



2021 OUTLOOK:

Insights into Summer Leisure Travel



Summer.

Typically, a season associated with time relaxing at the pool, beach vacations, waterparks, hiking and camping, and making memories while traveling with friends and family.

2021 will be a summer like no other. After more than a year with the inability to move around freely, missing family and friends and largely unable to enjoy travel activities or experiences, Americans are ready to be on the move once again and make up for lost time.

As of late May, with more than 260 million vaccine doses administered, rapidly declining COVID cases and warmer weather, this summer travel season brings fresh optimism.

Pent-up demand and an unprecedented accumulation of savings is expected to result in a strong rebound for both the economy and domestic leisure travel in 2021.



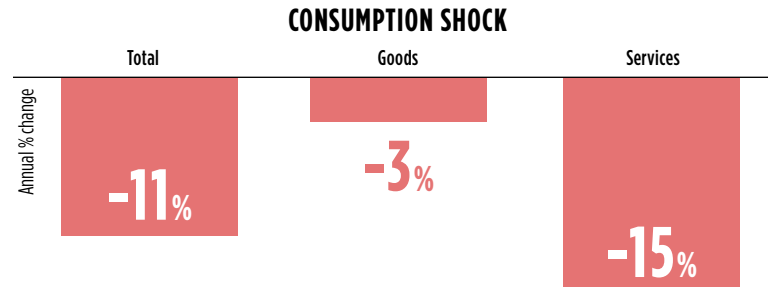
Reasons for Optimism: Pent-Up Demand, Accumulated Savings

The COVID-19 pandemic was unlike any other prior economic crisis, resulting in a steep and rapid decline in consumer spending—down 11% in just two quarters.¹ **And while goods consumption declined 3%, services declined a much steeper 15%.** The decline in services consumption, including accommodations, dining and travel, contributed 90% of the total consumption decline.²

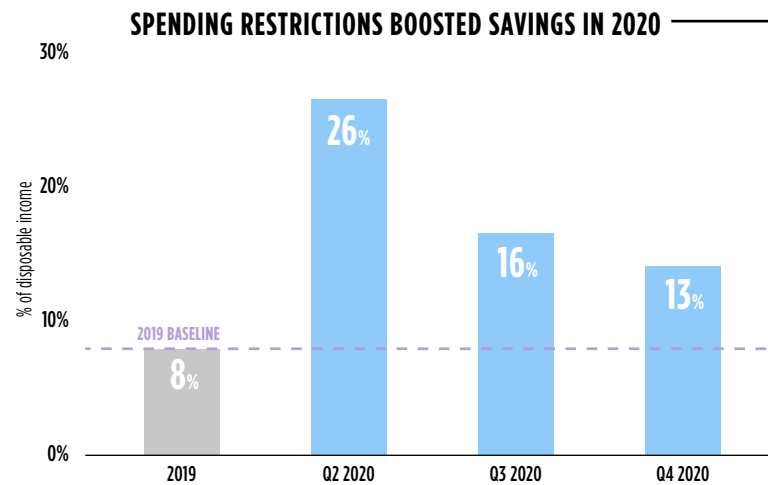
As a result of lockdowns and significant health concerns, discretionary spending was hit hard during the pandemic. As a result, the economy experienced a deep drop in consumption, particularly for in-person services such as travel, entertainment and dining.

COVID disproportionately hit consumption of older and higher-income households, as stimulus funds propped up lower-income consumers. Many older consumers also faced higher health risks and substantially cut back their spending levels. **Overall, Americans were able to save 2.3 times as much as they did in 2019, resulting in \$1.6 trillion more in savings.**³ Demand from high-income households, which accounted for two-thirds of overall consumption drop and half of the savings increase in the U.S., will be key to the strength and speed of recovery.

It is largely expected that most consumer behavior that was interrupted by the pandemic, such as in-person education, leisure air travel and live entertainment, will experience a strong demand rebound.



SOURCE: McKinsey & Company



SOURCE: McKinsey & Company

Estimated
2020 savings
as a ratio of
2019 savings

2020
2.3x

2019

The Great Leisure Splurge

Consumers are preparing for a 'great splurge' heading into summer. **As the economy reopens and virus fears dissipate, more than half of Americans (51%) expect to spend extra to treat themselves**, with higher income households and millennials intending to spend the most.⁴ **Travel is at the top of the list of the types of leisure activities consumers want to splurge on in 2021, right after dining out at restaurants and drinking at bars.**

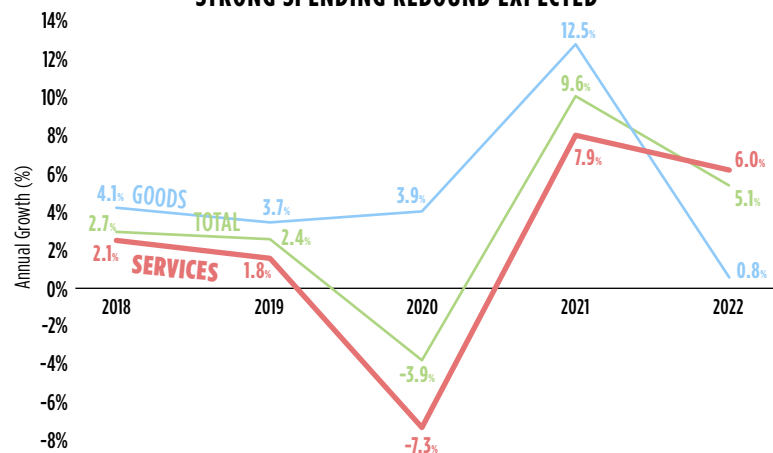
There is reason to be optimistic due to pent-up demand and significant accumulation of savings, although the pandemic will leave a lasting mark. And while the initial rebound is expected to be strong, there is significant uncertainty over the timing and longer-term impacts. Recovery for all Americans is dependent on

government stimulus and labor market recovery, as well as the impact on parents—especially working mothers balancing work and home life obligations.

Still, as a greater share of Americans are vaccinated, and the economy continues to reopen, the U.S. is expected to grow at the strongest rate in nearly 40 years. GDP is forecast to grow 7.2% in 2021 and 3.4% in 2022.⁵ And the economy is expected to add 7.5 million jobs this year, with the unemployment rate falling to 4.3% by year-end.⁶

After declining 7% in 2020, consumer spending on services is expected to grow 8% in 2021 and another 6% in 2022. Goods spending will remain strong in 2021 but stabilize in 2022.⁷

STRONG SPENDING REBOUND EXPECTED



SOURCE: BEA, Oxford Economics

TRAVEL AND VACATION SPEND SPLURGE

Expected Leisure Spend in 2021

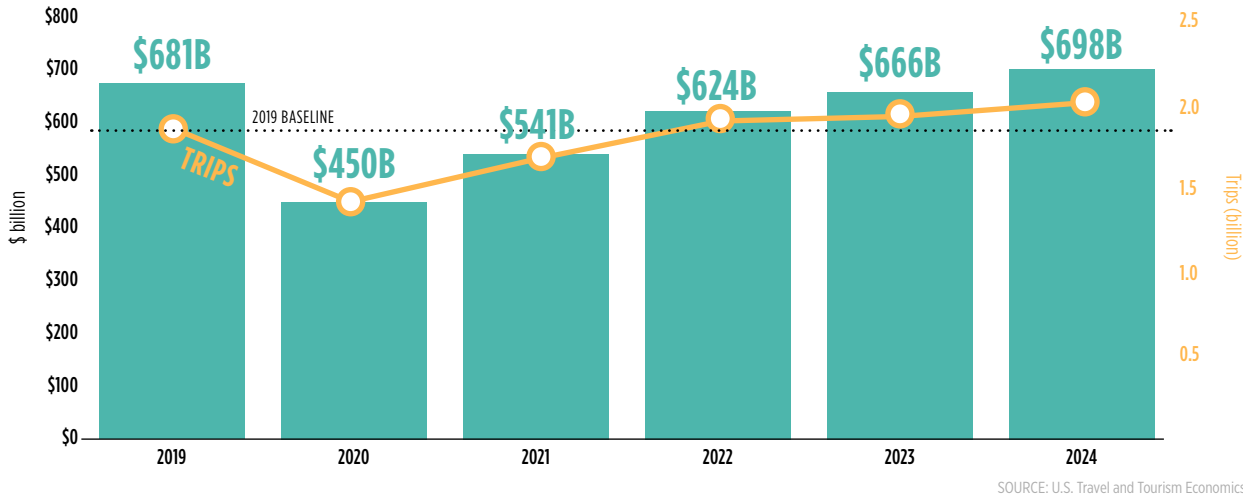
1. Restaurants, dining out, bars
2. Travel, lodging, vacation
3. Apparel, shoes, accessories
4. Beauty & personal care
5. Electronics
6. Items for your home
7. Out-of-home entertainment
8. Household essentials
9. Fitness, sports, outdoors



~51%
Plan to splurge or treat themselves

SOURCE: McKinsey & Company

DOMESTIC LEISURE VOLUME RECOVERS IN 2022, SPENDING NOT UNTIL 2024



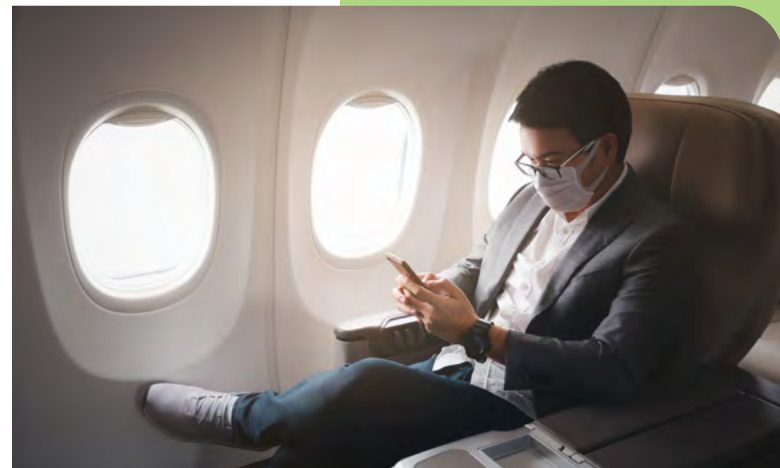
Leisure Drives Recovery, but Still Has a Long Road

Domestic leisure travel will drive the travel industry's recovery.

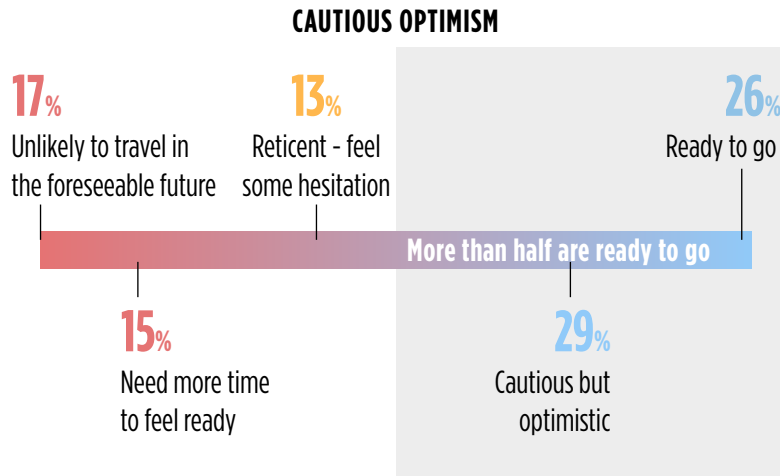
After growing approximately 2% annually for the last decade or so, there were 400 million fewer domestic leisure trips taken in 2020—a decline of 24% from 2019.⁸ Travel activity is expected to improve substantially this summer, with domestic leisure leading the way. Still, the number of domestic leisure trips is not expected to recover to 2019 levels until the end of 2022.⁹ Domestic leisure spending totaled nearly \$700 billion in 2019 and declined by more than \$150 billion in 2020. Leisure spending is not expected to return to pre-pandemic levels until 2024.¹⁰

Unfortunately, international inbound and business travel have a much longer road ahead and are not expected to recover to pre-pandemic levels until at least 2025. It is essential for meetings and events as well as international inbound travel to recover in order for the travel industry as a whole to return to pre-pandemic spending levels.

“Unfortunately, international inbound and business travel have a much longer road ahead and are not expected to recover to pre-pandemic levels until at least 2025.”



Even with Some Trepidation, Outlook is Good



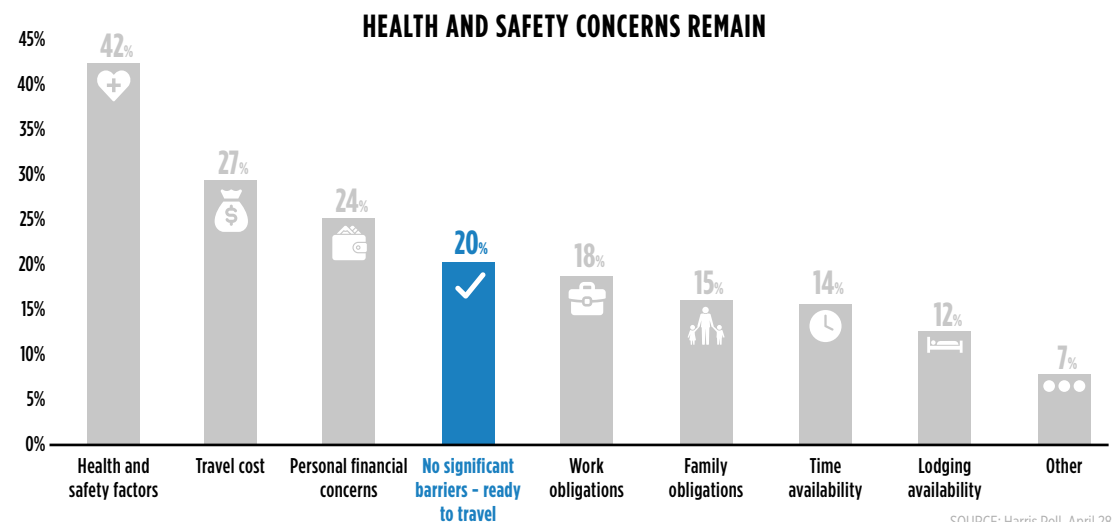
SOURCE: Harris Poll, April 28

With a productive vaccine rollout, declining cases and warmer weather, many Americans appear ready to move again—even if some hesitancy remains. **When thinking about traveling out of town right now, 55% of Americans responded they are either ready to go (26%) or optimistic (29%).**¹¹ Males, parents and millennials are the most likely to be ready to go. Just 17% of Americans are ‘unlikely to travel for the foreseeable future,’ with baby boomers the most hesitant.¹²

One in five Americans are not facing *any* barriers to travel this summer.¹³ Yet, lingering pandemic and financial concerns remain, as four in 10 (42%) cited health and safety factors as the top barrier holding them back from traveling more this summer—followed by travel cost (27%) and personal financial concerns (24%).¹⁴

It will remain important to take into account Americans’ cautious hesitancy for the foreseeable future. The travel industry will need to continue to take a leadership role and build confidence by continuing to emphasize health and safety protocols.¹⁵ Additionally, social distancing remains top of mind as **close to three in 10 summer travelers cited crowds and too many people traveling as reasons for not traveling more this summer.**¹⁶

Pandemic concerns and uncertainty do not appear to be holding back many Americans from being excited to travel and start making plans. As feelings of optimism and perceptions of safety improve, excitement levels for travel continue to grow. **Nearly three-quarters of travelers have high levels of excitement about leisure travel this year, and 77% are in a ready to state of mind for travel.**¹⁷ Baby boomers have historically been more hesitant and modest in their sentiments towards travel, but are now feeling more excited as well. Nearly three in 10 American travelers without summer plans still need more time to feel ready; one in five Americans with summer travel plans are already traveling.¹⁸



SOURCE: Harris Poll, April 28



TOP DESTINATION ATTRIBUTES

Family-Friendly
Relaxing
Memorable
Comforting **FUN**
Affordable
Sunny, Warm Climate



Discover Puerto Rico's
 It's Time campaign speaks
 directly to Americans'
 need to daydream, escape
 and relax.

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As a result, nearly eight in 10 Americans (77%) are planning on traveling this summer—a significant improvement from just three in 10 (29%) who planned a leisure trip last summer.¹⁹

Still, nearly one-third of American travelers say their summer trip volume will be less than a typical year and 45% say it will be on par with what they would normally do.²⁰ Of Americans who have summer travel planned or booked, more than half (53%) will be traveling for the first time since the start of the pandemic.²¹

While many Americans are looking forward to traveling this summer, income makes a difference: 68% of American households earning less than \$50,000 are planning on traveling this summer compared to 86% of households earning more than \$100,000.

Nearly two-thirds (64%) of planned summer travel will be for leisure purposes, followed by visiting friends and relatives (32%).²² Travelers with summer travel plans are planning on 2.3 leisure trips this summer on average, with three in 10 planning three or more trips. July, followed by August, are the most popular months for leisure travel this summer.

After a year of stress, anxiety and uncertainty, Americans are seeking familiarity, comfort and somewhere they can just escape and chill out. When traveling this summer, travelers are looking forward to relaxing, disconnecting, and creating fun memories. Summer travelers are also more likely to be parents and to place emphasis on family-friendly activities and experiences.²³

*Nearly eight in 10 Americans
 (77%) are planning on
 traveling this summer*

It's Time

No stranger to responding to crises, Discover Puerto Rico was already operating in crisis mode following a series of earthquakes in January 2020. In 2019, tourism revenue had finally exceeded levels reached pre-Hurricane Maria, and travel bookings were looking strong. Until, of course, the COVID-19 pandemic essentially shut down the Island and the world came to a screeching halt.

While initially pausing media to determine how to proceed, it did not make sense to stay silent and lose the momentum generated in 2019 and in the early months of 2020. Activating an existing robust Crisis Communication playbook, Discover Puerto Rico was able to quickly adapt, modify and adjust and hone the right message using a data-driven approach to prepare for Puerto Rico's biggest comeback ever.

Messaging focused on daydreaming of brighter days and of a place Americans would rather be while living through lockdowns and quarantines. The campaign encouraged people to daydream and escape – even for a moment – the “new normal” of pandemic life, while allowing Puerto Rico to turn up the dial once the world was ready to travel again.

Theme: Time

In lockdown, time passed slowly. And at the outset of the pandemic, it seemed like all we had was time. “Time” provided Puerto Rico’s audience the opportunity to think about the things they really missed. Their platform emphasized all the good that was just over the horizon – that there would be a time when all of this unpleasantness would pass. When it was time to get back to living, and laughter, and sun, and frozen drinks, and turquoise water, Discover Puerto Rico would be ready to remind people what they’ve been missing and exactly where to find it.

Phased Messaging Approach

PHASE ONE: “ALL IN GOOD TIME” (APRIL – JUNE 2020)

Phase One used the message “All in Good Time” and promised better days ahead. The campaign spoke to what people needed to do during quarantine to stay safe, while simultaneously serving as a visual vacation by keeping Puerto Rico – with its dreamy beaches, colorful cities and vibrant culture – top of mind. In a sense, positioning the destination as the warm light at the end of a dark tunnel.

PHASE 1.5: “IT’S ALMOST TIME” (JUNE – FALL 2020)

While Phase One was very successful across social engagement, the pandemic dragged on and the Island’s re-opening was pushed to a later date, necessitating a messaging refresh.

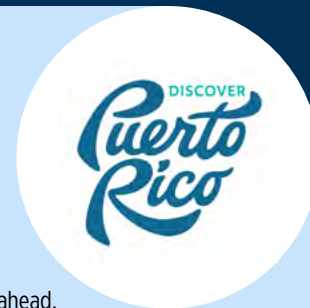
The challenge was to create a message that was not redundant, but instead continued to build momentum at the right – and responsible – pace. “It’s Almost Time” was developed as an intermediate bridge to transition between two campaigns. This messaging was a fallback for the extended summer and fall and allowed the destination to pivot while continuing to build momentum around dreaming of future travel.

PHASE TWO: “IT’S TIME TO BOOK/PLAN” (FALL 2020 – CURRENT DATE)

As the world reopened its doors to travel, phase two of the campaign focused on turning daydreams into a reality. This phase was more direct, letting audiences know “It’s Time to Plan” and “It’s Time to Book,” travel to Puerto Rico.

PHASE THREE: “IT’S TIME FOR PUERTO RICO” (DATES TBD)

For the final phase, messaging will evolve to “It’s Time for Puerto Rico,” which closes the campaign loop by actively encouraging travelers to visit the Island now, underscoring the beauty, relaxation and adventure that awaits.



It's Time (continued)

Target audience

Prioritizing health and safety of the Island's local and visitors, Discover Puerto Rico focused on targeting responsible travelers. Relying on data, the DMO and its agency partners developed a strategy to target travelers more likely to adhere to safety protocols and local guidelines and restrictions. Known purchasers of COVID-19 health and safety products, as well as those who had traveled by air during the pandemic, who, based on airline requirements, would already be following known health and safety protocols were targeted. As vaccine distribution took priority in older demographics, the destination broadened their typical audience and focused on those most likely to have been vaccinated first.

The result? Discover Puerto Rico's campaign strategy allowed the Island to remain top of mind throughout the pandemic. And the results speak for themselves.

According to search data from Google's Destination Insights, Puerto Rico is the fastest-growing destination in the world with the highest travel interest between January 1 and April 7, 2021 – exceeding awareness goals established when the campaign first launched.

Moreover, there's been a 107% increase in website visitation over the course of the campaign, with 94% of visits from new users and a 56% increase in page views. Finally, Puerto Rico is not only outperforming the rest of the Caribbean in Q1, it is also exceeding overall U.S. lodging performance with occupancy at 66% for March 2021 compared to 55% for the U.S. overall.ⁱ

Discover Puerto Rico's phased messaging approach and laser focused media strategies allowed them to reach audiences throughout the pandemic with messages that not only resonated but produced awareness and momentum for visitation levels to surpass 2019 benchmarks.



107% *increase in website visitation*



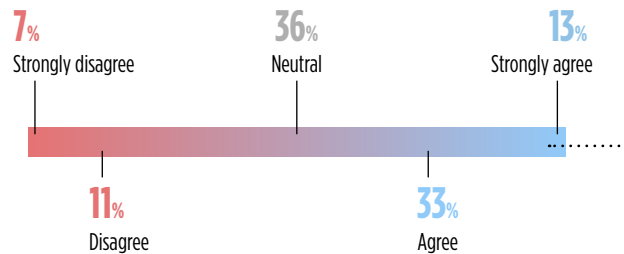
94% *of visits from new users*



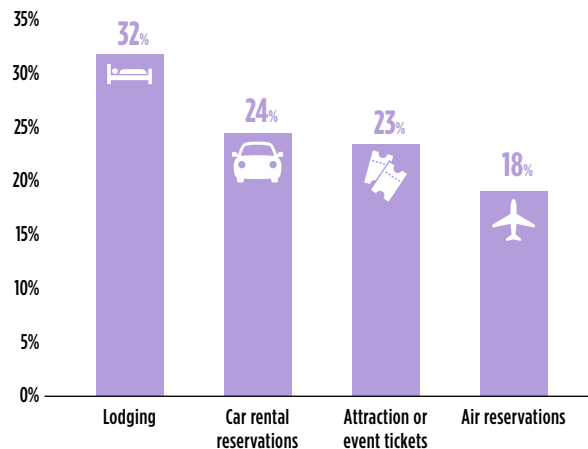
56% *increase in page views*

Travel Planning: Booking Windows Remain Short but Starting to Extend

WILL MAKE RESERVATIONS CLOSER TO TRAVEL DATE THAN A NORMAL YEAR



PLANNED BOOKINGS WITHIN ONE WEEK OF TRAVEL



SOURCE: Destination Analysts, COVID Sentiment Tracker, April 28th

Almost 60% of domestic searches fell within three weeks of travel during Q1 2021, and shorter search windows will likely continue throughout the summer season.²⁴ While an increasing share of Americans is looking forward to and planning travel, they are waiting longer than ever to actually book—until they feel completely ready and are certain they are able to travel safely. **Nearly half of travelers (46%) agree they are booking closer to their travel date than in the past.** Over 40% of travelers making hotel, car rental, attraction and event reservations say they will book less than four weeks out, with one-third planning on not booking lodging until within one week of travel. **As of mid-May, TravelClick lodging data also showed that more than half (56%) of room nights booked within the last five weeks were booked within seven days of the arrival date.**²⁵

Slowly, hotel booking windows are lengthening as consumer confidence builds. According to Amadeus, same day hotel bookings decreased from 39% the first week of 2021 to 23% the week of April 25th and bookings made 31 to 60 days before a trip increased from 6% to 11% over the same time period.²⁶

Pent up demand is starting to translate into action: two-thirds of Americans have some sort of travel planned (36%) or booked (30%).²⁷ And 36% of travelers defined their summer travel as very well-developed, i.e. knowing where and when they will be traveling.

As uncertainty declines, more Americans are vaccinated and economic and employment situations stabilize, booking windows will likely start to extend. Rate increases and less supply will also drive increased demand.

With cost of travel a top barrier for not traveling more this summer, deals and discounts are key motivators. Two-thirds of travelers are actively looking for deals and discounts for their summer travel.

Travelers, particularly more hesitant ones, are turning to their trusted friends and families for travel recommendations. With more than half of summer travelers venturing out for the first time since the start of the pandemic, firsthand experience (both in-person and via social media) from trusted sources will be key to building back reassurance and confidence. It's essential to deliver a positive experience to locals and visitors alike as word of mouth and recommendations from friends and relatives will help motivate Americans to start venturing out further.



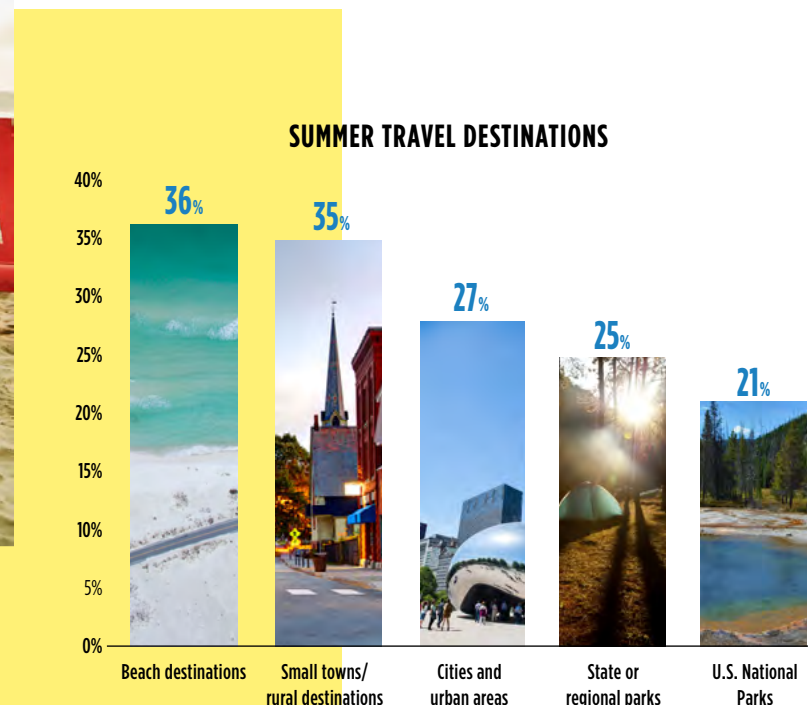


Sun, Sand, Surf...and Hiking

Beach destinations and small towns or rural destinations are the most popular types of destination for summer travel. Social distancing outdoors continues to appeal to travelers, and more than one in five are likely to visit a national or state park.

While most likely not the first trip most Americans will take this summer, urban destinations remain popular. Many Americans need to stick their toe in the water with shorter regional drive trips to build confidence and reassurance before booking longer getaways in more urban areas. **Urban bookings are expected to accelerate in the coming months, with more than four in 10 (41%) planning travel in the next three months expecting to visit a city.**²⁸

Florida, followed by California, top the list of states American travelers are most likely to visit this summer.



SOURCE: Destination Analysts, COVID Sentiment Tracker, April 28th



Marketing the state as a place of possibility, dreams and diversity, Visit California focused its summer leisure campaign on outdoor, cultural and family activities.

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In its Our Gate is Open summer campaign—mainly targeted to in state residents—Urban San Francisco promoted outdoor experiences and wide-open spaces alongside information about safety protocols.

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A historic destination in a small city outside of Washington, D.C. capitalizes on its reputation as a 'Best Small City'.

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What If, California



The inspirational “What If, California” campaign promoted the power of possibility during a time when joy was in short supply. It identified California as a place of abundance and a magnet for dreamers and their dreams. California offers a wholly unique lifestyle and attitude that celebrates diversity, champions being open-minded and welcomes the promise of possibility.

The campaign was the first national advertising since before the pandemic and was designed to boost California’s economic recovery beyond the in-state “Calling all Californians” campaign. The key campaign objective was to restore and increase leisure spend in California. The [six-, 15- and 30-second spots](#) highlight California’s outdoor, cultural, family and luxury activities across rural and urban destinations.

The pandemic presented significant challenges for production. Visit California filmed the primary 30-second commercial when travel was highly restricted, but the use of leading-edge green screen technology showcased 10 wide-ranging California destinations: Antelope Valley, Burney Falls, Death Valley, Los Angeles, Lake Tahoe, Mono Lake, Mt. Shasta, Napa, San Francisco and San Diego.

The “What if, California” campaign was supported by a nearly \$13 million media buy running from March 15 – June 30. The layered media approach included television, online television and digital assets targeting consumers actively researching and seeking travel information.

The campaign focused on stimulating increased travel, driving meaningful consumer touchpoints and balancing the distribution of travel across the state.

Timing of the campaign launch was dependent on a variety of factors including public health indicators, consumer sentiment and state guidance on reopening for travel-related businesses. By March, California saw major progress on the public health crisis, which helped to loosen state restrictions on travel-related businesses. Simultaneously, there was a surge in optimistic consumer sentiment and enthusiasm for travel, creating the right time for Visit California’s national marketing.

To extend a collective voice, a partnership platform provided California industry partners the opportunity to co-brand the “What If, California” ads or simply take advantage of discounted media rates and matching investment opportunities.

The campaign built on in-state marketing efforts that Visit California conducted for the first time since the aftermath of the Sept. 11, 2001 attacks. Prior to the “What If, California” national launch, the “Calling All Californians” campaign targeted in-state consumers by appealing to civic pride with a call for Californians to rediscover their home state. The campaign was distributed through TV, radio, digital, partnerships with online travel agencies and out-of-home billboards on freeways in Los Angeles, Sacramento and San Francisco.



‘Our Gate is Open’

The San Francisco Travel Association’s 2021 recovery marketing plan builds off the success of the Fall 2020 re-opening platform ‘Our Gate is Open’ and capitalizes on resources and messaging of Visit California’s “Calling all Californians” and “What If” campaigns.

Before moving forward with the re-launch of the campaign, San Francisco Travel wanted to ensure all visitors had a positive experience of the destination. They monitored and communicated state and local health and safety guidelines and waited until hotel quarantines were lifted and indoor dining and attractions were accessible and open safely.

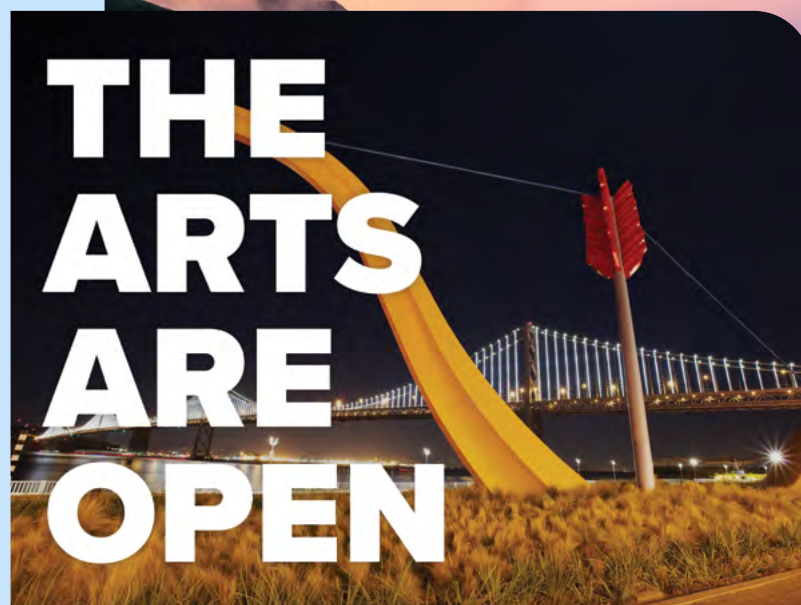
Utilizing a multi-channel fully integrated campaign across all travel segments, communication strategy focused on ensuring consumers, trade and meeting planners knew the Bay Area is open for business. ‘Our Gate is Open’ invites potential visitors to indulge in everything San Francisco has to offer including food, culture, unique neighborhoods and scenic beauty. Adherence to health and protocols, SFO airport’s leadership in airport safety and the success in managing COVID-19’s spread were key messages to reinforce consumer confidence. Additionally, a toolkit was developed for industry partners to extend and enhance the Our Gate is Open messaging.

The initial campaign, ‘Calling All Californians: Our Gate is Open’ was launched in October 2020 in partnership with Visit California, who provided matching funds and creative templates to support the recovery efforts. San Francisco Travel created a regional co-op within this campaign to maximize investments and assist with the recovery of the entire region. Regional partners including Visit Oakland and the Mt. Diablo Region, worked together to develop marketing assets to inspire planning and promote travel to the Bay Area. The campaign was paused

in November due to a second state-wide closure of businesses. Re-launched in mid-March 2021, the campaign once again called in-state visitors to spend three days in San Francisco and the outlying region. Leveraging content and assets developed in 2020, outdoor experiences and wide-open spaces were emphasized with information about safety protocols related to the visitor experience. A second layer of the “Our Gate is Open” campaign, “The Arts are Open,” launched April 1 and promoted San Francisco arts and cultural institutions with highly targeted media to California consumers searching for arts and culture points of interest.

Beginning in May, by once again leveraging matching funds, media rates and creative templates from Visit California, San Francisco developed another regional co-op to leverage VCA’s ‘What If’ campaign. Geographic targeting was expanded to key feeder markets, including Seattle, Phoenix and Dallas along with Los Angeles with a national layer of paid social media.

The leisure marketing campaign will continue throughout the summer and will eventually expand to include international markets in mid to late summer, as border openings and resumption of flight routes allow.



Think Small



Capitalizing on a multi-year accolade as a top five U.S. Best Small City in the Condé Nast Traveler's Readers' Choice Awards, Visit Alexandria took advantage of their distinction and built a recovery marketing campaign around it. The ad campaign playfully suggests that the consumer should "think small" for their next vacation, and choose a destination recognized as one of the best "small cities" in the U.S.

The Think Small campaign launched in March 2021 to showcase this historic destination located on the Potomac River waterfront just outside of D.C. Research informed Visit Alexandria that many Americans are somewhat hesitant about crowded spaces and larger cities. The "Think Small" message appeals to travelers who are ready to start planning a getaway, but would prefer to first visit a driveable, smaller destination.

Without pressuring travelers to travel now, the initial ads encouraged travelers to move beyond dreaming and start making travel plans. As potential travelers become more comfortable, the messaging evolves to a "book now" call to action for the summer, featuring Visit Alexandria's popular [Love Your Summer](#) hotel package.

With images primarily focused on outdoor activities such as biking, outdoor dining, walkability and the historic waterfront,

the ads emphasize responsible choices, and communicate the city's safety commitment in a friendly and fun tone.

Health and safety were a top priority long before the launch of the Spring 2021 campaign. Visit Alexandria developed the [ALX Promise](#) in the spring of 2020 in partnership with the local health department. Displayed in a business's window or website, the ALX Promise shield communicates that the business has committed to higher safety standards than the minimum required by law. Since, more than 300 businesses have committed to the promise which includes training with an Alexandria Environmental Health Specialist on the state's health and safety requirements to reopen.



While Alexandria was already primarily a drive market, the 'Think Small' campaign started with a small footprint targeting markets within a three-hour radius rather than the DMO's pre-pandemic five-hour radius and excluded areas with high infection rates to remain responsible to

the community. Individuals more likely to be ready to travel were targeted based on in-market-for-travel programmatic audiences as well as search and booking data from ADARA. With vaccinations increasing, cases falling, and restrictions easing, the target markets for the campaign expanded outward to a five-hour radius in early May.

Prior to launch, Visit Alexandria took care to monitor consumer attitudes towards COVID-19 and travel, infection rates across the Washington D.C. metro area as well as targeted markets and waited for a critical mass of activities in Alexandria to be open and ready to accept visitors.

As in previous campaigns, impressions, click through rate, video completion rate and on-site engagement will be monitored. As of the end of April, early metrics resulted in more than 15

million impressions and nearly 500,000 video completions.

Finally, engagement with member businesses is another important way Visit Alexandria measures their work – from business impact surveys and regular sector meetings to membership growth rates. Visit Alexandria membership actually grew 5% to a record level over the past year, attributable to both payment flexibility and also businesses seeing the value of participating in regional marketing opportunities during the pandemic.

"The partnership between Visit Alexandria and Pedego Electric Bikes Alexandria has been invaluable as we have not just survived but thrived during the last year! Visit Alexandria has done a tremendous job of spotlighting the wealth of bike accessible sites and outdoor activities available in and around our city."

Todd Ketch, Owner, Pedego Electric Bikes



Road Trips Viewed as Safer and Will Dominate Summer Travel

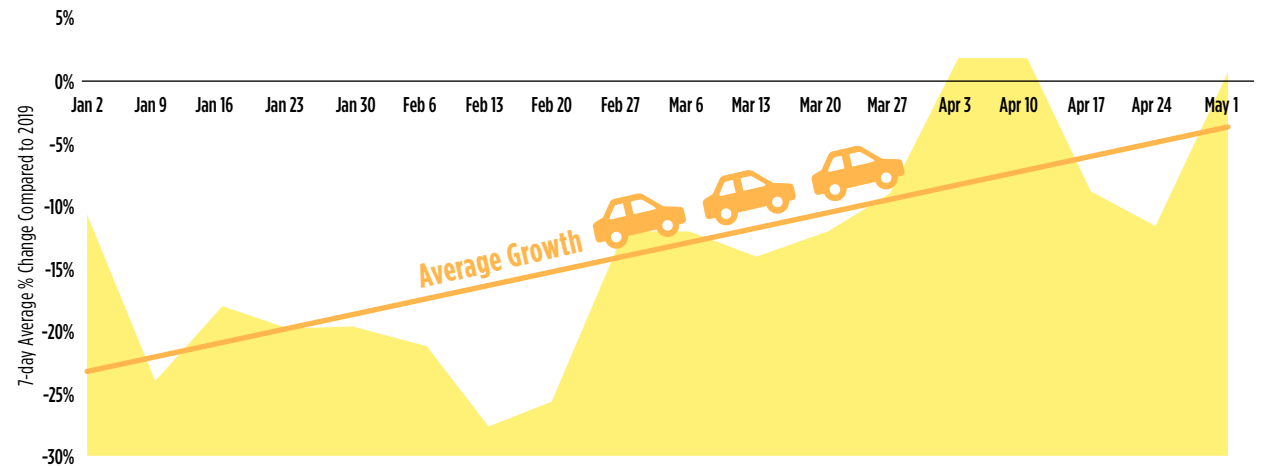
Road trips have experienced a clear upward trend in recent months and, as of April, auto trips have fully recovered back to pre-pandemic levels.²⁹ **With nearly four in 10 still not expecting to fly until at least 2022, auto trips are viewed as the safest and most reliable option for the majority of travelers this summer.**³⁰ Seven in 10 (71%) expect to drive to their summer destination even if the destination is further than their drive trips of the past.³¹ The average road trip distance for summer travelers is just over 300 miles, and one in five plan to travel more than 500 miles on their next road trip.³²

Car travel is here to stay for the foreseeable future. As of late April, three in 10 travelers still prefer destinations they can drive to as opposed to fly.³³ U.S. travelers would be willing to drive up to nine hours for a leisure trip during the pandemic.³⁴

AAA recently reported that more than 37 million Americans were forecast to travel this Memorial Day, an increase of 60% from last year but still down 13% from 2019.³⁵ Car travel will dominate, comprising more than nine in 10 (93%) of all Memorial Day travel.³⁶ Air travelers will make up only 7% of all travel this Memorial Day, down 23% from 2019.³⁷

As road travel is viewed as safer than air, and outdoor destinations remain popular, it is expected that road travel will remain strong this summer.

AUTO TRAVEL REMAINS RESILIENT



SOURCE: Arrivallist



In the middle of the country and surrounded by eight contiguous states, Missouri was already known and marketed as a drivable destination. The Missouri Division of Tourism launched a 2021 campaign centered around a relatable, easygoing personality offering a variety of outdoor, biking and cultural itineraries.



That's My M-O Campaign

Visit Missouri (the Missouri Division of Tourism) introduced a new tour guide to help visitors navigate travel planning in the midst of a pandemic in the Show-Me State. Through Visit Missouri's character-driven "That's My M-O" campaign, Mo helps travelers find their own personal travel M-O by providing information on outdoor adventure, family fun, food and drink, history, art, music and more. Mo, a focal point of the VisitMo website, is featured in a multi-channel campaign that includes print, TV, digital, out of home and audio.

The initial campaign, planned for spring 2020 launch, was paused as the coronavirus took hold. With the goal to distinguish Missouri from competitive states in a crowded marketplace, the state tourism office sought to bring personality and drive awareness of the Show-Me State.

Follow up focus group interviews conducted in the summer of 2020 reinforced the positive feedback received from initial focus groups conducted in 2019.

Thanks to the release of budget funds which had been restricted earlier in the fiscal year, progressing vaccine rollout, improving consumer sentiment and safety perceptions around travel, Visit Missouri launched the campaign and introduced the world to the genial, easygoing, down-for-whatever guide who has the perfect Mo for your M-O.

Launched in mid-March 2021, the approximately \$7 million marketing campaign goal was to get in consumers' consideration sets early as they planned for spring and summer travel.

Surrounded by eight contiguous states in the middle of the country, Missouri was already considered a drivable destination. Road trips, outdoor activities, biking opportunities and cultural stops around the state are a few of the many Mo personalities and travel itineraries highlighted.

In order for the campaign to be successful, Visit Missouri knew it would take a special character to encompass all Missouri has to offer. During focus group testing, the team learned that the character should be a welcoming, easy-going personality to showcase Missouri as the perfect, easy, affordable destination with lots of hidden gems that give you what you want how you want it. 26 versions of Mo – representing themes ranging from culture to sports – were captured during a three-day production shoot.

Multiple promotional platforms targeted visitors in the surrounding states with messaging focused on educating consumers on the activities and experiences the Show-Me-State has to offer. Purposely playing a long game instead of focusing on short-term bookings, the campaign sought to build awareness of Missouri and keep the state top of mind for future travel plans.

Just one month into the campaign, it has already achieved 88.4 million total impressions, 261,000 new website visits to VisitMo.com and a continuous rise in the interest in Missouri across platforms.

Heading into the summer, the campaign will continue to position Missouri as a travel destination to fit a variety of vacation styles, including outdoor, adventure and culture. Paid, earned and owned media will continue to support the campaign to drive awareness and engagement with potential travelers.



88.4 million
total impressions

261,000
new website visits

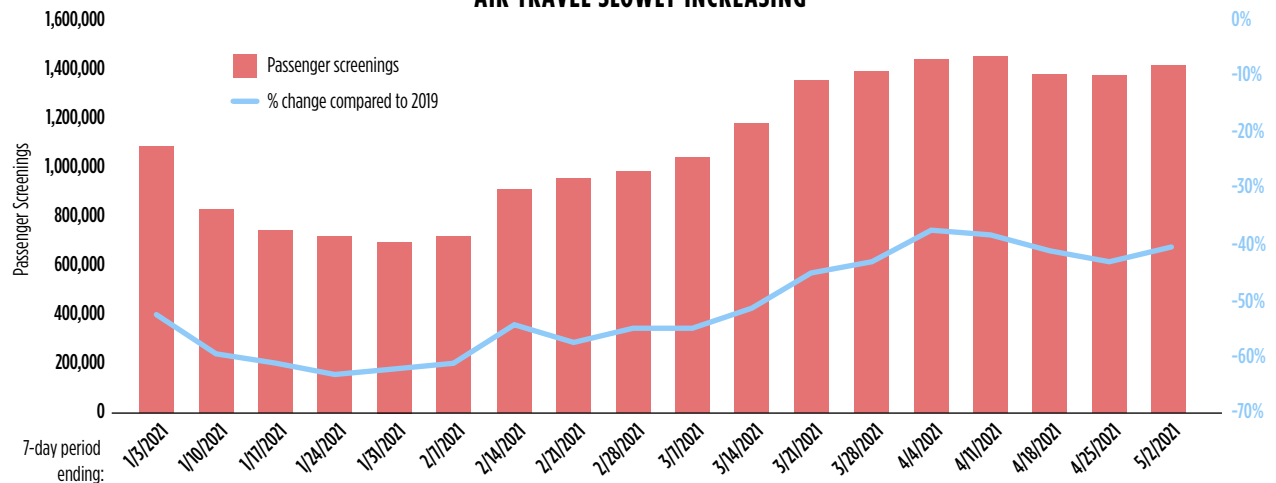




Without the ability to host large cruise ships for the second straight summer, Go Alaska partnered with Alaska Airlines to promote adventure and discovery of the state's BIG Alaska-sized offerings.

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AIR TRAVEL SLOWLY INCREASING



SOURCE: TSA

New Focus on Leisure Air Routes

With airports and airlines topping the list of locations that will be busy or crowded this summer, and health and safety concerns remaining, only **about one-third (34%) of American travelers plan to fly to their summer destination**.³⁸ And with a focus on family friendly experiences and more than three in 10 planning to travel with children under 18, air travel is not as cost-effective.³⁹

While slower to recover than auto, air travel demand (based on TSA screenings) has generally trended upward since February, and this trend can be expected to continue through the summer. Since the start of the year, TSA screenings have been breaking pandemic records nearly every weekend. Most recently, TSA screened more than 1.7 million people on Sunday, May 9th—still 29% below comparable 2019 levels.⁴⁰

TSA has hired 2,500 employees since January and plans to hire an additional 1,600 in the coming weeks as it prepares for a resurgence in travel this summer and over the winter holidays.⁴¹

With the decline in business travel and lag in people returning to cities, airlines have doubled down on adding more flights and routes to accommodate leisure demand, specifically to airports near popular national parks and other outdoor recreation destinations.⁴²

United Airlines is planning on adding more than 500 daily domestic flights this summer, including new routes to Yellowstone National Park and Kona, Hawaii. Most other airlines are also adding more flights and creating new routes this summer too.⁴³

Go Big



In 2019, 60% of summer visitors to Alaska arrived by cruise. The economic losses from a canceled cruise ship season totals \$3 billion annually. Without cruise ships and open ports in Canada again this year, Alaska was staring down a second summer without the majority of tourists arriving via large cruise ships and things looked bleak.

Alaskans believe, everyone deserves to go big. From floating the fjords, hiking the trails, to seeing the northern lights. Everything is bigger in Alaska – the mountains, the moose and the sense of adventure.

In order to entice and welcome tourists for the upcoming summer season, the Alaska Travel Industry Association (ATIA) focused on inviting everyone back to roam big, wander wild and discover more – to ultimately make Alaska-sized dreams reality.

All tourism businesses were impacted by low levels of visitation in 2020, and with the cancellation of cruises in 2021, independent travelers are expected to make up the bulk of visitors to Alaska. The Travel Association quickly pivoted to promote Alaska as an accessible and OPEN destination (unlike the Canadian border) and you could easily fly into the state and have a great vacation.

Go Big. Go Alaska was launched with the goal to convey that after a year of not being able to do anything, you deserve to Go Big and Alaska is the best way to Go Big.

Through a new partnership with Alaska Airlines, the Alaska Travel Industry Association and its community partners, offered discounts on flights in May and June during a six-day sale from March 30 through April 4, 2021. Targeting West Coast markets, utilizing TV, social media, retargeting, direct mail and e-newsletters, messaging focused on Go Big, Go Alaska. Alaska is just a plane ride away.

Partners were enlisted to share newly developed social media templates to promote the same message on their channels. A travel newsletter with the Alaska Airlines discount and other partner promotions encouraged visitation to TravelAlaska.com. As a result, TravelAlaska.com saw a 41% increase in users compared to the week prior to the sale.

Governor Mike Dunleavy understands the importance of travel and tourism to Alaska's economy. As of late May, thanks to the significant efforts of Governor Dunleavy, Alaska's Senators Murkowski and Sullivan, and Representative Young, the Alaska Tourism Rescue Plan passed both Houses and is headed for the President for his signature. The new legislation allows large cruise ships to transport passengers between Washington and Alaska without a required stop in Canada. As a result, several large cruise lines will launch in late-July, following the Center for Disease Control's Framework for Conditional Sailing Order.

Due to the impact of this pandemic resulting in demand destruction and the decisions by the federal government regarding the cruise industry, we need to aggressively market Alaska. Alaska is a COVID-safe destination. We lead the nation in all the important health metrics that count. Our response has been top notch and has always put Alaskans first. By assisting our economy in this manner, we would ensure Alaska's businesses and communities have a future.

Governor Mike Dunleavyⁱⁱⁱ



- i. Alaska Department of Commerce and Labor, Impacts to Alaska From 2020/21 Cruise Ship Season Cancellation, April 9, 2021. <https://gov.alaska.gov/wp-content/uploads/sites/2/04082021-Cruise-Impacts-to-Alaska.pdf>
- ii. Office of Governor Mike Dunleavy, Dunleavy Unveils Alaska Tourism Marketing and Aid Package, April 16, 2021. <https://gov.alaska.gov/newsroom/2021/04/16/dunleavy-unveils-alaska-tourism-marketing-and-aid-package/>



Lodging: Longer Recovery for Traditional Hotels While Vacation Rentals Benefit

Close to two thirds of summer travelers (64%) plan to stay in a hotel during their summer vacations, although more than one-quarter (27%) plan to stay with friends or relatives and 24% will consider a vacation hotel rental such as Airbnb or VRBO.⁴⁴

Hotel occupancy rates and demand have steadily improved in recent months, reaching “only” -15% in April (compared to April 2019).⁴⁵ This trend will likely continue into the summer. **The latest STR and Tourism Economics lodging forecast anticipates a strong rebound of travel activity in the second half of 2021, fueled by leisure travel.**

RevPAR is forecast to increase 22% in 2021 and 34% in 2022.⁴⁶ Room demand is expected to surpass 2019 levels by 2023, and with a slower return of corporate and group business, ADR and RevPAR are expected to lag and not fully recover until 2024.⁴⁷

Urban hotels in particular continue to struggle. March RevPAR was down 63% for urban-located

properties while interstate and small metro/town lodging locations were down just 15% and 13%, respectively, compared to 2019.⁴⁸

While the traditional hotel sector has a longer road to recovery, short-term rental demand fully recovered to its 2019 levels in April.⁴⁹

According to AirDNA, mountain and lake destinations such as the Ozark Mountains, Boone, NC and Pocono, PA dominated the top of the list of markets with the most demand growth in April. **Looking towards May, the top markets for demand growth shifts to the Caribbean. The U.S. Virgin Islands and Puerto Rico have the most new demand booked as of the end of April.**

The rest of the summer looks incredibly strong, with nearly every destination resort market pacing ahead of prior years. The average market is pacing 50% higher for the upcoming summer than 2019. Similar to 2020, markets around National Parks like Glacier, Zion, Joshua Tree and the Smokey

LODGING OCCUPANCY (% change from 2019)

| | |
|--------|--------|
| Nov-20 | -34% |
| Dec-20 | ↑ -33% |
| Jan-21 | ↑ -28% |
| Feb-21 | ↑ -27% |
| Mar-21 | ↑ -20% |
| Apr-21 | ↑ -15% |

SOURCE: STR

Mountains are seeing very strong growth in demand.

VRBO is also experiencing high levels of demand and longer stays, benefiting from ‘flexcations’ that include both work and play. According to Expedia, travelers are 75% more likely to book stays of at least seven nights at VRBO vacation homes this summer.⁵⁰

As summer travel nears and vacation homes reach peak occupancy, AirDNA expects to see additional supply added to popular markets. Excess demand should also lead guests to return to the urban markets travelers have largely avoided over the past year and currently have ample availability.

Rest and Relaxation Required

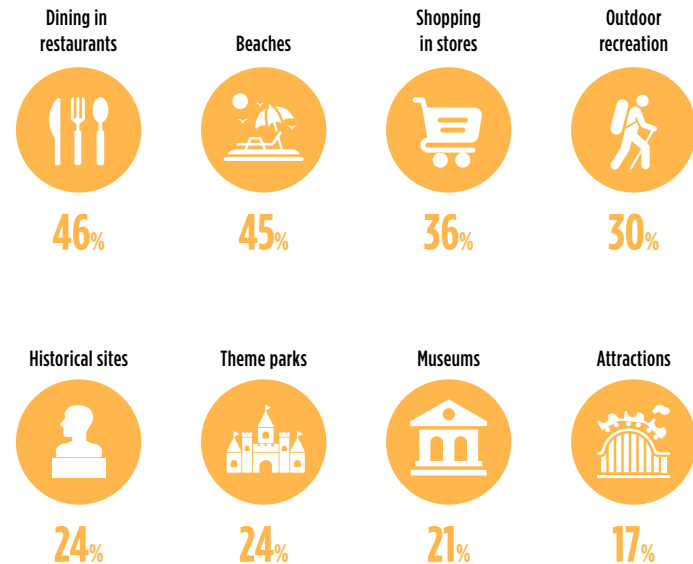
After a year of stress, anxiety and uncertainty, many travelers are seeking familiarity, comfort and somewhere they can just chill out and escape.

Nearly 10 million Americans visited National Parks in April 2021.⁵¹ Outdoor destinations have been a clear preference throughout the pandemic and are sites travelers continue to prioritize and feel are the most safe. Three in 10 travelers plan to participate in outdoor recreation activities such as hiking and biking this summer.⁵² Outdoor recreation and connecting with nature are top experiences American travelers are looking forward to.⁵³

Beaches remain a top summer activity, but one-quarter of Americans are planning on visiting theme parks and one in five museums and attractions.⁵⁴

Dining in restaurants and shopping in stores also top the list of summer travel activities—related to doing new things Americans have not been able to do in the past year.

TOP SUMMER TRAVEL ACTIVITIES



SOURCE: Destination Analysts, COVID Travel Sentiment Index Report, Wave 59, April 26, 2021

TAUCK

While their international tours were not operable, tour operator, Tauck launched their popular family-friendly U.S. tours and “Opened for Travel” for leisure travelers looking to escape and explore the great outdoors, whether in the Red Rocks Canyon, Alaska, Yellowstone National Parks or to Michigan Lakes, to name a few.

Tauck Open for Travel

As the first licensed tour operator in the United States, starting their first trips on the dusty roads of New England in 1925, Tauck is no stranger to crises and the need to be nimble.

As COVID cases steadily declined, vaccination rates increased and overall consumer sentiment began to shift positive, in early April, Tauck officially “Opened for Travel” by announcing all of their U.S. programs would operate by July.

To leverage this news, they drew upon not only their 96-years of experience operating in the United States, but also decades of an exclusive partnership with documentary filmmaker Ken Burns and producer and writer Dayton Duncan. *The National Parks: America’s Best Idea* file was the catalyst for *Ken Burns American Journeys*, a series of Tauck tours co-crafted with unique content from Ken and Dayton.

Detailed communications flowed throughout April to currently booked, and previously booked but canceled, travelers and their advisors. The broader news message was also directed at the general public and trade media. Information sharing was staged to adequately address the questions and needs of their prioritized audience and to effectively manage inbound bookings into their call center.

To allow for sufficient time for superior guest and advisor communication and also to prepare supplier partners and finalize logistics, Tauck made the decision to require 60-days’ notice for all operational decisions. In order to

resume operations in July, communication was required to be completed by May 1.

Before launching a reactivation campaign numerous factors and stakeholders were taken into consideration including:

- Vaccination demand / “Vaxication” desire. Strong consumer demand, driven by guests receiving vaccination, coupled with holding retention rates encouraged a July reopening
- Supplier viability. Were partners operating and able to take groups?
- Parks Commercial Use Authorization issuance. Were State and National Parks able to issue authorization for group operations in time?
- Call center volume. How can bookings be maximized while achieving acceptable response and service times in our call center?
- 60-day decision making window to align all internal and external stakeholders

The metaphor of a porchlight was accentuated in all communication over the past year.

***Our porchlight is on.
When you’re ready to
travel, we’ll be here.
We’ll be ready for
you.***

Thus, messaging referenced the lights coming on and growing brighter as Tauck opened their doors for travel. Without revenue coming in, it was essential to utilize existing assets and programs while continuing promotions to stay top of mind. Existing content for *Ken Burns American Journeys* was refreshed and repurposed for Tauck’s USA-centric messaging.

To date, nearly all key performance indicators are performing at or above pre-pandemic levels.

Open rates and engagement for Open for Travel email messaging and newsletter tracked above prior levels and the website traffic to the Taucker Blog and tauck.com was unprecedented. At the end of April, Tauck.com witnessed 40-50k page views per day. **Not only did Tauck exceed its campaign goals but also saw booking activity reach historic pre-pandemic levels. For example, Tauck’s Canyonlands tour had its best booking day in 14 years.**

TAUCK



Messaging that Motivates

1 **Health and Safety Remain Top of Mind**

Despite excitement and a strong desire to return to normal, Americans' mindsets, priorities and attitudes have been altered as a result of the pandemic. Nearly six in 10 report they have elevated concerns that something could go wrong on their upcoming trips.⁵⁵ While dropping from top mentions, around one-third of Expedia travel searches mention cleanliness, even as recently as April 2021. Four in five travelers expect to make accommodation decisions based on implemented health and safety protocols.⁵⁶ Many travelers report that the pandemic has changed them, leaving them more budget and safety conscious and generally more on guard. As health and safety factors remain a top barrier preventing Americans from traveling more, travel brands must remain vigilant and continue to communicate, implement and enforce health and safety protocols.



2 **Increased Interest and Appreciation of the Great Outdoors**

Enjoying the outdoors and exploring nature was one of the few activities many Americans were able to partake in last year at the height of the pandemic. Many appreciated the time to slow down and enjoy the outdoors and as a result, more than one third of American travelers are more interested in enjoying outdoor recreation activities and being close to nature than in the past.⁵⁷ Include outdoor activity options in travel itineraries and messaging, and ensure they are accessible for all different types of travelers and activity levels.

3 **Building Confidence**

With more than half of Americans taking their first trip since the start of the pandemic, many travelers remain optimistic, but cautious. Most travelers will likely start traveling with shorter regional drive trips to destinations they have visited in the past to build confidence and reassurance before booking longer getaways in more urban areas or unfamiliar destinations. Urban bookings will likely accelerate in coming months as more travelers have positive experiences closer to home.

Word of mouth will be extremely important from trusted family and friends as Americans start venturing out—more hesitant travelers will want to hear firsthand what their trusted sources are experiencing.



4 **Familiarity and Comfort**

To that end, after a year of stress, anxiety and uncertainty, many travelers are seeking familiarity, comfort and somewhere they can disconnect and take a break from day-to-day responsibilities. Beach destinations and resort towns are hugely popular not only for the summer, but throughout the year. Families are looking to reconnect and create memories—at childhood vacation destinations, family reunions or other memorable events.



Meet Minneapolis' simple, yet accessible and flexible, Top 8 Reasons Why Minneapolis is designed to appeal to the traveler or resident unsure of what the city has to offer and provide them options to explore or rediscover the city's cultural districts and individual neighborhoods.

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5 **Inspire and Simplify Trip Planning**

Even just planning travel can make Americans feel excited and hopeful, and has positive benefits on an individual's well-being. Make travel planning fun and simple. Travelers will likely take more time to carefully plan their trips to build in as much certainty as possible and ensure they will have a positive, safe and memorable experience. Travel brands and destinations can focus on what is resonating: family friendly experiences, relaxing and memorable offerings, defined itineraries, discounts, and flexible booking policies.

6 **Support for Local Businesses and Community**

Travelers want to support the small businesses and communities that make a destination unique. Three-quarters of Americans are eager to support local communities through travel.⁵⁸

As a majority of Americans now indicate that they feel safe eating and shopping locally (60%) and opening up their communities to visitors (53%),⁵⁹ they also recognize the need to support business sectors hit hardest by the pandemic. Around half (48%), say that helping these local businesses reopen and recover should be a priority in their community, and more than four in 10 believe supporting growth of locally owned businesses should be a priority.⁶⁰

Without the ability to travel and venture much beyond local communities, many Americans explored, rediscovered and embraced what their own community had to offer.

While many local businesses struggled to stay afloat during the pandemic, some were able to succeed by reintroducing local residents to their offerings and assets. In return, they often discovered new supporters and reinvigorated existing champions.

The pandemic brought a newfound appreciation of local community, often strengthening local residents' sense of pride in their community. As trusted friends and relatives remain top sources for travel planning, by engaging local residents and ensuring they are aware of a destinations' offering, they often become some of the most knowledgeable and strongest, most passionate advocates for exploring the local community.



Meet Minneapolis' We Need Us campaign rallied their local community behind a bigger initiative to inspire local residents to safely support the wide array of local businesses that make Minneapolis a vibrant place to live and work.

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Daily Mobile Device Activity Informs and Identifies Emerging Traveler Behaviors

Zartico, creators of the world's only Destination Operating System, reviewed more than 20 destination data streams in the United States to inform the summer outlook. Based on a real-time, daily feed of anonymized location data, they are able to analyze the daily visitor movement of close to one billion resident and visitor mobile phones. Year-over-year comparisons provide unique insights into traveler behavior and recommendations on what to expect next in your destination.

A few key highlights for the summer travel season:

- **Strong summer rebound.** Prepare for possible overcrowding, but residents welcoming back the visitor economy. Track resident sentiment and visitor-to-resident ratios throughout the summer.
- **Shift in origin markets.** Anticipate several new origin markets as road trips are preferred and average longer distances than pre-pandemic.
- **Nostalgia travel.** Expect travelers to return to a familiar and happy place—honeymoon, childhood vacation, and past family reunion sites revisited.
- **Agility is key.** DMOs need to embrace how to cultivate mid-week and off-season travel. Traditional leisure travel has shifted, and it will be important to have the right data to track midweek versus weekend visitation.
- **Nurture small businesses within the community** and create lasting mutually beneficial relationships. Many DMOs are relocating their offices to be more involved in the community.
- **Outdoor destinations remain popular.** Outdoor areas continue to see a surge in visitation. Stewardship and destination management become particularly important to preserve treasured places and build back more responsibility. National parks, beaches, and remote areas could all see record numbers.
- **Proof of travel and badge of honor.** Souvenir shopping will be at an all-time high. Inform your partners to get creative with their offerings and take advantage of the increased branding.
- **Value and importance of the travel industry accentuated.** DMOs will be more deeply integrated into economic development, communications and community planning. Anticipate more relocation incentives and campaigns.



Top 8 Reasons Why

The Vaccine, The Verdict and Public Safety.

Already faced with a limited sales and marketing budget, a year of pandemic shutdowns was additionally complicated by the social unrest following the killing of George Floyd in May 2020.

Immediately following the killing of George Floyd, Meet Minneapolis took a leadership role to address the restoration and transformation of a very raw and devastated community. Through existing relationships, Meet Minneapolis was well positioned to bring the community together and advocate for the city and residents. In partnership with their advertising agency, Meet Minneapolis created [We Need Us](#) in August 2020– a community focused campaign to inspire Minneapolis residents to safely support the wide array of local businesses that make Minneapolis a vibrant place to live and work. Many local businesses were struggling before the pandemic and were further harmed after the unrest following George Floyd's killing. Strategies were deployed to prioritize Black, Indigenous and people of color and other minority owned businesses. With a call to action to: Support the Minneapolis Businesses That Support Us Back, the marketing campaign spotlighted local businesses and business owners with targeted social media, toolkit, robust content on the Meet Minneapolis website and signage across the city.

We Need Us complemented Meet Minneapolis' increased focused on neighborhood marketing initiatives. Prior to the pandemic they were already working closely with the city in marketing Cultural Districts across the city. The DMO astutely recognized that before they could market their unique and diverse neighborhoods to visitors, locals had to (re)discover and take pride in their city. By encouraging locals to be authentic evangelists for the city and distinct neighborhoods they were able to take an active role in not only restoring their community but also shaping a more positive visitor experience.

Continued statewide COVID restrictions on hospitality businesses, concerns about public safety and the trial and verdict in the death of George Floyd offered a limited window for marketing summer leisure travel in Minneapolis. Yet, with the initial verdict in the George Floyd case completed, and re-opening of the economy, it became a summer of hope and optimism. Meet Minneapolis prepared to launch a simple, flexible and straight forward leisure marketing campaign to not only potential visitors but also to local residents to bring the community back together and remind them of what Minneapolis has to offer.



Meet Minneapolis markets the city to potential visitors, meeting planners and events rights holders around the world. Local establishments are some of our greatest assets. Visitors want to 'experience the destination like locals,' and by supporting these diverse businesses, we all can become authentic champions for our neighborhoods amid the transformation that's taking place across the city.

Melvin Tennant, president and CEO, Meet Minneapolis

Top 8 Reasons Why (continued)

Pre-pandemic, Minneapolis was promoted to leisure travelers around one theme: “You’ve Never Met a Place Quite Like This”. Due to the increased complexity that COVID and social unrest has added to the travel decision making process for visiting Minneapolis, the CVB shifted their messaging approach to address multiple factors that a traveler may be considering when planning or booking a trip. ‘Top 8 Reasons Why Minneapolis’ was developed organically, yet purposely. Recognizing that ‘Top’ lists sell and Minneapolis never had ‘just one thing’ the CVB took advantage of their multifaceted offerings to develop a campaign to address the many aspects and destination assets of traveling to Minneapolis. Through a variety of itineraries and themes, it was designed with the flexibility to shift as destination conditions and/or traveler mindsets change.

Before launching, Meet Minneapolis required a strong rollout of the COVID-19 vaccines and easing of local restrictions, the completion of the Derek Chauvin trial, assessment of the city readiness for visitors, understanding of public safety considerations including police and non-police support systems and the return of live events.

The city is still dealing with reputation management issues and concerns about traveling to Minneapolis. Beginning in mid-June, the initial phase Meet Minneapolis’ summer leisure campaign is planned to launch to a very limited audience of local residents and metro area households within 50 miles. Eventually, a road trip audience in markets 300 to 400 miles away will be targeted.

Due to the disruption of the industry in 2020 and the addition of a new partnership with Madden Media’s Voyage data analysis tool, Meet Minneapolis is in a baseline year for setting metrics. In addition to organizational KPIs of room nights and lodging taxes, they also plan to track website traffic, average length of stay, origin markets and point of interest visitation during the campaign activation.



Meet Minneapolis
City by Nature

TOP 8

REASONS WHY MINNEAPOLIS

SHOULD BE ON YOUR SUMMER LIST

- COMPACT CITY – TRAVEL WITH EASE**
 In Minneapolis, you'll never be far from where you need to be – literally. Our compact city is easy to get to and easy to get around. Just a 3 hour flight from almost anywhere in the U.S., Minneapolis has an award winning transit system with light rail and buses – taxis, Uber, Lyft – and bike rentals with dedicated bike lanes all over the city. Or use our personal favorite way to get around – two feet.
- ALL HOTEL BRANDS, ALL BUDGETS, ALL CONVENIENTLY LOCATED**
 Check in, then check it all out. Just steps from theater venues, breweries, sports stadiums, concert halls, award-winning restaurants, cocktail bars ... you'll always be right in the middle of the action. Plus, our hotels are taking extra precautions to ensure you have a safe and enjoyable stay.
- OUR INNOVATIVE FOOD SCENE IS READY TO IMPRESS**
 Whether it's the famous Lucy cheese-filled burger, two scoops of over-the-top ice cream, soul food that's as comforting as it is delicious, rooftop happy hour overlooking our vibrant downtown, or a restaurant that was featured on the Food Network, we just ask that you bring your appetite.
- WE HAVE A PASSION FOR WHAT WE'RE POURING**
 City of Lakes, hundreds of watering holes. IPA fanatics, dive bar dwellers, wine enthusiasts, latte lovers and cocktail cravers alike will all find something to brag about on Instagram. We know what we're doing behind the bar (or at least our bartenders do).
- ENDLESS THINGS TO ENTERTAIN AND EXCITE**
 Explore Minneapolis the way it was meant to be explored – through multiple outfit changes. Lace up those sneakers and catch a ballgame or art tour. Slide on your dancing shoes and find your way to the world famous First Ave. Shop until you drop with tax-free clothing at the Mall of America. Whatever you do – just don't pack lightly.
- CITY BY NATURE: #1 PARKS, 22 LAKES & THE MIGHTY MISSISSIPPI**
 In the city with the #1 ranked park system in the nation, our Chain of Lakes, the mighty Mississippi River, and more than 200 miles of biking and hiking trails just steps from the urban action, you'll have endless options to enjoy a day of outdoor adventure safely.
- A COMMUNITY LEADING THE PATH FORWARD**
 As the catalyst city for a nationwide movement, Meet Minneapolis stands in solidarity with our leaders from all backgrounds in recognizing the need to transform our city from the inside out – to ensure Minneapolis is both a safe and equitable place for everyone to live, work and visit.
- TRIP PLANNING INSPIRATION ALL IN ONE PLACE**
 Minneapolis.org makes it easy to plan your trip and find things to do. Book your hotel, browse itineraries, and stay up to date on COVID-19 information.

➤ **NEED MORE REASONS?**
 ✉ minneapolis.org 📧 info@minneapolis.org

Challenges and Opportunities on the Horizon

Paid Time Off

Without the ability to travel or participate in many leisure activities, some American companies adjusted their paid time off policies to allow for additional days to be carried over into 2021; in some instances, more days were offered. **One in five employed Americans' organizations altered their paid time off policies in 2020 due to the coronavirus.⁶¹ As a result, close to half (49%) were allowed to carry over more days, and 37% received more time off.⁶²** There is limited opportunity for many of these employed Americans to take advantage of additional paid time off. And as we know, travel tops the list of activities Americans want to spend extra on this year.



Flexibility

Half (52%) of Americans expect that they will continue to have flexibility, like remote school or work, throughout the fall—especially millennials (60%), higher-income households (67%), and parents (60%).⁶³ Travel brands have the opportunity to extend the summer season and take advantage of more flexible time. As seen by longer trips of seven days or more and strong interest in vacation rental demand, **'flexcations'**—a longer stay mixing work and play—provide new opportunities. **More than two-thirds of U.S. families who took a flexcation in 2020 would take a similar trip again.**

Opportunity for **'workcations'** will likely remain for the foreseeable future as remote work becomes more normalized. During the pandemic, it became apparent that many can work anywhere. For those who do not need to physically go to an office or travel for business, they may prefer longer and fewer trips for perhaps weeks at a time, in a different location for a change of scenery and opportunities to explore new destinations.⁶⁴

Sustainability: Not Just Niche

For many, the COVID-19 pandemic increased awareness and renewed interest in sustainability and the need for long-term investments in people, place and the environment. As the economy essentially shut down and many were stuck at home, air quality vastly improved. Sustainability remains on the mind of many American leisure travelers. **More than one-third believe climate change will have a significant impact on**



leisure travel in the next five years.⁶⁵ Expedia recently found that half of travelers prefer eco-friendly travel options at least part of the time.⁶⁶ Environmental impacts are affecting where and how Americans travel. There is a desire to be more thoughtful about travelers' own environmental footprint. As travel accelerates, it is expected that traveler mindsets will shift to focus on more sustainable options and be a key factor in travel decisions.

Beyond Leisure Travel

Even with a strong domestic leisure rebound, international and business-related travel—which together comprised more than a third of direct-travel jobs in the U.S. in 2019—remain almost completely halted, with a recovery for both expected to take years without significant policy action.

International Travel

While some domestic destinations have benefited from borders being closed and the inability of Americans to travel internationally, the industry cannot recover without the return of all international travel.

As COVID-19 cases rose, borders closed last March and global long-haul came to a near standstill. The result was a dramatic decline in international visitation to the U.S., which fell by 96% within the first month. Between Q2 and the end of 2020, international inbound fell by 91%, and overseas visitation was down a staggering 96% compared to the same period in 2019. The pandemic also resulted in a substantial decline in international travel spending, causing U.S. travel exports to plummet by 64%—a loss of \$150 billion. The U.S. travel trade surplus fell by 31% to just \$35 million, down from \$51 billion in 2019. The travel trade surplus must be restored to ensure the U.S. economy can fully recover and remain competitive on the global stage.

If nothing is done to restore international travel, a total of 1.1 million American jobs and \$262 billion in spending will be lost by the end of 2021. If top inbound markets can reach an average of 40% of 2019 levels by the end of 2021, we can restore an additional 225,000 jobs and \$30 billion in travel exports this year alone.

Business Travel, Meetings and Events

The return of corporate travel, professional meetings, conventions and events is expected to take four years or more to recover. Business travel spending in the U.S. fell 70% from \$348 billion in 2019 to just \$103 billion in 2020, and spending related to meetings, conferences and events declined even further—down 77%. Without accelerating the recovery of professional meetings and events and international inbound travel, the slower the recovery of American jobs and economy.

Currently, the U.S. has experienced a patchwork of reopening with many states establishing plans to reopen further and relax gathering limits this summer. However, we must ensure that the entire country follows suit with consistent considerations. U.S. Travel is advocating for the CDC to provide clear and consistent guidance to allow states and localities to lift restrictions and safely restart professional meetings and events of all sizes—in all parts of the country.

This includes differentiating, by definition, professional meetings and events from other mass gatherings. Business meetings are distinct from other mass gatherings due to the level of safety and control that can be implemented, and thus they should not remain closed while the rest of the economy is given the green light to reopen.





What's Next

The coronavirus had a swift and steep unprecedented shock to the U.S. economy and in particular, travel. As consumers were largely locked down at (or close) to home last year, there is significant desire to reconnect, explore and recharge.

More than 60% of U.S. adults have now been vaccinated and as vaccine rollouts continue, COVID cases drop and health concerns subside, there are reasons for optimism for a strong rebound in consumer spending and domestic leisure travel. Americans are eager to act on pent up demand, spend time with family and friends and indulge in relaxing leisure activities.

As the unofficial start to summer, Memorial Day appears to be a turning point for the industry as many destinations begin experiencing greater demand, hotel rooms and planes are fuller, museums, theme parks and attractions increase capacity and prices start to rise.

Yet, the pandemic will leave lasting marks and shifting behaviors for U.S. consumers and travelers alike. Health and safety concerns remain front and center and many Americans are somewhat reticent to dive back in to pre-pandemic activities. While travel continues to be highly valued and prioritized, it will take some time for Americans to gain confidence and fully embrace unfamiliar places, people and activities. While the industry is ripe for a quick and strong rebound, the industry will need to be warm and welcoming yet deliberate, cautious and flexible when reopening.

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