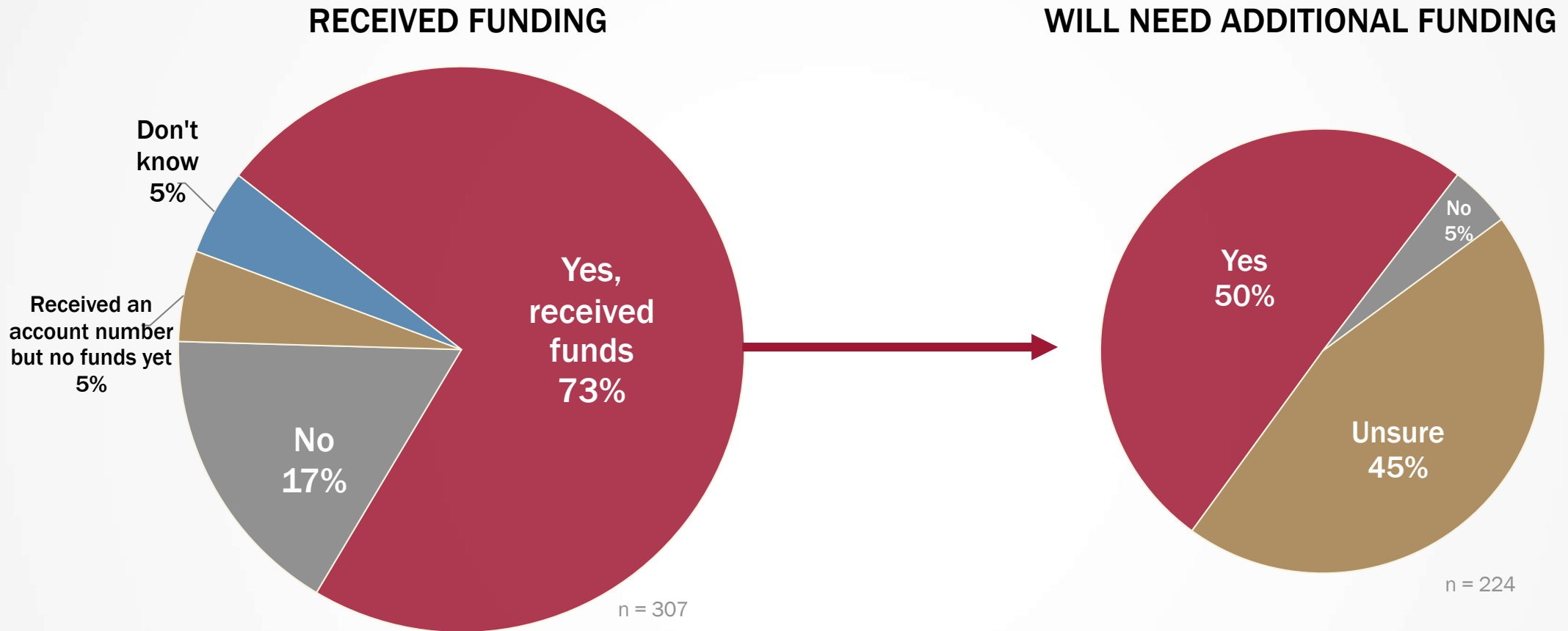
For businesses who have already applied for CARES Act relief, four in five have applied for a Paycheck Protection Program loan

### ALREADY APPLIED (n=307)



## CARES ACT

Nearly three quarters who have applied for CARES Act support have already received their funds, and half of those feel they'll need additional funding in the future



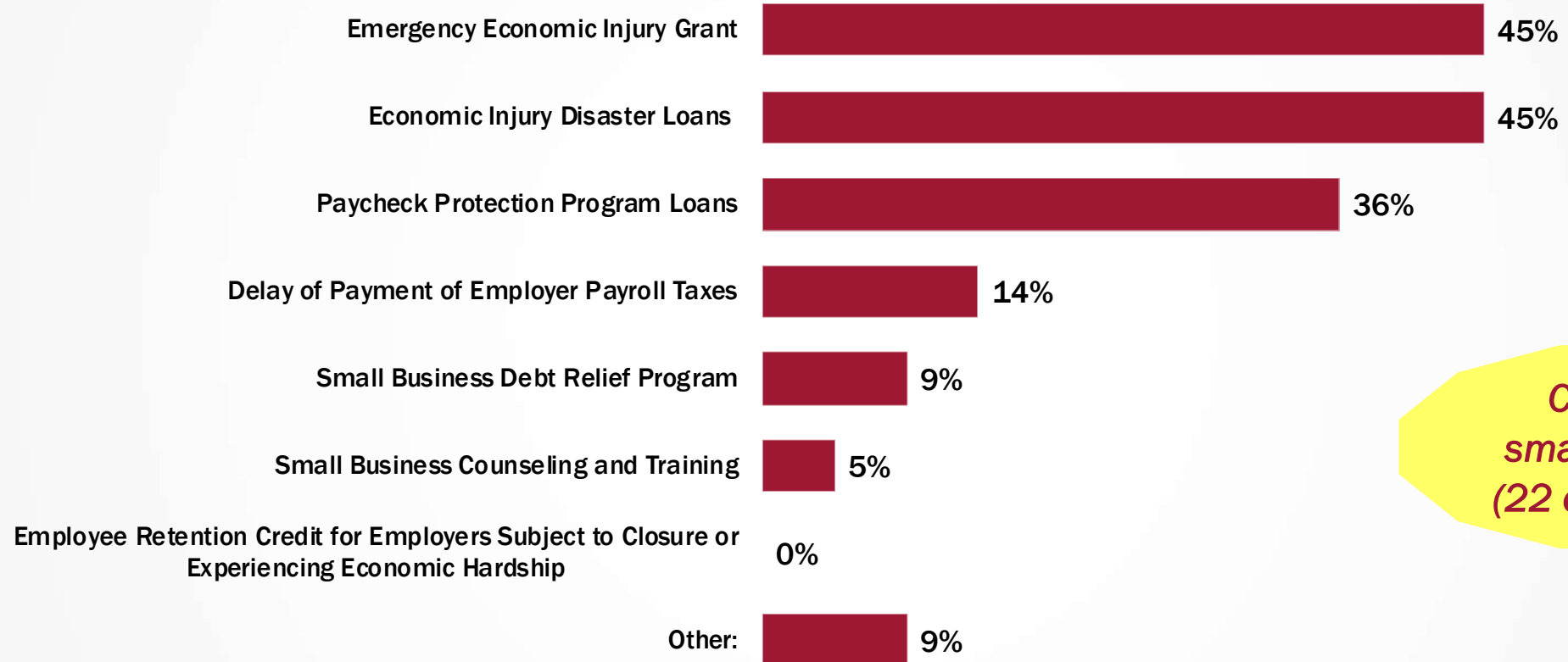
Q18. Have you received any funds to date? Asked of those who have already applied for at least one form of relief from the CARES Act

Q19. Will your business need additional CARES Act programs funding to remain viable? Asked of those who have applied and receive funds from the CARES Act

# CARES ACT

## For businesses who plan to apply for CARES Act relief, most are considering an Economic Injury Grant or Disaster Loan

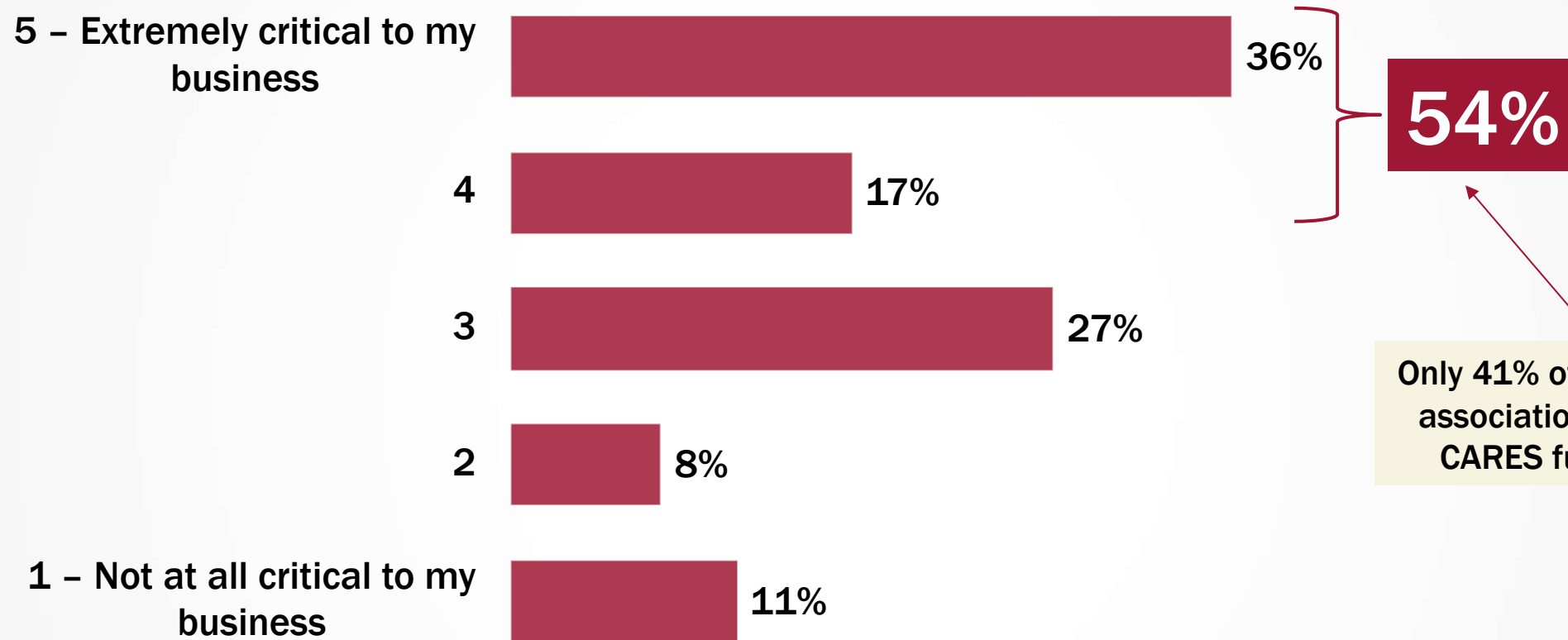
PLAN TO APPLY (n= 22)



**Caution:**  
small sample  
(22 out of 500)

# CARES ACT

Over half feel it's critical the government puts more money into the CARES Act program



Only 41% of DMO and tourism associations feel additional CARES funding is critical



## CARES ACT

Businesses who've already applied find the CARES Act more helpful, need more information on loan forgiveness, and believe more funding is needed

QUESTION	What best describes your business's actions related to the CARES Act?			
	Already Applied	Intend to apply	Do not intend to apply	Do not know at this time
How helpful do you feel the CARES Act will be to you and your business? (% rating 4-5 Very Helpful)	46%*	27%	10%	16%
Need information on loan forgiveness requirements	46%*	23%	5%	31%
Need information on how to apply/information I need to submit	10%	50%*	2%	26%
How important is it that the government put more money into these CARES Act programs? (% extremely critical)	66%*	59%*	18%	42%

## CARES ACT

Smaller, younger businesses feel the CARES Act is less helpful, while larger businesses feel it's more important for the CARES Act to get more funding

QUESTION	BUSINESS SIZE (# employees)		BUSINESS AGE (# years)	
	1-10	11+	5 or less	6+
How helpful do you feel the CARES Act will be to you and your business? (% rating 2 or 1- <u>Not at all helpful</u> )	47%*	32%	55%*	38%
Need information on timing (when I can expect funds after submitting my application)	20%*	11%	23%*	15%
Need information on how to apply/information I need to submit	18%*	8%	13%	14%
How important is it that the government put more money into these CARES Act programs? (% extremely critical)	49%	60%*	54%	54%

\* Significantly larger than comparison @ 95% confidence

n = 500



# 3

## IMPLICATION

**The CARES Act doesn't seem to be meeting the needs of many in the travel and tourism industry as well as it could. Additional education, particularly about loan forgiveness requirements, could be helpful, as well as additional opportunities for funding support, especially among smaller businesses.**

4

Many are using this time to consider changes to their business, while others, especially larger businesses, are focusing on safety protocols. Food & beverage establishments in particular are prioritizing social distancing and placing less priority on marketing in the near term.

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## RETURN TO WORK

# Many are using this time to think about broad changes to their business and operations

- We are evaluating all areas of our operation to ensure the safety of our guests and employees while adapting to what we think the post-pandemic luxury travel experience will have to look and feel like to exceed the expectations of our guests.
- This crisis has expedited some needed changes in our operation. Looking ahead and planning now for 2021.
- Best practices to increase online sales. Looking at home delivery model. More social media communications about winery and wines.
- As a Chamber of Commerce and DMO, we have had to shift our member services and rethink our tourism marketing strategy. Instead of looking to grow, we are trying to help our members and tourism assets survive until the 2021 season.
- We're trying to shift more programming to online and monetize that.
- Yes though planning for something that is unpredictable is hard. You almost need more than one plan. Planning for going well and plan for if virus comes back in fall and winter.
- We are intensively studying which skills and expertise we need on our team to be able to survive in the new reality. We will likely need to reorganize our staff and change job descriptions.
- Have NO IDEA how to plan a pro forma as dine in business was 95% of our revenue pre-COVID. We are embracing to go food and plan to stick with it. Starting from scratch with everything but our 13-year-old brand.
- We are trying to adapt to the new restrictions. We know this will be more long term than they are predicting, so planning for the future and what that means, while a guessing game is vital. Am constantly thinking of new ways to make things work.

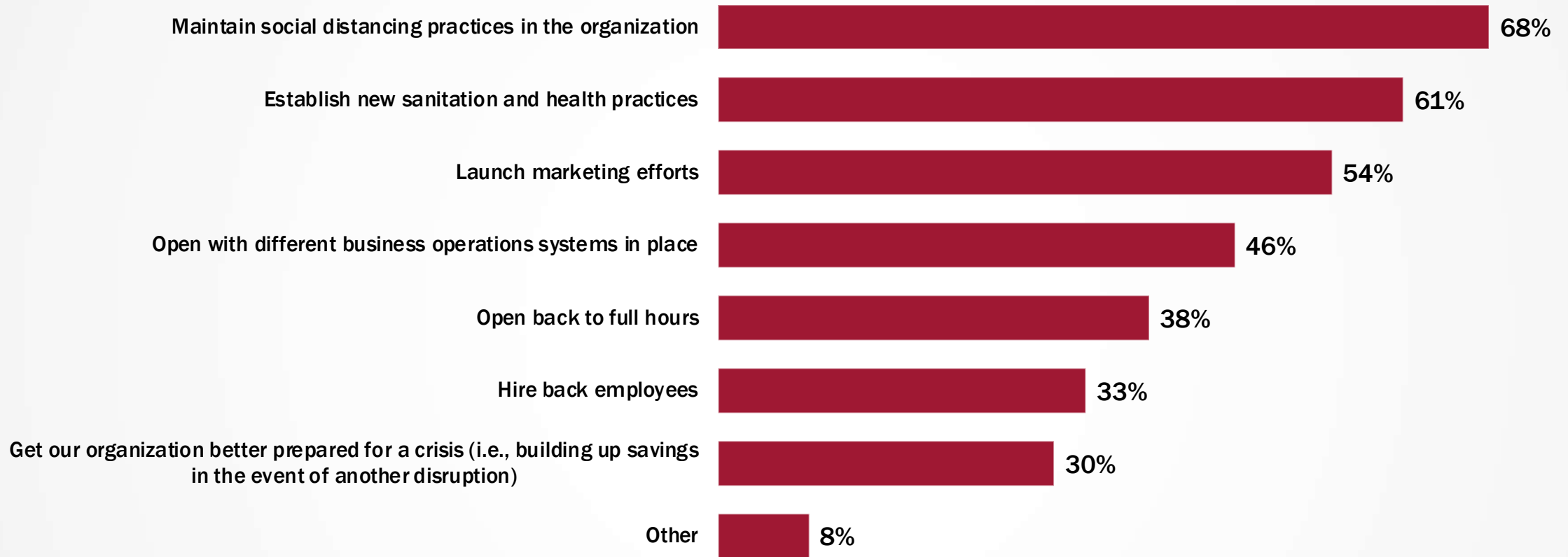
## RETURN TO WORK

### Others are simply focusing on safety protocols

- We are preparing updates to house rules to include safety/sanitation protocols for guests ...
- We have deep cleaned our shop and setting up one-way traffic and 6ft distancing signs. We have added customer-staff shields and will enforce max customers at a time according to CDC guidance.
- Yes, we are analyzing all aspects especially employee protection measures, crowd control, and implementing social distancing measures.
- Working on new reopening guidelines to keep staff, volunteers, and visitors safe and healthy.
- We are looking at CDC guidelines to ensure the safety of guests and workers.
- We are using this time to determine how to make portions of our business touchless or reduce the human-to-human interactions by using technology-based programs and items. Parts of our business will restrict this while others could benefit in the long-term, well after COVID-19.
- Implementing additional safety protocols from staff masks, social distancing signage to hands free sanitizer stations. Changing space to less self-service and more staff assistance to reduce touch points.
- Changes to cleaning protocols to make customers feel safe. Increased staff to ensure social distancing at opening. Increased expenses to continued operating.

## RETURN TO WORK

Two thirds prioritize maintaining social distancing, three in five look to establish new health & sanitation practices while half want to launch marketing efforts



## RETURN TO WORK

Social distancing and new sanitation and health practices are top priorities for more older, larger businesses, while more small business are prioritizing return to full hours

PRIORITY	BUSINESS SIZE (# employees)		BUSINESS AGE (# years)	
	1-10	11+	5 or less	6+
Maintain social distancing practices in the organization	64%	74%*	57%	71%*
Establish new sanitation and health practices	54%	70%*	51%	63%*
Launch marketing efforts	53%	57%	51%	55%
Open with different business operations systems in place	37%	58%*	40%	47%
Open back to full hours	42%*	33%	43%	37%
Hire back employees	24%	45%*	27%	34%
Get our organization better prepared for a crisis	29%	30%	31%	29%

Q23. When the state relaxes shelter in place restrictions, what will be your greatest priorities?  
Select all that apply.

\* Significantly larger than comparison @ 95% confidence

n = 500





## RETURN TO WORK

Restaurants are prioritizing social distancing and re-hiring, but are less focused on marketing and health and sanitation

PRIORITY	Type of Organization				
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44
Maintain social distancing practices in the organization	64%	75%*	73%	69%	68%
Establish new sanitation and health practices	71%*	57%	63%*	65%*	57%
Launch marketing efforts	52%*	32%	73%*	57%*	52%*
Open w/different business operations systems in place	47%	49%	40%	51%*	55%*
Open back to full hours	35%	39%	36%	41%	41%
Hire back employees	48%*	45%*	21%	33%	20%
Get our organization better prepared for a crisis	29%	26%	31%	31%	41%

Q23. When the state relaxes shelter in place restrictions, what will be your greatest priorities?  
Select all that apply.

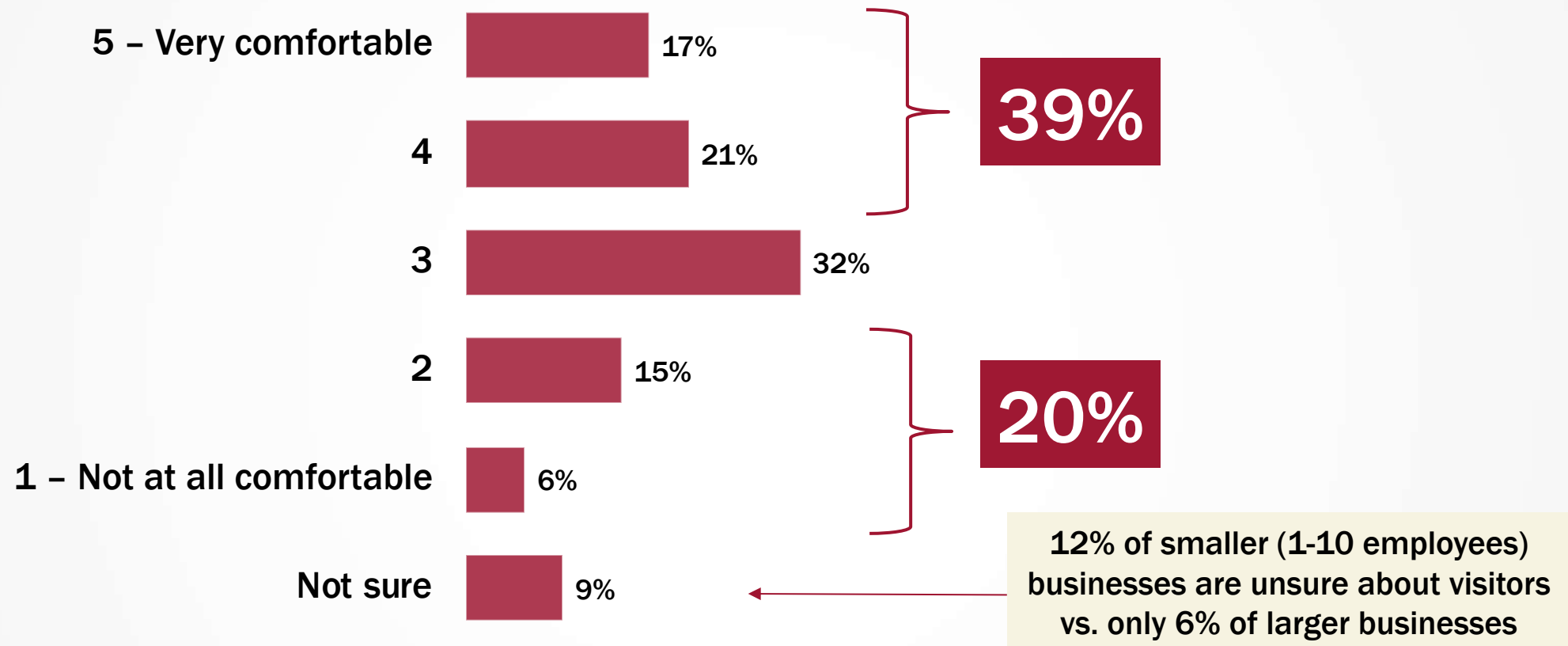
\* Significantly larger than comparison @ 95% confidence

n = 500



## RETURN TO WORK

Two in five say their community will be comfortable with visitors in their community, while one in five say their community will be uncomfortable



## RETURN TO WORK

# Respondents say a vaccine or safety measures are what will make people feel more comfortable about visitors coming

### VACCINE

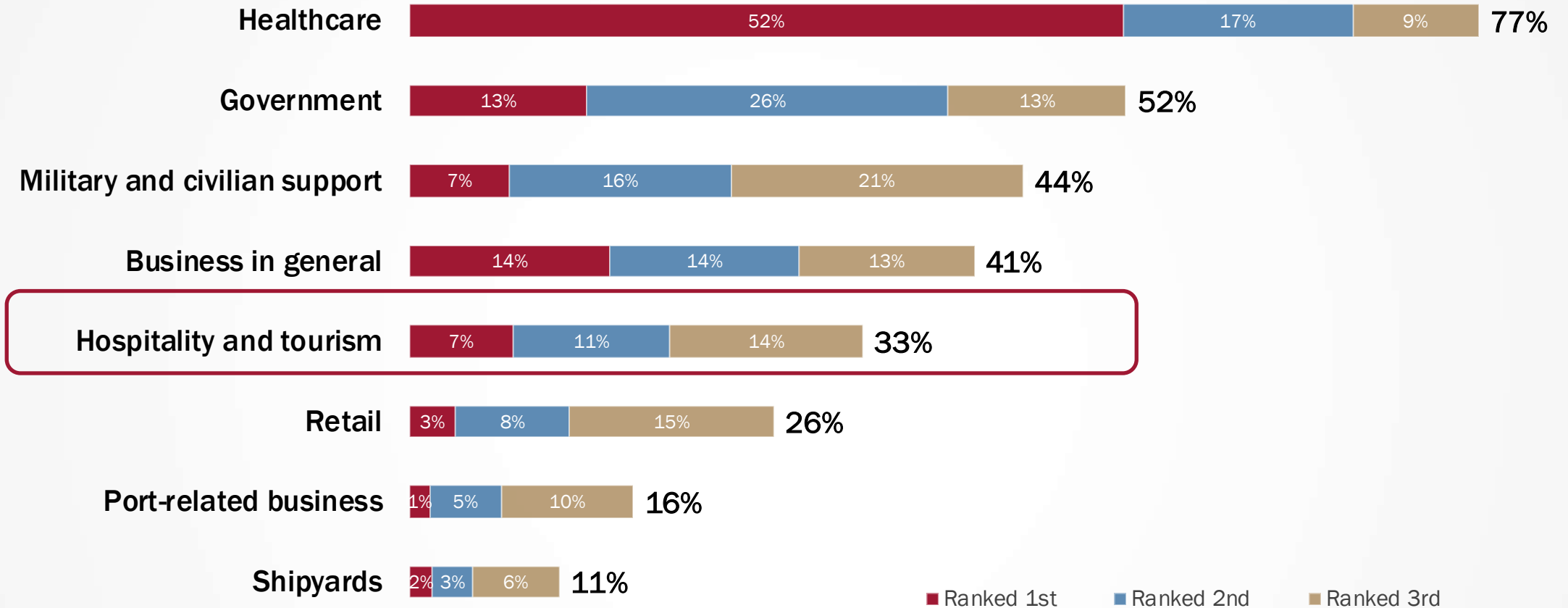
- Only when a vaccine becomes available will people feel comfortable.
- Known treatment options and having a vaccine.
- Way more testing ... possibly on site and a vaccination.
- Being vaccinated.
- Having a scientifically proven vaccine that is fully distributed and effective.
- Vaccine.
- Testing and a vaccine!
- A vaccine and fewer cases of COVID-19 and fewer fatalities.

### SAFETY MEASURES

- Safety measures put in place, masks, etc. 6-ft apart.
- Proper sanitation certifications and social distancing measures in place.
- Wearing mask.
- Knowing what businesses are doing to guarantee their safety and employees.
- Messaging about the steps we are taking.
- Keeping social distancing – everyone wear a face mask – keep our groups outside to 10 or less ...

## RETURN TO WORK

Respondents consider healthcare to be the highest priority industry in terms of returning to pre-social-distancing work



# 4

## IMPLICATION

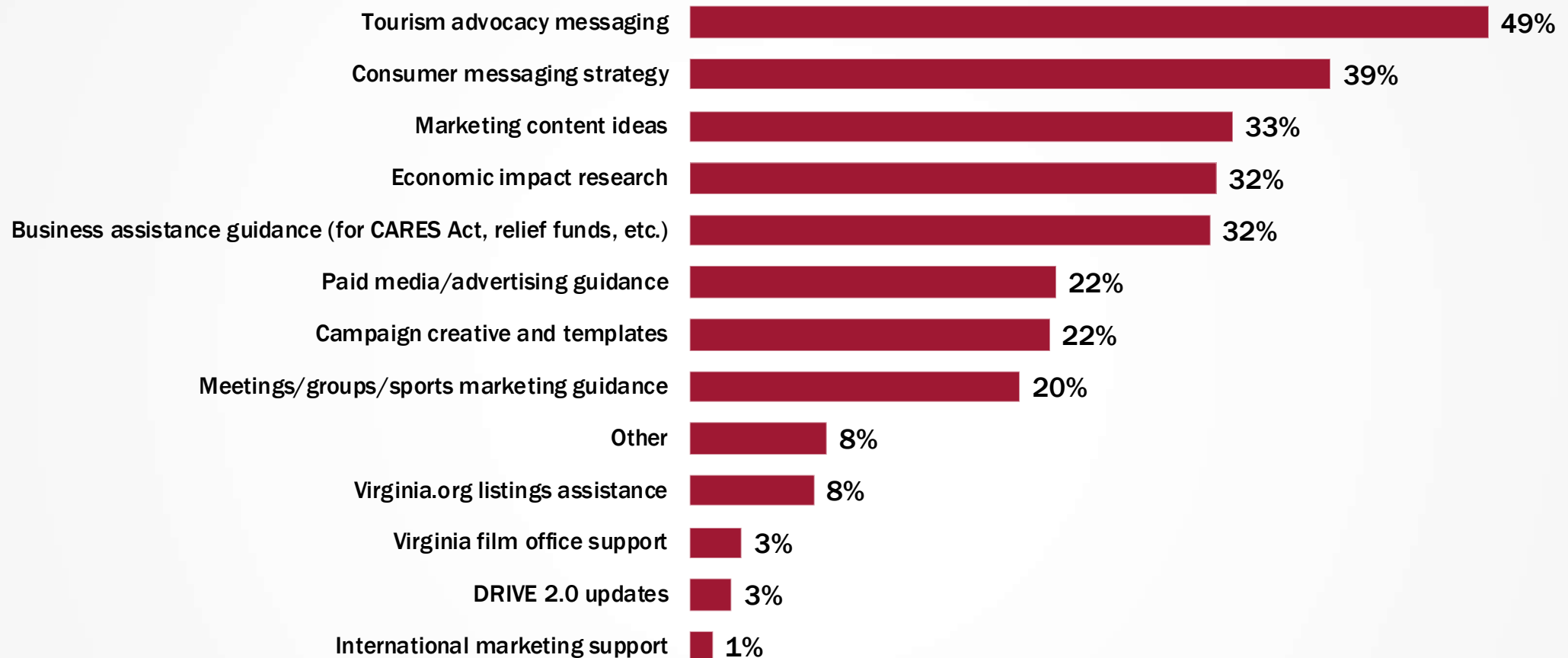
**One size won't fit all as businesses assess how to approach recovery. While food & beverage establishments are more focused on changes to their business model, lodging establishments and attractions are scrambling to institute new sanitation and health practices to ensure guest safety.**

5

While many, especially hotels and attractions, need tourism advocacy messaging in the near-term, the need for consumer messaging strategy will grow in importance in the future, along with the need for marketing content ideas, particularly among retailers.

## GREATEST NEEDS – TODAY

Half need tourism advocacy messaging, while two in five need messaging strategy and a third need marketing content, impact research, and funding



## GREATEST NEEDS – TODAY

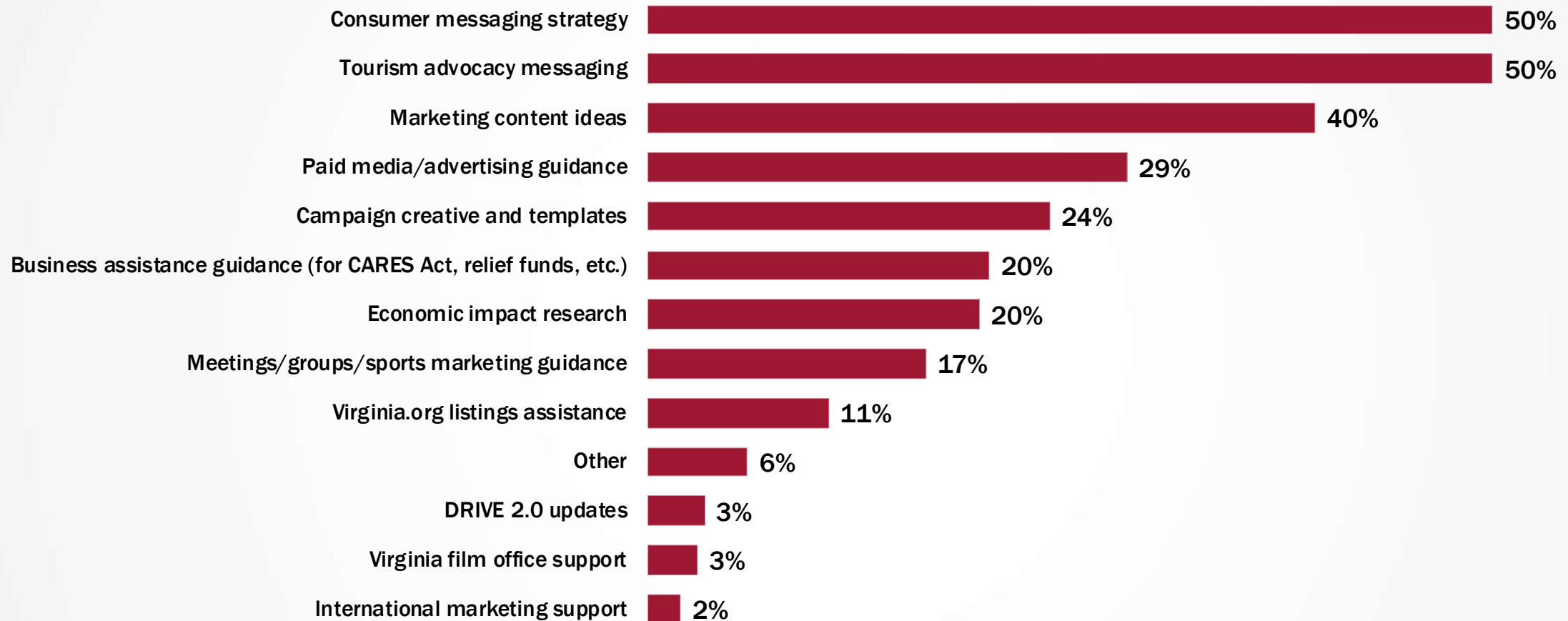
Lodging establishments and attractions need help with advocacy messaging while DMOs & tourism associations, food & beverage establishments, and rural locations need economic impact research

NEEDS	TYPE OF ORGANIZATION					LOCATION	
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44	Rural n=249	Urban n=250
Tourism advocacy messaging	57%*	36%	43%	56%*	34%	46%	51%
Consumer messaging strategy	38%	43%	44%	34%	30%	33%	45%*
Marketing content ideas	35%	25%	33%	31%	43%*	38%	29%
Economic impact research	22%	42%*	47%*	30%	20%	37%*	27%
Business assistance guidance	27%*	49%*	15%	30%*	57%*	36%*	27%
Paid media/advertising guidance	19%	17%	23%	23%	32%	22%	22%
Campaign creative and templates	30%*	20%	24%	20%	20%	21%	23%
Meetings/groups/sports marketing	33%*	10%	20%	19%	18%	16%	24%*
Virginia.org listings assistance	11%	4%	4%	9%	11%	8%	8%
Virginia film office support	1%	1%	2%	5%	2%	3%	4%
DRIVE 2.0 updates	0%	1%	7%*	2%	0%	2%	3%
International marketing support	3%	0%	0%	2%	2%	2%	1%



## GREATEST NEEDS – FUTURE

Over half need consumer messaging strategy and tourism advocacy messaging, while two in five want content marketing ideas



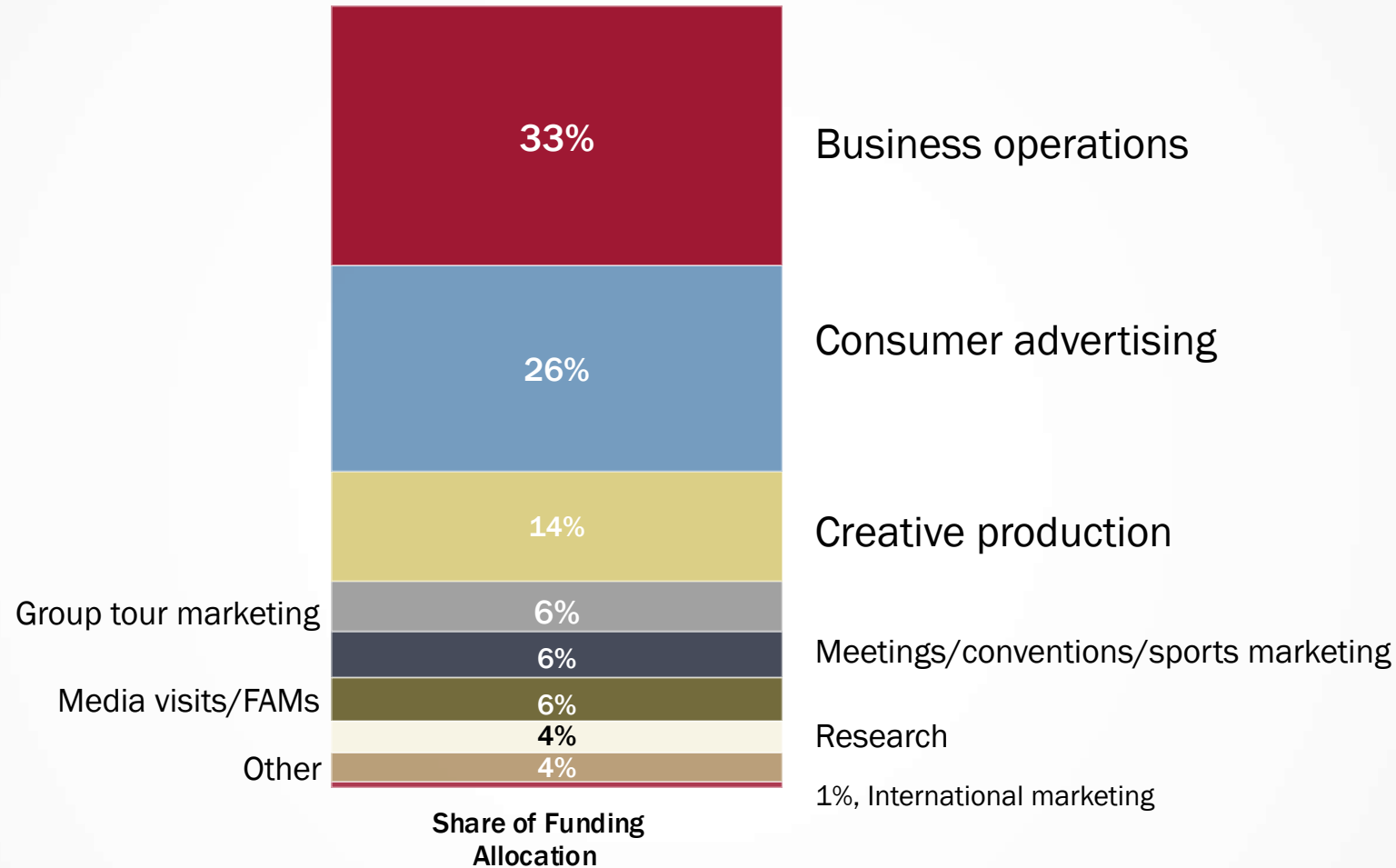
## GREATEST NEEDS - FUTURE

Lodging establishments, attractions, and urban locations will need advocacy messaging in the future, while Retailers will need marketing

NEEDS	TYPE OF ORGANIZATION					LOCATION	
	Lodging n=91	Food & Beverage n=69	DMOs & Tourism assoc. n=98	Attractions, Events n=124	Retail & Misc. Small businesses n=44	Rural n=249	Urban n=250
Consumer messaging strategy	48%	52%	52%	45%	55%	51%	50%
Tourism advocacy messaging	56%*	51%	40%	59%*	36%	44%	57%*
Marketing content ideas	36%	35%	46%	40%	55%*	43%	37%
Paid media/advertising guidance	16%	29%	36%*	34%*	32%*	21%	18%
Campaign creative and templates	30%*	16%	31%*	19%	25%	25%	16%
Business assistance guidance	23%*	26%*	12%	17%	30%*	29%	28%
Economic impact research	13%	26%*	31%*	13%	11%	24%	24%
Meetings/groups/sports marketing	25%*	10%	16%	16%	7%	11%	22%*
Virginia.org listings assistance	16%*	9%	5%	9%	23%*	12%	10%
DRIVE 2.0 updates	2%	0%	8%*	3%	0%	4%	2%
Virginia film office support	1%	1%	2%	5%	0%	3%	4%
International marketing support	2%	0%	1%	3%	2%	2%	2%

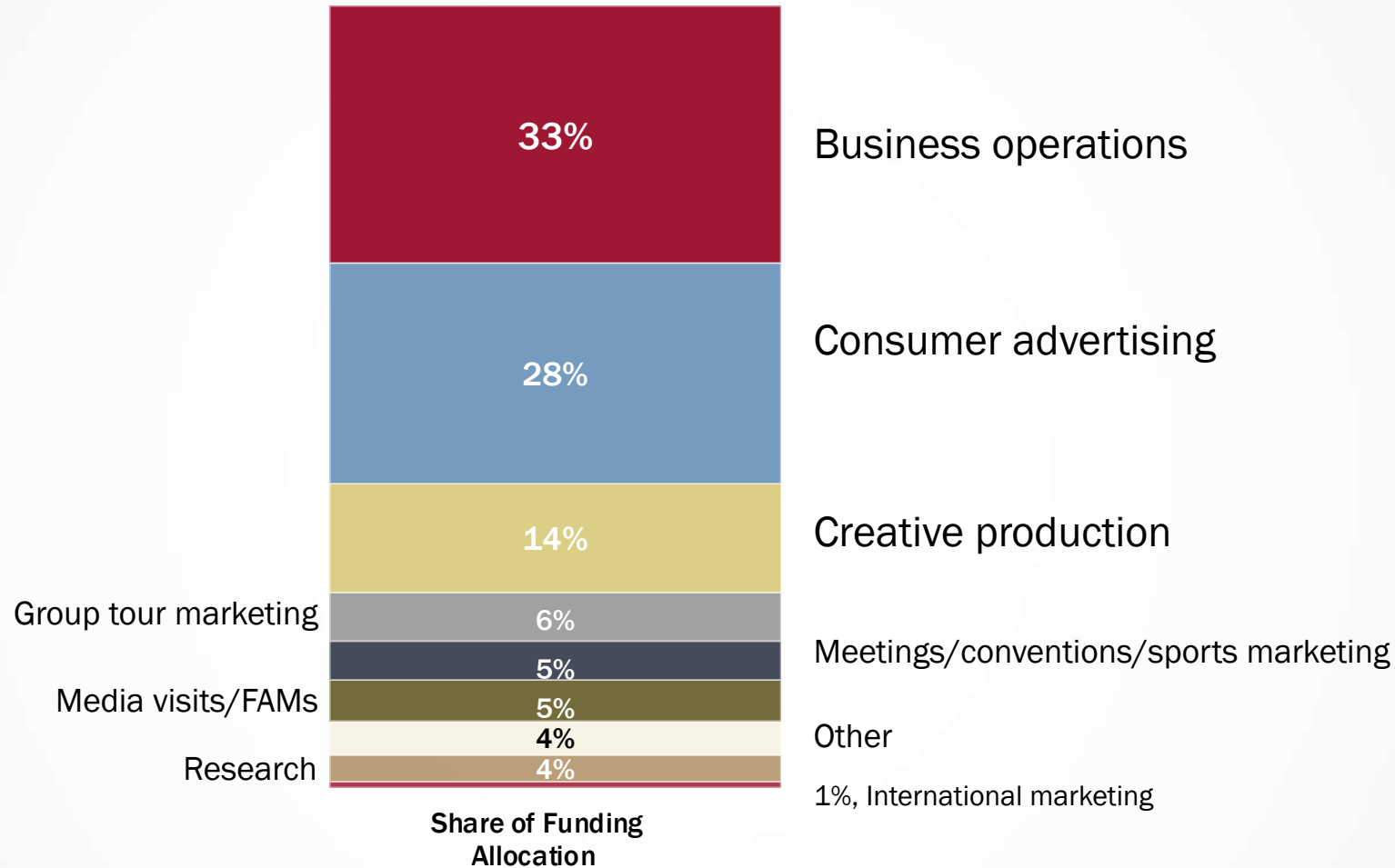
## GREATEST NEEDS – TODAY

Respondents would allocate over a third of VTC funding to business operations, followed by just over a quarter for consumer advertising



## GREATEST NEEDS – FOR RECOVERY

Similarly, for recovery efforts, respondents would allocate over a third of funding to business operations, and over a quarter to consumer advertising



## GREATEST NEEDS

The “We’ll be Waiting” campaign, COVID-19 Toolkit, and restaurant week have been the most helpful VTC resources



Urban locations (33%) were a bit more likely than Rural locations (25%) to find Restaurant week most helpful

## GREATEST NEEDS

### Respondents cite marketing and funding support as greatest needs

#### MARKETING GUIDANCE

- Provide guidance to the public not to forget their favorite destinations, and how to visit them safely when we open back up.
- Advertise that Virginia is Open for Business to other states and within Virginia.
- Assistance with messaging for larger events. Assistance with how to roll out marketing messages for attractions.
- Guidance on how to navigate the new normal with regards to promoting our community.
- We have \$0 budget, so matching grant programs are not helpful. We are 100% government funded so our options for outside funding is limited. Aside from deferring matches or offering a non-matching grant, providing marketing campaign ideas and templates are also helpful.

#### FUNDING SUPPORT

- Provide a grant to pay bills with.
- Get people traveling again. Give GRANTS to hospitality businesses so that people have something to travel to.
- Advocate for more state level financial support of tourism assets to ensure their long-term survival.
- Grant funding for programs that help our tourism and hospitality small businesses sustain themselves through education and training.
- Money for operations to survive and emphasis on how tourism drives the economy in Virginia.
- Open the MLP grant for access to funding for advertising soon.
- Hoard cash for grant programs. We will need help with marketing soon. We're just not allowed to spend it now, and unless our town council revisits the budget, we won't be able to spend it in 2020 either.

# 5

## IMPLICATION

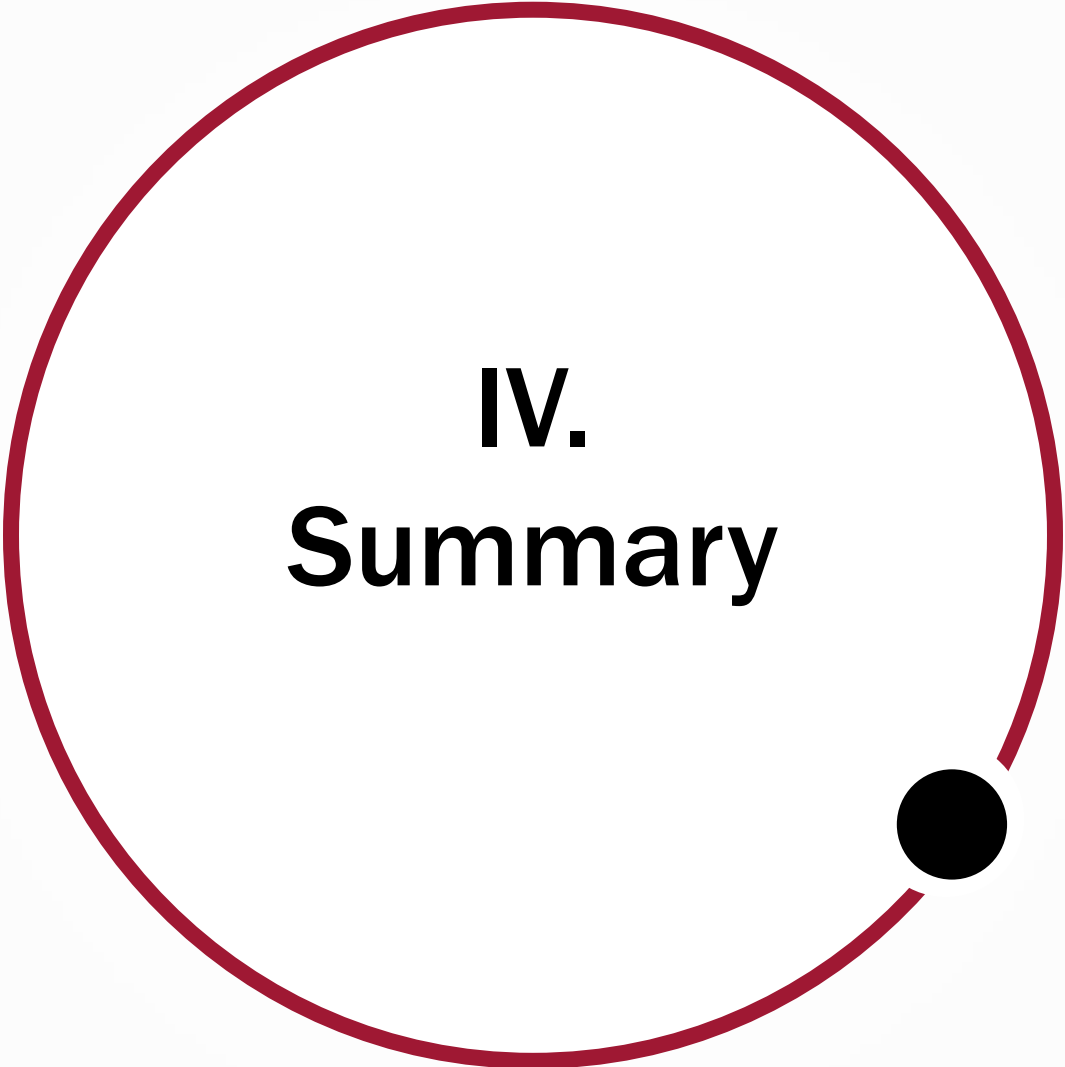
**While many of the near term and future needs overlap, support for travel and tourism businesses should evolve over time, with the focus on tourism advocacy messaging eventually taking a slight back seat to a consumer messaging strategy.**

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# Other thoughts ...

- Just interested in real-life case studies/best practices as we chart a new course for the future. Information-sharing is important.
- Support on all levels. Share experiences and ideas of various business practices in our post-COVID-19 world that others had to adapt to their particular businesses.
- We just need to reopen period. Like other organizations, we will run out of cashflow if this is allowed to continue and be forced to close. Reopening to minimal visitors is a help but, until we can host events and get groups back to our site, the threat of eventual closure looms.
- None other than it has devastated our small business here in Urbanna. Not sure that we will be able to recover.
- Our organization is working everyday to figure out how we survive during these trying times, we are a team that is positive but on any given day we may feel the weight of the world on our shoulders. I think the number one thing that anyone in the tourism business is wondering is how are we going to make up for the money we have lost and survive until we see business getting back to some normalcy and see cash coming in from something besides the government.
- Our customers have been so kind and generous to my team. If we can celebrate the positive side, I think it will be appreciated by everyone.





# IV. Summary

# Summary Findings and Implications

#	KEY FINDING	IMPLICATION
1	Nearly all businesses believe the COVID-19 crisis has been extremely disruptive to tourism and to their organizations, with many, especially restaurants and hotels, experiencing sharp declines in revenue and deep cuts to their workforce.	The unprecedented revenue declines and workforce reductions are creating profound levels of concern among business owners and are resulting in an economic impact that will be felt in the travel and tourism industry for the foreseeable future.
2	While many are unsure how long the impact will last, and few are confident they'll ever return to pre-COVID levels, most need revenue very soon to cover fixed costs. Lodging and food & beverage categories are in particularly dire straits, but many plan to re-staff soon.	Although there are high levels of uncertainty across the board regarding the longevity of COVID-19 impacts in the industry – particularly when it comes to both if and when some will reopen – the recovery period for lodging and food & beverage establishments looks to be an especially long haul.
3	Views of the CARES Act are mixed, with slightly more feeling it was unhelpful than helpful. While many have applied for the Paycheck Protection Program, some still want to better understand future funding and loan forgiveness requirements.	The CARES Act doesn't seem to be meeting the needs of many in the travel and tourism industry as well as it could. Additional education, particularly on loan forgiveness requirements, could be helpful, as well as additional opportunities for funding support, especially among smaller businesses.

## Summary Findings and Implications (cont'd)

#	KEY FINDING	IMPLICATION
4	Many are using this time to consider changes to their business, while others, especially larger businesses, are focusing on safety protocols. Food & beverage establishments in particular are prioritizing social distancing and placing less priority on marketing in the near term.	One size won't fit all as businesses assess how to approach recovery. While food & beverage establishments are more focused on changes to their business model, lodging establishments and attractions are scrambling to institute new sanitation and health practices to ensure guest safety.
5	While many, especially hotels and attractions, need tourism advocacy messaging in the near-term, the need for consumer messaging strategy will grow in importance in the future, along with the need for marketing content ideas, particularly among retailers.	While many of the near term and future needs overlap, support for travel and tourism businesses should evolve over time, with the focus on tourism advocacy messaging eventually taking a slight back seat to a consumer messaging strategy.



**V.  
Survey  
Respondents'  
Firm Profile**

## BUSINESS AGE AND SIZE

Over two thirds of businesses are over 10 years old, and the bulk of companies have fewer than 50 employees

FIRMOGRAPHIC	GROUP	% Sample
HOW LONG HAS YOUR COMPANY BEEN IN BUSINESS?	Just started to 5 years	17%
	6 to 10 years	15%
	11-20 years	22%
	21+ years	46%
COMPANY SIZE (Pre-COVID-19)	1 to 10	58%
	11 - 50	29%
	51 - 100	7%
	101 - 500	5%
	501 - 1,000	0%
	1,001 - 4,999	1%
	5,000+	0%

## INDUSTRIES

A quarter of respondents represented Attractions/Event Promoters & Outfitters, while one-fifth were DMOs, government and public officials

INDUSTRY	% Sample
Attractions / Event Promoters / Outfitters	25%
DMO / CVB / Gov't Employee / Chamber / Public Official	20%
Hotel, motel, inn, resort or B&B	18%
Restaurant / Winery / Brewery	14%
Retail / Other Small Business	9%
Other	15%

## REGIONS

All regions in the state were represented, including one-fourth of respondents from the Central region

REGION	% Sample
Central Virginia*	25%
Coastal Virginia - Hampton Roads*	14%
Southwest Virginia - Blue Ridge Highlands	14%
Shenandoah Valley	12%
Northern Virginia*	12%
Chesapeake Bay	6%
Virginia Mountains	6%
Coastal Virginia - Eastern Shore	5%
Southwest Virginia - Heart of Appalachia	5%
Southern Virginia	3%

**ANALYSIS NOTE:** for regional analysis, regions marked with an “\*” were combined into an Urban (n=249) subgroup, while the other regions were combined into a Rural (n=251) subgroup

