Travel Mindsets Amidst COVID-19
Survey Results (Wave 3)

July 24, 2020
Agenda

• Introduction
  Michael Chapaloney, Executive Director of Tourism, Pennsylvania Tourism Office

• Ground Rules

• Pollfish Research, Results and Implications
  Theresa Zonia, VP Strategic Planning and Hannah Hauptman, Junior Strategic Planner, Tierney

• Update from Pennsylvania Tourism Office
  Using a variety of travel and tourism-related indicators
  Elizabeth Sechoka, Director of Research and Statistics, Pennsylvania Tourism Office

• Q&A
Ground Rules

• Submit any questions via the chat function
  – If we don’t get to your question, we will respond 1 on 1 after the webinar
• Please remain muted
• We will distribute the presentation and recording after the webinar
Today’s Presenters

Theresa Zonia
VP, Strategic Planning Tierney

Hannah Hauptman
Junior Strategic Planner Tierney
Macro Consumer Sentiment

**Evolving Mindsets**
- Feelings of hope, calm and confidence continue to grow, finally outpacing anxiety and concern.
- Yet, across the country and demographics, consumers still fear getting sick; regional and political dynamics are shaping response.
- Ultimately, there is widespread worry about a second wave influencing a safety-first mindset.

**Shifting Behaviors**
- The risk vs. benefit analysis persists
- Consumers have conditional positivity about returning to work and non-essential activities.
- There is a shift to value and essentials as we retreat to a “less is more” state of mind.
- There is a boost in precautionary saving to prepare for what tomorrow brings.

**Brand Expectations**
- Offer value and convenience to (re)build loyalty
- Communicate, communicate, communicate; consumers are actively seeking out information from brands.
- Show how your brand remains flexible within changing dynamics; develop contingency plans.

Tierney via Pollfish Retail Motivations Study. 2020.
Methodology

N=1,000
Online survey of 26 questions
Served via mobile, in-app experiences

July 6, 2020-July 10, 2020
(Wave 3)

**DEMOGRAPHIC BREAKDOWN**

**GENDER**
- Male: 42%
- Female: 58%

**AGE**
- 18-24: 14%
- 25-34: 25%
- 34-44: 22%
- 45-54: 17%
- >54: 22%

**ETHNICITY**
- Asian: 6%
- Black: 10%
- Hispanic: 4%
- Latino: 1%
- White: 75%
- Multiracial: 3%
- Other: 1%

**STATE**
- PA: 31%
- DC: 2%
- MD: 11%
- NJ: 18%
- NY: 18%
- OH: 9%
- VA: 11%

**HOUSEHOLD INCOME**
- <25K: 21%
- 25K-50K: 23%
- 50K-75K: 17%
- 75K-100K: 14%
- 100K-125K: 10%
- 125K-150K: 6%
- >150K: 9%
Topics

• How consumers feel now and when will they return to travel?
• What will motivate them to travel?
• What do they will plan to do?
• Will they consider PA?
How consumers feel now and when will they return to travel?
Overall sentiment is holding steady.

From the list of words below, select the word that most resonates with how you feel about travel right now.

**DIFFERENCES BASED ON OVERNIGHT FREQUENCY**

Those who frequently travel at least 5 nights are more likely to feel ready and prepared.

**IMPLICATION**

Empathize with continued consumer confusion and fears, while offering ways to alleviate worry when possible.
While more people have re-scheduled their affected travel, fewer plan to soon.

**DIFFERENCES BASED ON OVERNIGHT FREQUENCY**

Those who frequently travel for at least 3 nights are much more likely to be rescheduling and planning.

**DIFFERENCES BASED ON AGE**

More younger consumers (18-34) have re-scheduled (29%) or plan to soon (28%).

More older consumers (>54) are just thinking about rescheduling (29%) or have not at all (35%).

**DIFFERENCES BASED ON HHI**

Higher income consumers are more likely to have re-scheduled (28%).
The summer is seeing a bump in travel; A second wave of travel will happen beyond February 2021.

What month have you rescheduled your travel for?

- May 2020: 8% Wave 2, 6% Wave 3
- June 2020: 6% Wave 2, 12% Wave 3
- July 2020: 14% Wave 2, 11% Wave 3
- August 2020: 20% Wave 2, 13% Wave 3
- September 2020: 7% Wave 2, 7% Wave 3
- October 2020: 6% Wave 2, 13% Wave 3
- November 2020: 9% Wave 2, 6% Wave 3
- December 2020: 9% Wave 2, 4% Wave 3
- January 2021: 8% Wave 2, 8% Wave 3
- February 2021: 10% Wave 2, 10% Wave 3
- Other: 23% Wave 2, 15% Wave 3

DIFFERENCES BASED ON AGE

The youngest consumers (18-24) are more likely to be rescheduling trips to the Winter months compared to overall sample.

IMPLICATION

Travel brands should account for a slower Fall, and potentially busier late winter season.
Travelers will demand flexibility and an out, if needed.

- **50%** will seek out refund policies on transportation.
- **56%** will seek out lodging cancellation policies.

**IMPLICATION**
Place new protocols and policies front and center.

**DIFFERENCES BASED ON OVERNIGHT FREQUENCY**
Those who frequently travel at least 10 nights are more likely to seek out transportation refund policies more so than any other information.
Comfort with travelers in respondents’ hometowns still steadily increases over time.

Are you comfortable with travelers coming to your home town…

(Visualization of “Yes, Definitely” and “Yes, Somewhat”)

Wave 2
Wave 3

Right now 1-3 months from now 3-6 months from now 6-8 months from now 8-12 months from now

38% 42% 57% 56% 57% 71% 80% 82% 86% 87%
What will motivate them to travel?
A COVID-19 vaccine will be a critical benchmark.

**TOP THREE MOTIVATIONS**

- A COVID-19 vaccine
  - 33%
- Options where I can practice social distancing
  - 12%
- All clear messages from trusted sources (i.e., gov’t, destinations, etc.)
  - 11%

Options close to home now ranked 4th; Discounts now ranked 5th

**IMPLICATION**

Consumer concern for health and safety is outpacing cost concerns.
Trust is decreasing across the board, likely due to inconsistent rules on what’s allowed/suggested.

Do you trust each of the following to provide travel safety advice?

(Visualization of “Yes, definitely” and “Yes, somewhat”)

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**IMPLICATION**

Use content to establish credibility and have a clear point of view

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People may be more likely to trust the members of their community.

How well do you think residents of your community are practicing safe COVID practices (e.g., social distancing, wearing masks)?

- Very well: 17%
- Somewhat well: 48%
- Neither well nor unwell: 17%
- Somewhat unwell: 12%
- Very unwell: 6%

DIFFERENCES BASED ON ETHNICITY
Asian consumers trusted their community members more (24% indicated very well).

IMPLICATION
Consider UGC to demonstrate the ways your community is implementing safety precautions.
Numbers around road trips and close to home options continue to rise

77% ranked car as their most likely form of transportation
Followed by Train, Plane, and finally, bus
Compared to 68% in Wave 1; 76% in Wave 2

63% agree or strongly agree they are more likely to take a staycation* in the coming year
Compared to 49% in Wave 1; 57% in Wave 2
*Staycation includes at least one overnight stay

56% agree or strongly agree they are more likely to find excursions that don’t involve an overnight stay
Compared to 49% in Wave 2
What do they will plan to do?
Consumers are confident that when they travel, businesses will be open and ready for them.

### TOP THREE CONCERNS
*(based on answers of “extremely concerned”)*

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Contracting COVID-19</td>
<td>37%</td>
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<tr>
<td>Safety</td>
<td>34%</td>
</tr>
<tr>
<td>All other health concerns</td>
<td>29%</td>
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</tbody>
</table>

67% indicated that they will now seek out attraction safety and health protocols.

*Up from 63% in Wave 1; 65% in Wave 2*

#### DIFFERENCES BASED ON OVERNIGHT FREQUENCY

Those who frequently travel at least 3 nights are more concerned across the board.
Clear preference for activities that allow for social distancing

Over half of respondents indicated that their likely activities are unchanged from before COVID-19.

Top activities include:
- Exploring a small town
- Getting away to a city
- Biking, hiking or other outdoor activities
- Going on a food, wine or beer tour
- Camping

Other options included Attending a sporting event; Touring museums; Visiting a historical site or battlefield; Attending a festival; None of the above.

Differences based on age:
- Younger consumers (18-34) still note getting away to a city as their top activity.

Differences based on ethnicity:
- Black and Hispanic + Latino consumers note getting away to a city as their top activity.
- Asian consumers note biking, hiking or other outdoor experiences as their top activity.

Are the activities chosen different than the activities you traveled for before COVID-19? Which activities might you travel for once social distancing policies are lifted?
Consumers opt for safer accommodation options.

When you travel, what type of accommodations are you most likely to seek?

- Hotel/motel: 46%
- Stay with friends or family: 24%
- Airbnb/home rental: 11%
- Campground: 9%
- Bed & breakfast: 8%
- Other: 2%

Preference of hotels

Preference of staying with friends or family

Note: Directional only; this compares national results to regional results
While people are still excited to see their loved ones and get away, they’re wary of dining out.

**What are you most excited to do when traveling again?**

- Spend time with friends and family: 28% Wave 2, 27% Wave 3
- Get away: 25% Wave 2, 29% Wave 3
- Visit attractions: 10% Wave 2, 13% Wave 3
- Feel a sense of adventure: 12% Wave 2, 11% Wave 3
- Relax: 15% Wave 2, 16% Wave 3
- Dine out in restaurants: 11% Wave 2, 5% Wave 3

**When you travel, what type of food options are you most likely to seek?**

- Eat in at a restaurant: 39%
- Take-out from a restaurant: 22%
- Delivery from a restaurant: 10%
- Cook on site: 18%
- Family’s/friend’s home: 10%
- Other: 2%

**IMPLICATION**

Show the diverse ways to enjoy your destination.
Will they consider PA?
Consideration of PA

Wave over Wave, consumers view PA as a safe and accessible destination.

69% are somewhat likely or very likely to visit PA as a tourist for a getaway in the next 6 months to a year.

*Up from 63% in Wave 1; 68% in Wave 2*

For those who have visited PA more than 5 times within the past 5 years, this likelihood jumps to **80%**.
Pennsylvanian sentiment is in line with region.

<table>
<thead>
<tr>
<th>74% are very or somewhat likely to visit PA as a tourist for a getaway in the next 6 months to a year</th>
<th>43% indicated activities of interest are different than before COVID-19</th>
<th>Biggest concern is contracting COVID-19; smallest is lodging being open</th>
<th>Most excited to see friends and family; least excited to dine out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top ranked motivations: COVID-19 vaccine (30%), options w/ social distancing (12%), Options close to home (13%)</td>
<td>23% have re-scheduled travel; Only 21% haven’t thought about it</td>
<td>40% definitely or somewhat trust state or local DMOs to provide travel safety advice</td>
<td>63% agree or strongly agree they are more likely to take a staycation in the coming year</td>
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</table>
Takeaways – Wave 3

Consumer return to confidence will depend on definitive resolutions to pandemic worry (e.g., a vaccine, credibility in authorities, etc.)

Empathize with concerns; showcase protocols and procedures around COVID-19 in accessible ways (e.g., home page call outs, pre-recorded phone menu, etc.)

Engage past travelers who recognize Pennsylvania as a destination with a range of safe activities.

Demonstrate credibility to build trust among potential travelers.
Update from Pennsylvania Tourism Office

Using a variety of travel and tourism-related indicators
Signs of improvement but still far from normal
As shelter-in-place restrictions expired, PA’s travel and tourism economy has started to improve, but all segments are still struggling and continue to experience steep losses due to the pandemic.
As shelter-in-place orders expired many more Americans took to the nation’s roads and highways in May, but at numbers still far below those of May 2019.

Total U.S. Vehicle Miles (in billions), Jan 2019 – May 2020


Source: U.S. Department of Transportation
Looking at travel in the month of May over the past 25 years provides an indication of how much vehicle travel dropped compared to “normal times.”

Source: U.S. Department of Transportation
Vehicle travel on PA roads rebounded in May after April’s steep decline, but remained well below the “normal” level of travel.

Pennsylvania Vehicle Miles by Month, 2003 - 2020

Source: U.S. Department of Transportation
The airline industry has seen a small but relatively steady increase in passengers since its low point on April 14th when the TSA screened just 87,534 passengers throughout the entire country.

Source: Transportation Security Administration
Air travel remains well below 2019’s level with the number of passengers down 80% since March 1.
Pennsylvania’s airports have not been spared with air travel showing the same pattern as at the national level.

- Pittsburgh International Airport
  - Total Domestic Passengers by Month, 2019 and 2020

- Harrisburg International Airport
  - Total Passengers by Month, 2019 and 2020

Source: Pittsburgh International Airport

Source: Harrisburg International Airport
Philadelphia, Pennsylvania’s largest airport, also experienced a steep decline in both domestic and international air travelers.

**Philadelphia International Airport**
**Total Domestic Passengers, 2019 and 2020**

Source: Philadelphia International Airport

**Philadelphia International Airport**
**Total International Passengers, 2019 and 2020**

Source: Philadelphia International Airport
After bottoming out in April, PA’s hotel room demand and room revenues are showing signs of recovery but at a very slow pace.

- PA hotel room demand increasing, but remains well below normal level.

![PA Hotel Room Demand Chart]

- PA hotel room revenues remain well below prior year’s level.

![PA Hotel Room Revenues Chart]
Pennsylvania’s economy and mid-scale hotel chain properties are recovering at a faster pace than other the more high-end properties.

Pennsylvania Hotel Occupancy by Property Type, June 2019 and 2020

Source: STR
Both weekend and weekday hotel occupancy have grown over the past several weeks, but weekend occupancy has outpaced that of weekday.

- PA hotel weekday hotel occupancy about 10 percentage points below weekend.
- PA weekday and weekday hotel occupancy remain well below 2019 level.

![PA Weekend vs Weekday Hotel Occupancy](chart1)

![PA Weekday & Weekend Hotel Occupancy](chart2)

Source: STR, PA Tourism Office estimate for 2019 based on STR data.
Every region has seen an increase in its hotel occupancy rate since April’s low point, but all remain well below the level typically seen in mid-July.

Source: STR, PA Tourism Office estimate for 2019 based on STR data.
Visitor spending in Pennsylvania has started to rebound, but remains well below the levels seen in 2019.
Spending by travelers declined sharply in mid-March and bottomed out in April, then gaining traction as counties entered “green” status and some travel resumed.

Pennsylvania Weekly Visitor Spending (in $millions)

Week Ending

$704 $500 $192 $133 $118 $98 $81 $72 $82 $86 $89 $156 $234 $271 $307 $320 $347 $452 $392 $400

Source: Tourism Economics/U.S. Travel Association
As of July 18th, Pennsylvania’s travel and tourism industry has lost an estimated $10.6 billion in total visitor spending due to COVID (when compared to 2019).

Source: U.S. Travel Association
Questions?