

April 3, 2020

Contact: Norma Nickerson, director, UM Institute for Tourism and Recreation Research, 406-243-2328, norma.nickerson@umontana.edu; Jeremy Sage, associate director, UM Institute for Tourism and Recreation Research, 406-243-5552, jeremy.sage@umontana.edu.

Covid-19 Concerns Montana Travel-Related Businesses and Travelers

UM News Service

MISSOULA – Nearly 94% of Montana's travel-related businesses said they have been impacted by COVID-19, and 83% of Montana residents and visitors to the state are concerned about their personal health.

This is according to surveys conducted March 11-27 by the Institute for Tourism and Recreation Research at the University of Montana.

The ITRR business survey found that cancellations happened to 83% of these businesses during the last two weeks of March. April cancellations hit 84% of these businesses, with accommodations and outfitter/guides receiving the highest number.

Spring is the time for bookings. Whether it is a hotel reservation, a guided trip or a campground, respondents to the survey report travelers are holding back for the near future.

In the last half of March, when COVID-19 was spreading across the country, of the businesses that said they had received future bookings, 63% reported zero bookings made for April. Sixty-one percent had zero bookings made for May, 49% had zero bookings made for June, and 21% said they had zero bookings made for July and beyond.

“The good news in this data is that at least the zero-booking numbers are going down as time goes forward,” ITRR Director Norma Nickerson said. “It appears travelers aren’t giving up just yet. Some are still booking for the summer.”

However, in the last two weeks of March, another sign of the concerned traveler is showing up in decreased inquiries to businesses in Montana. Ninety-one percent of the accommodation sector reported their inquiries were down, followed by 87% of outfitters and guides.

“Basically, by the middle of March, the phones just stopped ringing,” said one survey respondent.

Other data show that 66% of tourism-related businesses have temporarily reduced their workforce, and 57% have temporarily closed some or part of their business.

Respondents were asked if they would permanently close their business due to COVID-19. Seventy-nine percent disagreed with that statement, 18% neither agreed nor disagreed and 3% reported that they would close. That included eight hotels, five outfitter/guides, eight tourism service businesses and two tourism support service businesses.

It’s a wait and see game for many, Nickerson said. One accommodation business owner wrote: “Ninety-nine percent of our guests come from locations requiring them to fly to Missoula or another airport and then drive out to our location. Much of our season is May through October. At this time all of our guests (except the ones in April) have chosen to wait and see how things unfold in the airline and travel industry.”

Another respondent, referring to the federal government assistance to small businesses, wrote, “All fly-fishing guides have been extremely hard hit by this crisis. As independent contractors, being able to apply for unemployment funds will literally change lives.”

Tourism service businesses such as restaurants, bars, distilleries and specialty retail shops have had to change their operations by offering take-out or delivery services, or have closed altogether. As one respondent in this category wrote, “This has hurt our business and our way of life for our own family, as well as our employees. Not sure how we will dig our way out with not having our doors open to survive.”

Finally, tourism support services, such as those that might not directly work with visitors (including chambers of commerce, convention and visitor bureaus, advertising firms and insurance companies) or feel their business is more residents than visitors, are feeling the pinch as well.

“I own a tiny one chair salon in Big Sky and have now been closed for 1.5 weeks going on three more,” a respondent wrote. “This is a very scary and trying time for small business owners.”

Businesses that many don’t think relate to tourism or travel are also concerned. “My schedule was booked for keynote speaking and workshop engagements across the state between April and October,” wrote a respondent. “All but one canceled or postponed, and the one shifted to an online/webinar format. Out-of-state companies had been reaching out about having retreats for remote employees in Montana, but none have booked and inquiries have completely stopped.”

There were 919 respondents to this survey, representing businesses in all but six Montana counties. Those six counties represent only 1.3% of Montana’s population. Twenty-six percent of respondents represented accommodations (236 respondents), 24% represented the outfitter/guide business (216 respondents), 26% represented tourism service businesses (239 respondents), and 25% represented tourism support services (228 respondents).

The ITRR traveler survey, conducted in a two-week interval of March 11-14 and March 25-27, shows changes in sentiment.

Fifty-eight percent of respondents representing Montana residents and previous visitors indicated they were at least somewhat concerned about their own health initially. That number jumped to 83% in the second survey.

Meanwhile, 71% initially indicated concern for the health of their community, and later 92% express such. Concern by these respondents is not limited to health. In early March, 42% of travelers and 36% of Montanans expressed extreme concern over the economy. Then at the

end of March, those extremely concerned levels have risen to 68% and 61% respectively. They are small compared to the 87% who indicated concern over the economy.

“Concerns about both one’s own health, broad mandates to stay at home and the future health of the economy are likely to impact travel decisions,” said ITRR Associate Director Jeremy Sage. “To measure the current sentiment and changes to booked and planned travel, ITRR asked respondents to indicate changes to their upcoming plans.”

Before reports of the outbreak in the U.S., two-thirds of both Montanans and non-Montana residents surveyed had already booked trips – including flights, hotels or special events more than 50 miles from home.

In the first round of surveys, only 3% of booked trips to Montana were being canceled. This has risen starkly in two and a half weeks, where later 37% of booked trips that were scheduled in the spring and summer have been canceled and another 36% are actively being considered to be canceled.

“As high as these values are, they do paint a better picture than the rest of the U.S.,” Sage said. “To all other domestic locations, 54% of booked trips are getting canceled by this group, and they are considering cancelation of another 32%.”

In an effort to track the growing impacts of the coronavirus, ITRR will continue surveying Montanans and previous Montana visitors, and Montana travel-related businesses about their perceptions of the virus outbreak and how it has impacted their travel plans.

For a review of the business survey visit <https://bit.ly/39zEFVT>. For a review of the traveler survey visit <https://bit.ly/2JEbbMe>. All information and reports published by ITRR are available online at <http://www.itrr.umt.edu>.

###

Photo: Montana fishing guides and outfitters will see a hit to their bottom lines because of the COVID-19 pandemic.

This release is online at:

NN/cbs
Statewide
040320itr