

Berkeley's Leadership Pep-Talk for DMO Destination Managers. (March 17, 2020 at 2:30PM)

- Great leaders remain calm in crises.
- Cool heads make smart decisions.
- Don't be so eager to provide great leadership that you over-react.

Note: the opinions herein are my own and do not reflect the position of any affiliated travel organizations. This is Berkeley's take on the situation as of today, March 17, 2020. This could change within the hour.

My bottom line first–

- I predict two months (60 days) of minimal travel before the leisure sector starts returning to normal. Let's promote staying home to flatten the curve as quickly as possible so people can get back to traveling in late May/June. China is getting back to normal after three months.
- You need to assume all travel industry revenues will be severely impacted for two – three months and budget accordingly. Hopefully your emergency reserve funds are set aside for this situation. Convention revenues could be impacted through the summer if cancellations continue.
- First month – messaging should focus on the hospitality industry caring for residents, workers and travelers. As destination managers we should care for the entire hospitality industry and tourism is a part of that broader industry. We are a caring industry that cares for guests, our workers and our communities.
- Second month - you need to be prepared to push out positive travel messaging at the first sign that people are getting back to a normal routine. Pre-paid advance bookings and deposits will be a much-needed revenue boost for the travel industry. The drive market will come back quickly with the fly markets about 30 days behind the drive markets.
- We should assist our communities in dealing with this virus efficiently (hospitality cares) while planning to have a record-breaking summer travel season. If the news changes a month from now we adjust. As of today, I believe this is a reasonable forecast.

So here's how I came to those conclusions.

- The news is coming out on an hourly basis and the facts will continue to change all week and into next week. The number of cases and deaths will multiply exponentially in the coming weeks. There's a White House press conference on as I am writing, the stock market is up today and it will continue to bounce around. And like all corrections and recessions, the market will come back.
- It is way too early to survey travelers about their future travel planning...most Americans are buying supplies and focused on staying home and watching the endless parade of press conferences and news alerts. They are dealing with a shocking situation. Of course people are overwhelming stores, we are a nation that stays away from home at all times. We rarely eat at home. People had to stock up because they rarely have more than a few days of food or TP on

- hand. We should test travel sentiment and the desire to travel when the number of cases is in decline and things are starting to get back to normal.
- China started with COVID-19 in December and communities in China are returning to normal and the emergency hospitals have closed. Apple has reopened its stores there. That's three months from start to near finish in a country with six times our population in the USA. And they didn't know what they were dealing with...we get to follow the examples of China and European countries that are ahead of us in the timeline progression of the virus.
 - Parts of the USA started getting serious about COVID-19 the first week of March. The strategy is to get everyone to distance and isolate to slow/stop transmission. The hope is that the virus can be contained by limiting transmission. **If successful and based on the China model we should see things returning to normal in May/June.**
 - We learned in the 2008/09 recession that leisure travel sustained the travel industry when group and business travel cut back. Leisure travel is therapy for most Americans. I predict that Americans will have "cabin-fever" after weeks at home and we could be poised for a huge domestic summer leisure travel season.

What you can do:

Every destination is different. My suggestions are very broad so adapt them to your situation.

In my opinion, I think there are three phases to the COVID-19 crisis:

Phase 1 (Now) – Crisis assessment and planning, everyone is still trying to figure out what is happening and how to adapt to the situation. This phase could go into next week.

- Talk to your team. Answer all of their questions. If revenue and reserves are solid to make payroll for the next three months let them know that. Most people are concerned about their bottom-line finances.
- Pull travel advertising or change the message. You don't want to appear insensitive by asking people to travel when leaders are asking people to stay home. Plan and prepare advertising to launch as soon as you hear that the number of COVID-19 cases is in decline.
- PR is critical – this is no time to cut PR. Ramp it up!
- Communicate with your local hospitality businesses...create a calling tree, listen, and identify opportunities to help them.
- Convention, group travel and lodging businesses are among the hardest hit. Listen to them and understand the impact to their revenue stream and identify ways to help them manage cash flow and payrolls.
- Advertising partners are struggling with loss of revenues. Make them a part of the recovery messaging plan.
- Encourage your local businesses to be resourceful.
 - Retailers can allow a few people in the store and self-check-out, online orders; phone orders, parking lot pickup, delivery.

- Restaurants can convert servers to delivery drivers. Parking lot pickup for carryout; sell packaged sauces, entrees, etc. for the freezer.
- Breweries can fill growlers for takeaway.
- All businesses can sell gift certificates (cash flow) and promote long term travel planning as a way to pass the time at home.
- www.sba.gov scroll to COVID 19 payroll relief
- Hourly employees that are laid off should immediately apply for unemployment
- Maintain social media presence. Once people are settled in at home encourage them to share their favorite travel stories. Virtual travel can be a great cheer-up for shut-ins. Encourage your businesses to share educational information that parents can use with their children who are at home.
- Nature and outdoor activities may be open and a great opportunity for people to get outside. Social distancing and quarantine doesn't have to mean stay inside.
- Let people know this is a great time to enjoy a hike in the woods, paddle a waterway, walk on the beach.

Phase 2 (two-three weeks) - Riding out the storm. Once Americans have settled-in to the routine of staying isolated is when we start messaging about the joys of travel past (sharing) and the opportunity to plan for the future.

- Continue communications with your hospitality businesses.
- Continue in-market communications to residents to let them know what businesses are open.
- Educational training for DMO staff and partners (done remotely or planned now and delivered in person later.) We have a unique 'pause' button in business right now. Getting your partners as educated on tourism as possible will mean more \$\$ down the road for the region.
- Local PR – your local news agencies will be looking for stories, great opportunity to educate locals about unique experiences in your destination.
- Start planning for the recovery and getting people to travel again.
- Start checking travel sentiment so you know when people are starting to think about traveling again.
- Increase in external social media messaging.
- Virtual travel for shut-ins - Encourage people to share stories and pictures and videos of their favorite trips and places.
- Promote visiting travel websites and reading travel blogs as a great way to pass the time when at home.
- PR with travel media to talk about travel as therapy to relieve the stress.
- Allocate reserve funds to ramp up advertising to lure travelers back.
- Great time to plan with your advertising partners.
- Planning to rebook lost group business.

Phase 3 (returning to normal) - Once the number of cases is in decline, people can start planning to go back to work and public gatherings can be rescheduled. Time to

start booking travel. Let's get the virus behind us and have the biggest summer travel season ever.

- Start planning now in phase 1 for your major push to promote travel in phase 3. Your travel businesses need those bookings to flood in with advance payments and deposits to replenish their depleted cash reserves.
- Major push to rebook lost group business.
- I'll add much more to this later, let's get through this first phase first.

Berkeley

Berkeley W Young

President

Young Strategies, Inc.

(M) 704-677-4018

www.youngstrategies.com