

EAIC – SJ24 Recommendations

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Good morning.

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Thank you for the opportunity to speak with you again today on SJ24.

It is remarkable to reflect on the changes that have occurred since the first discussion of this study.

More remarkable, are the changes that have occurred since the last meeting of this committee.

Providing recommendations on the content of SJ24 during a time of unprecedented uncertainty – is a challenge, at best, without insight into any sort of predictable data about the future.

As we all have seen, the sands of this virus continue to shift.

For instance, the last I spoke with this committee, back in early spring, I relayed information about traveler sentiment.

At that time, America was buckling down, feeling things were going to continue to get worse, canceling trips, postponing their travel with optimism that by Fall, things were going to be more back to normal.

Then in May, it was announced that starting June 1, tourism amenities would gradually open and the 14-day quarantine period would be lifted – reflecting positive trends with the virus.

Travelers responded, and by the end of May, travelers who had once been hesitant were motivated to travel. By the week of May 29, of American travelers surveyed by our research partner – destination analysts - 1/5 were actively traveling again or ready to travel (by air and road) without hesitation.

But..... then sentiment seesawed again.

Now with emerging outbreaks, the optimism gap is widening, with a growing number of people feeling the situation is going to get worse again.

We don't yet know how this will impact initial plans for resuming travel in the fall, or the uptick in travel enthusiasm we saw in June.

Current Research on travel sentiment, which is updated weekly, does tell us that travelers (currently):

- Mainly plan to avoid cruises and crowded places.
- Will likely travel someplace known, where they've traveled before.
- They will track media coverage and avoid places where it's being highlighted that people are not following safety guidelines (for example, disregard for mask wearing and social distancing).
- There is a decreasing sense of security in their own communities (nationwide) and therefore a negative response to seeing promotion of their own town/area.

- However, on the positive side, being informed increases travel confidence. And that is where we are focusing our strategies right now....on sharing information and making sure that travelers know that safety is our number one priority by getting out in front of them with three points:
- Know before you go: Know the local public health guidelines before arriving at your destination.
- Stay home if you're sick.
- Understand some services and destinations may be limited.

Today is the last day of the fiscal year. And believe me, the uncertainty of this virus, of how and if people will travel, of what sort of revenue will be generated, is front and center.

We are scenario planning, coming up with plans and contingency plans as we wait and see how revenues come in, after the quarter they are earned. Waiting and seeing is not a space we are used to operating in. It's not a space most anyone is used to operating in.

Our work has consistently been data driven. We have been able to analyze trends over time as well as real time tracking of visitation, spend, and revenue based on historic models. We feed that data into strategies and monitor the impact, optimizing as events occur in the marketplace.

We are in a new world now – one with no historic context, one with no baseline.

Our office, our partners, businesses, economists – we are all hungry for data and digesting it as quickly as it is available.

Any investment in study should be focused around the impacts of COVID-19 and the availability and deployment of research services, including our bed-tax-funded partner “institute for tourism and recreation research,” to help inform bed tax strategies in this new world.

An exam of the bed tax at this point would be an exam of the past, of something that could very well not look the same for an amount of time unknown.

Therefore, my recommendation is to learn from these times before making any policy shifts....to realize that if the intent of SJ24 was to open up the bed tax for examination of opportunities, vulnerabilities, potentials for change – COVID did that job for us.

Now is the time for data, not more change.

Therefore I think efforts are best directed toward creative and relevant uses of current research funds to ITRR and other partners to provide information needed to keep businesses afloat, the keep strategies relevant, to help predict the future so we can be a step ahead and get the bed tax firmly on a road to recovery vs blindly leading it down a road of continued unknowns.