COVID-19 Marketing Response Planning

MADDEN
CONNECT PEOPLE TO PLACES

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Today's Presenters

Webinar Agenda

1. Changes in consumer media consumption / trends
2. Travel Intent Tracking
3. Recovery Planning
4. Market Reorientation
5. Destination Growth

Media Consumption Shifts During COVID-19

Digital and TV are receiving more attention while audio formats are being negatively impacted.

57% of Americans are more likely to stream TV or movies as a new consumption behavior, and 30% believe they will continue to do it more often, indicating a long-term behavior change.

42%
Are paying MORE attention to Traditional TV

53%
Are paying MORE attention to the Web

45%
Are paying MORE attention to Streaming TV

20%
Are paying LESS attention to Radio

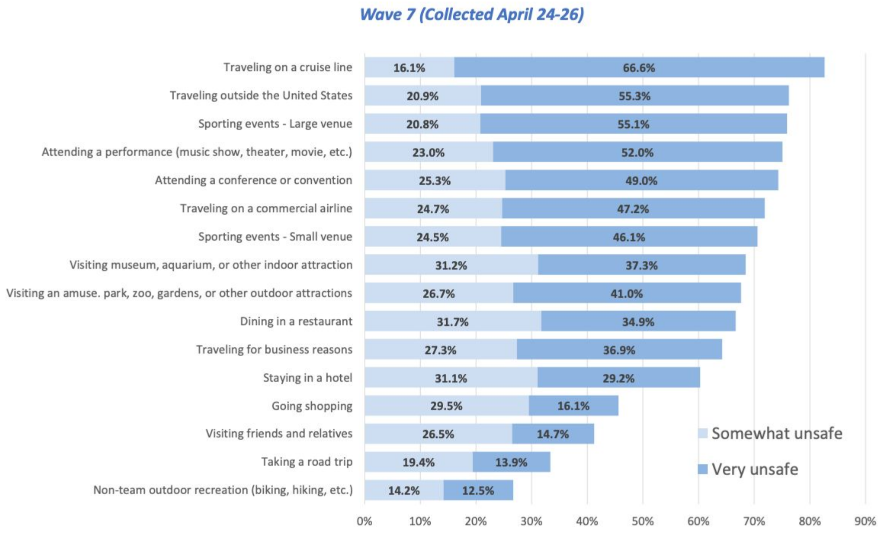
27%
Are paying LESS attention to Podcasts

Source: Russell Research

Traveler Perceptions of Safety

Question: At this moment, how safe would you feel doing each type of travel activity?

(Base: Wave 7 data. All respondents, 1,208 completed surveys. Data collected April 24-26, 2020)



Source: Destinations Analysts, Latest Study Fielded April 24-26 2020

Key Takeaways

Perceived Safe:

- Outdoors
- Drive Markets

Areas of Concern:

- Cruises
- Crowded Events
- Areas Slow to Contain COVID19 Outbreak
- Air Travel

Traveler Business Expectations

	Millennials/GenZ	Baby Boomers
Certified cleaning/disinfecting protocols	60.7%	66.7%
Health screenings for employees dealing with the public	52.1%	68.6%
Passenger health screenings (at airports)	47.1%	69.3%
Published cleaning/disinfecting protocols	47.7%	65.5%
Passenger health screenings (on cruises)	41.8%	70.2%
Limitations to crowd sizes/visitor capacity	44.5%	65.4%
Rules for customer physical interactions	36.8%	52.9%
Customer-facing staff required to wear PPE (masks, gloves etc.)	37.3%	51.4%
Customers encouraged to wear PPE (masks, gloves etc.)	30.4%	49.7%

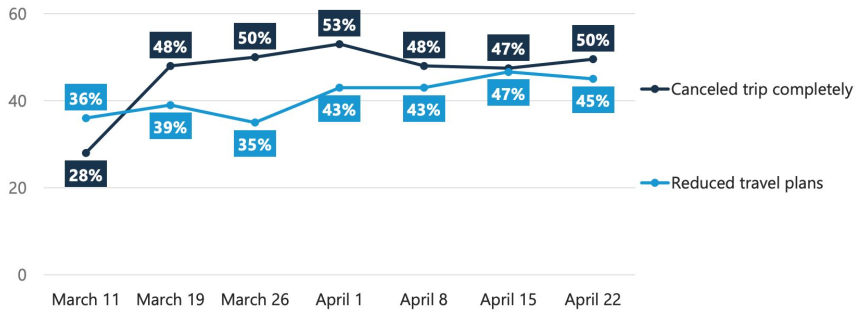
Source: Destinations Analysts, Latest Study Fielded April 24-26 2020

Key Takeaways

- Generations have different expectations for businesses
- COVID19 outcomes driving risk management

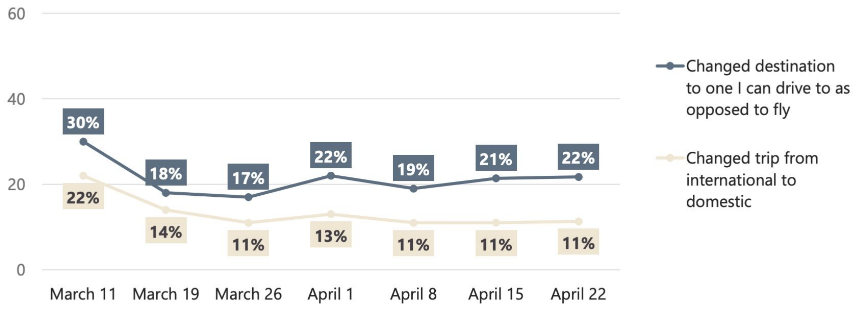
Traveler Sentiment

Impact of COVID-19 on Upcoming Travel Plans Comparison



Base: Coronavirus Changed Travel Plans

Impact of COVID-19 on Upcoming Travel Plans Comparison



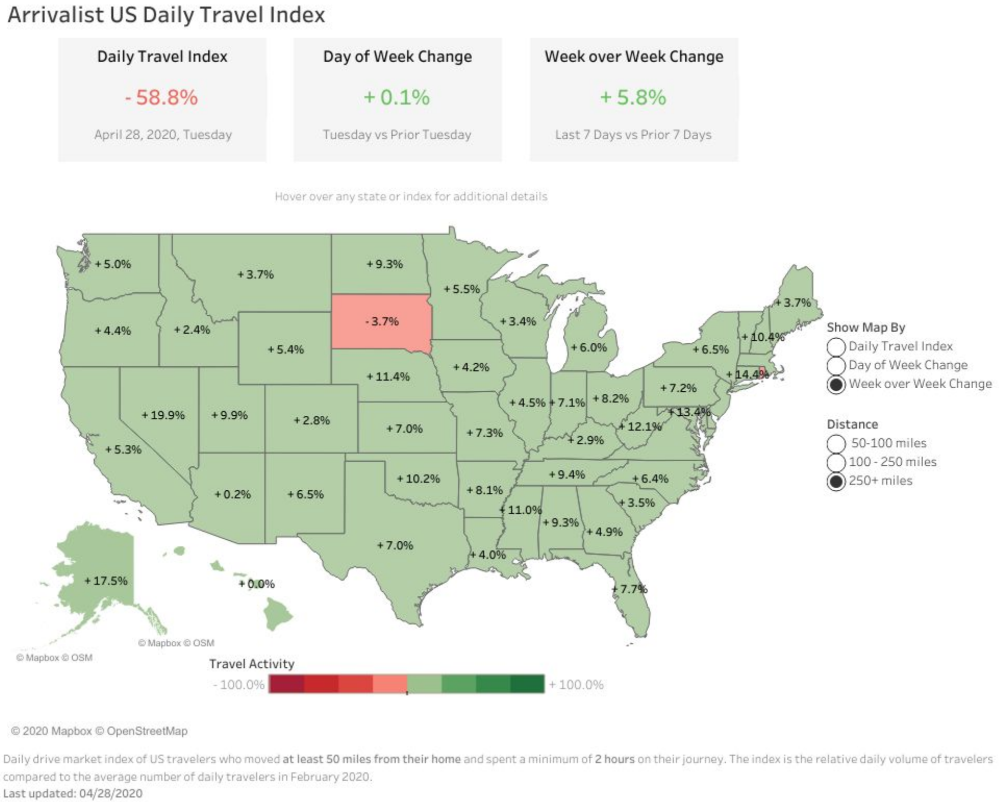
Base: Coronavirus Changed Travel Plans

Source: Travel Sentiment Study Wave 7, Longwoods International

Key Takeaways

- Trip cancellations plateau; trips being changed
- Increased Drive Market Intent and Airport Aversion
- Consumers less willing to travel internationally

Current Travel Activity



Source: Daily Travel Index, Arrivalist, April 28

Key Takeaways

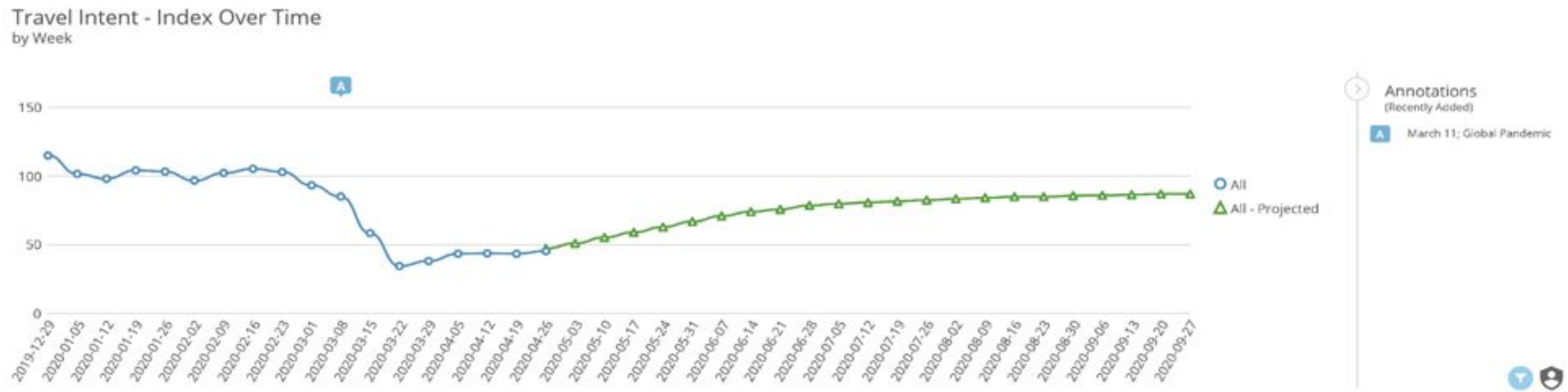
- 250+ Mile travel showing week-over-week gains nearly nationwide

Expected Short Term Consumer Travel Trends

As consumers start traveling, we expect patterns to shift significantly.

- Overall shift from densely populated areas / attractions to find experiences in areas with space
- Seeing mixed data on older demographics being slower to return to travel
- Cruise passengers will be looking for new opportunities with similar planning simplicity, but without the crowds
- Uncertain shift from densely populated accommodations (hotels) to vacation rentals, boutiques and similar accommodations, brand equity will be connected to cleanliness
- Parents may assert safety considerations over Gen Z+ desires for theme parks
- Small group travel returns sooner (weddings, reunions) with desired location and accommodation shifts

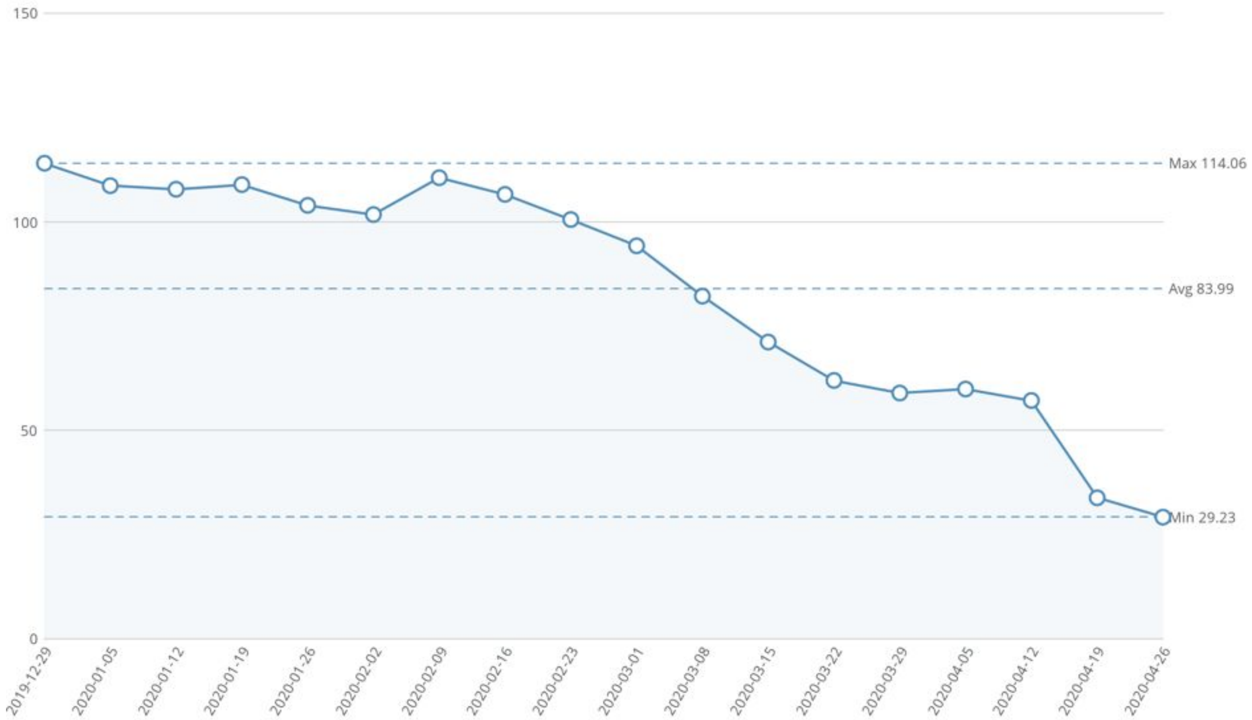
Travel Intent Tracking



Source: Madden Travel Index

- Goal: Know when consumers return to the inspiration and planning phases
- Forecast looks at expected trend data
- Index composed of organic traffic, marketing engagement, and consumer search trends

Travel Search Trends

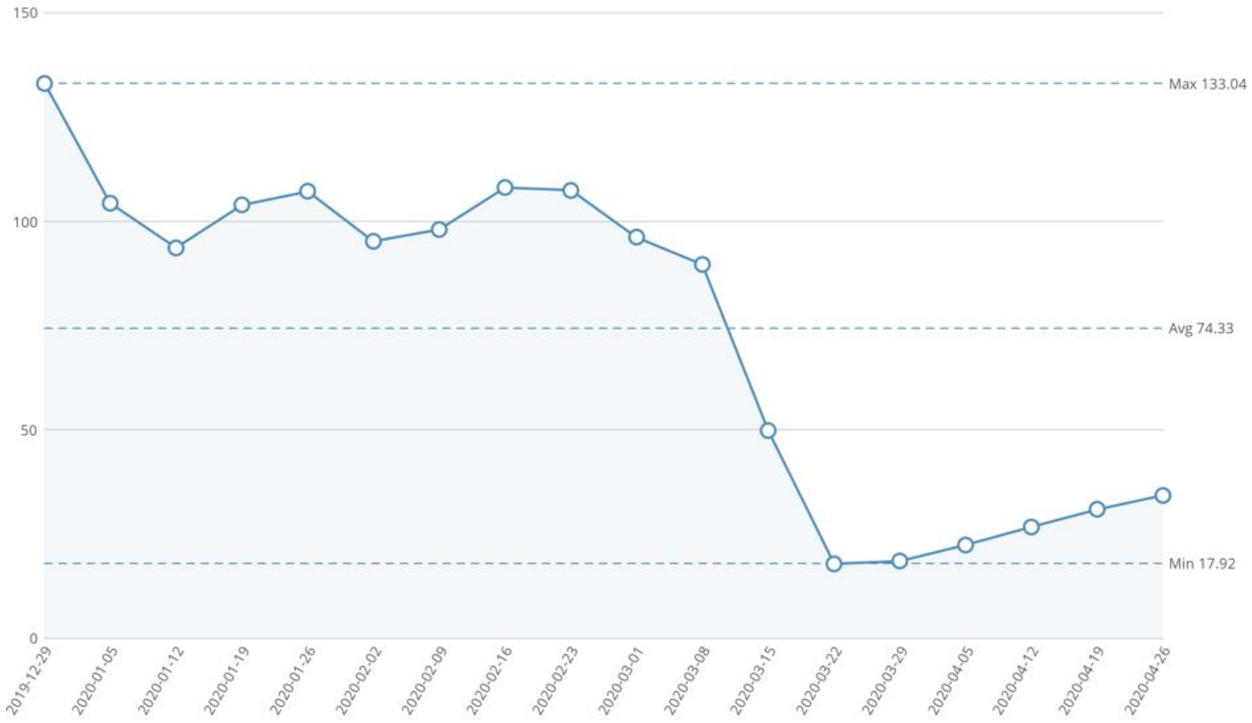


Source: Madden Travel Index

Key Takeaways

- APR-JUL are traditional peak search periods
- Leading indicator of consumers regaining active interest in travel
- Based on terms using Google search trends

Organic Performance

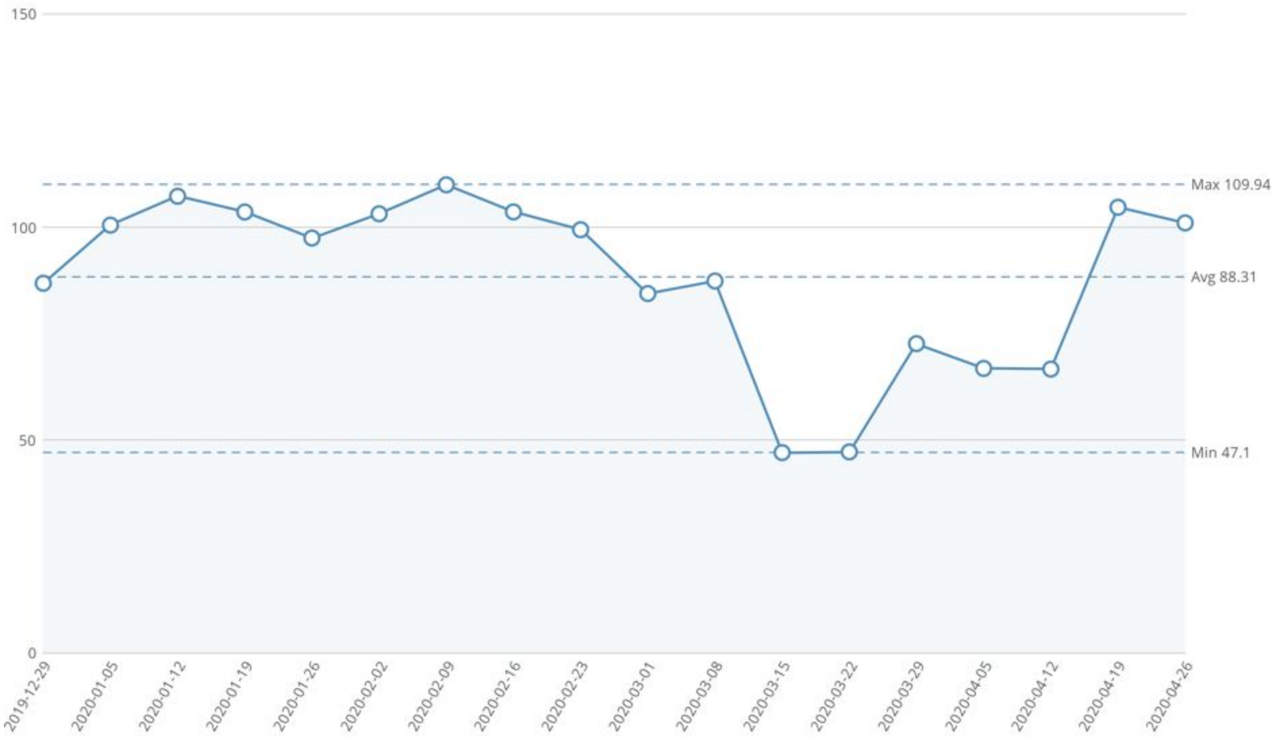


Source: Madden Travel Index

Key Takeaways

- Consumer engagement with panel of DMO websites from organic users
- Weighted heavily in our overall consumer travel intent

Marketing Engagement



Source: Madden Travel Index

Key Takeaways

- Charts consumer interaction with paid/non-organic traffic
- Compared to historical trends (‘18 & ‘19)

Marketing Engagement

95% of people surveyed keep visiting travel-related sites after booking.

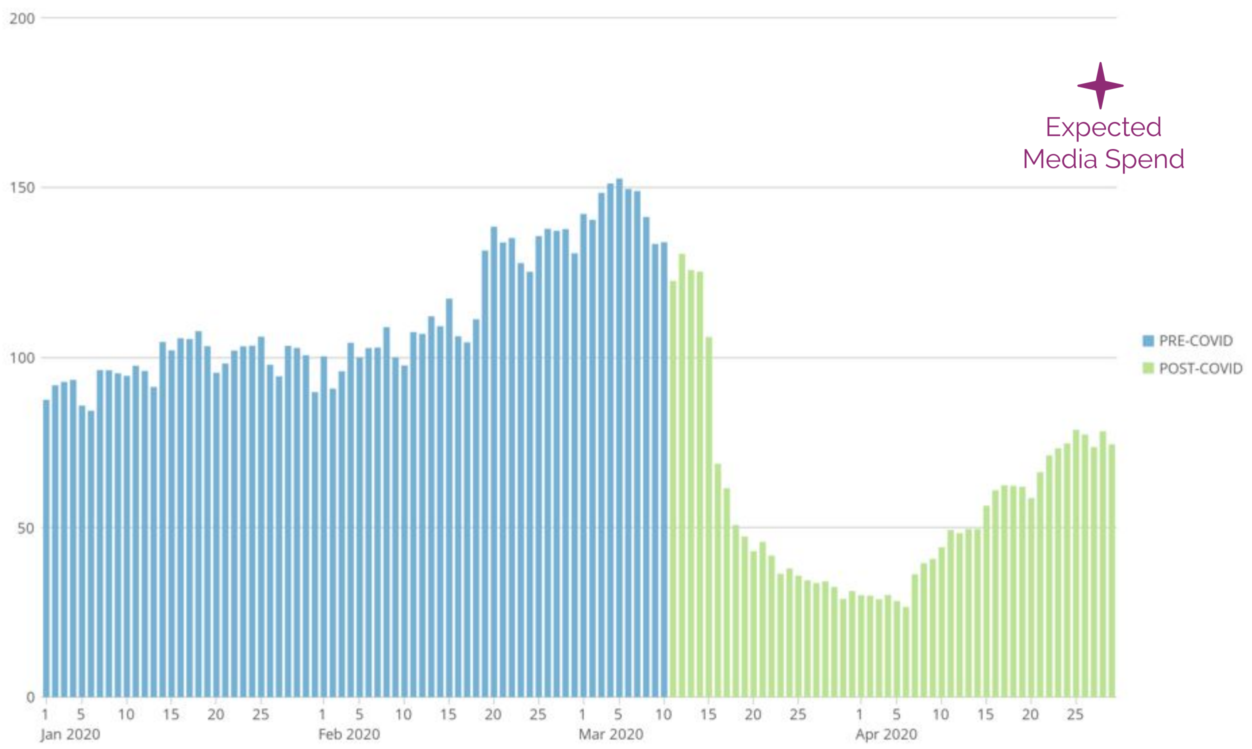
74% of people surveyed re-research a trip after completing a booking.

Source: Think with Google, Infinite Paths to Purchase

Key Takeaways

- Those travelers committed to booking or booked, continue to engage in advance of their trip

DMO Media Spend Index

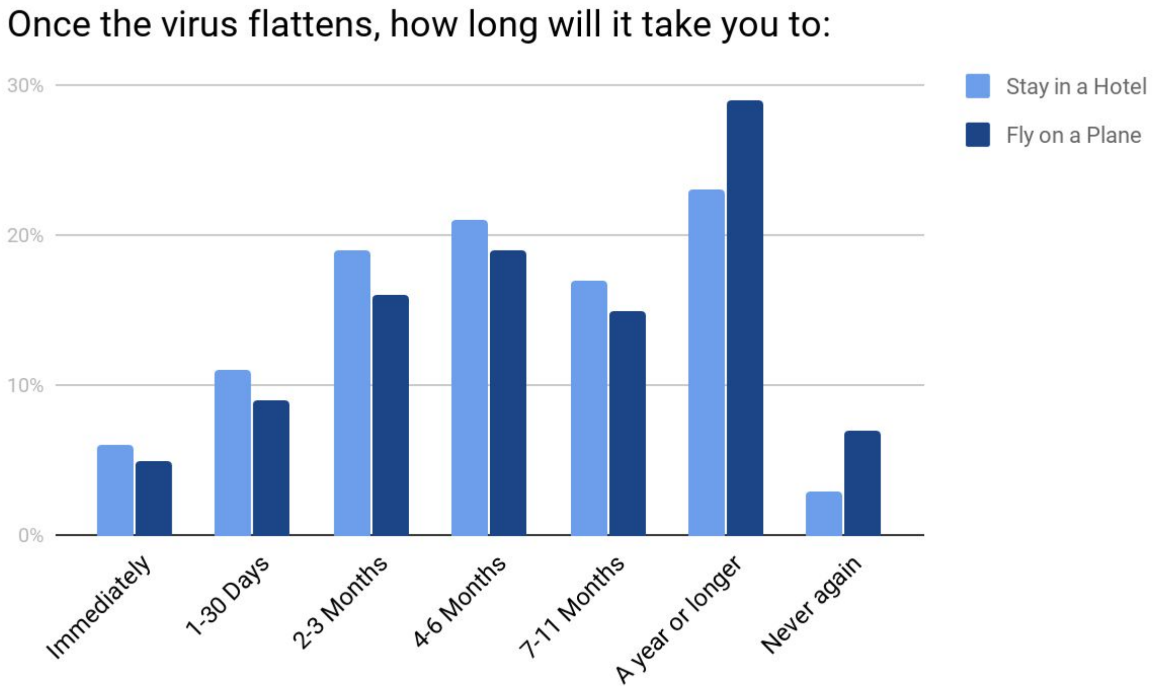


Source: Madden DMO Spend Index

Key Takeaways

- Focus on Lower-Funnel Engagement, ConnectedTV
- About 35% YoY STLY, peak media buying is MAR-JUN

Traveler Intent



Key Takeaways

- 57% expect to stay in hotel within 6 months
- 49% expect to fly in a plane within 6 months

Source: [Harris Poll], Wave 8

Traveler Rescheduling Intent

Question: Even if only tentatively scheduled, in which months of this year do you currently plan to take any leisure trips?

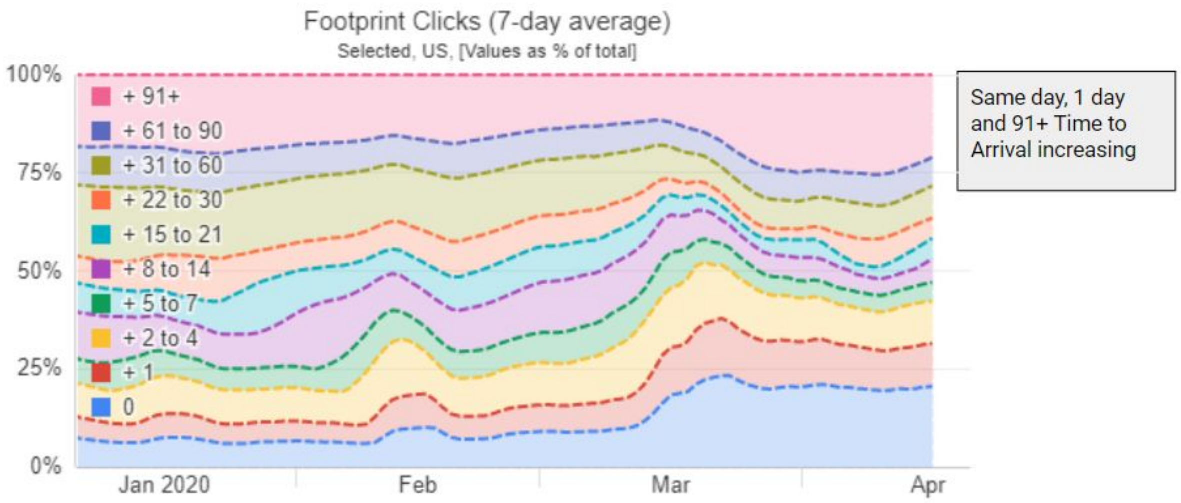
Source: Destinations Analysts, Latest Study Fielded April 24-26 2020

Key Takeaways

- Length of Containment accelerating travel planning
- Fall still being seen as “safe”, July and August holding steady
- >60% of trips rescheduled are leisure

Traveler Booking Activity

Time to Arrival (1/6-4/19)



Google

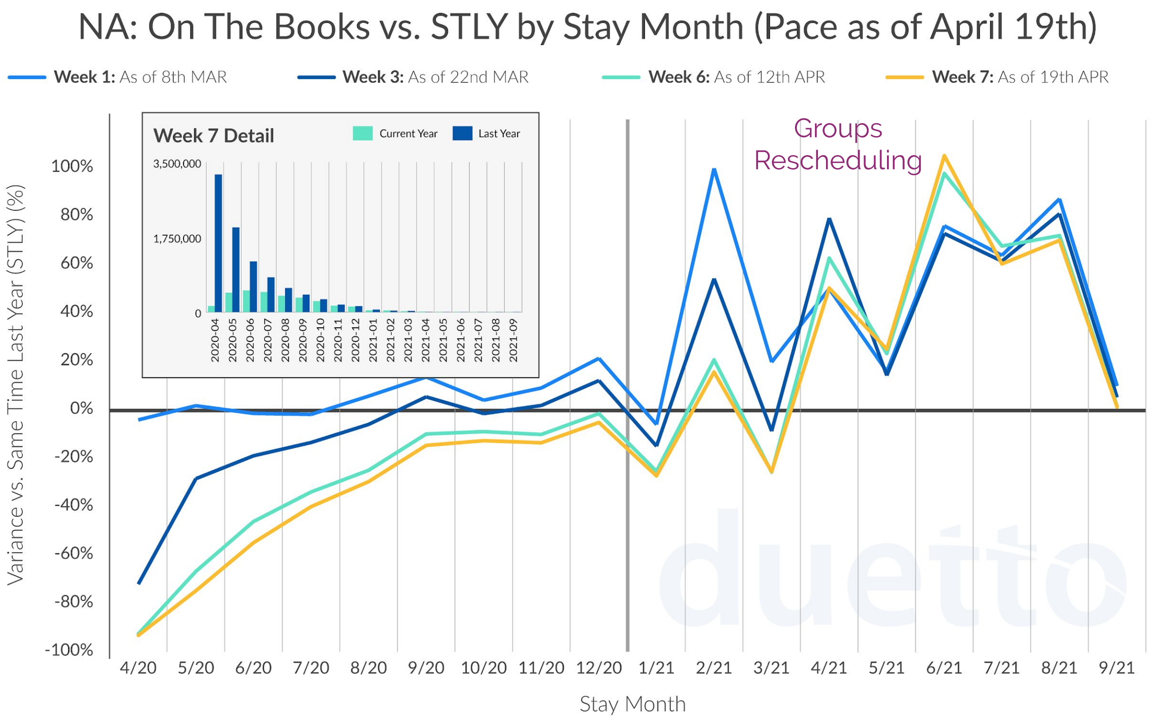
Confidential + Proprietary

Key Takeaways

- Booking activity is last-minute due to uncertainty
- Travel booking for 91+ days out increasing
- Longer length of stay searches

Source: Google (Internal)

Traveler Booking Activity



Source: Duetto Pulse Report, April 30, 2020 (Duetto is a Hotel Revenue Management Platform)

Key Takeaways

- 4Q20 and 1Q21 are stabilizing vs Same Time Last Year

Initial Recovery Planning

General Framework

Long-Term Strategy Post-COVID19

Capture pent-up Travel Demand, then Differentiate to Increased Yield

PHASE 1: RESEARCH AND RECOVERY

Step 1:
Research and Adjustments to Messaging & Audiences

Step 2:
Campaign Creative & Media Planning

Step 3:
Campaign Optimization and Reporting

PHASE 2: OCCUPANCY IMPROVEMENT (Increase Occupancy Rate)

Audience expansion based on visitor profiles post-COVID, goal to improve overall occupancy and length of stay

PHASE 3: YIELD EXPANSION (Improve ADR + Sales Tax Revenues)

Refine audience buying behaviors based on visitor yield across both occupancy revenue sources and sales tax behavior

Phase 1: Research and Recovery

Peak Point of Infections

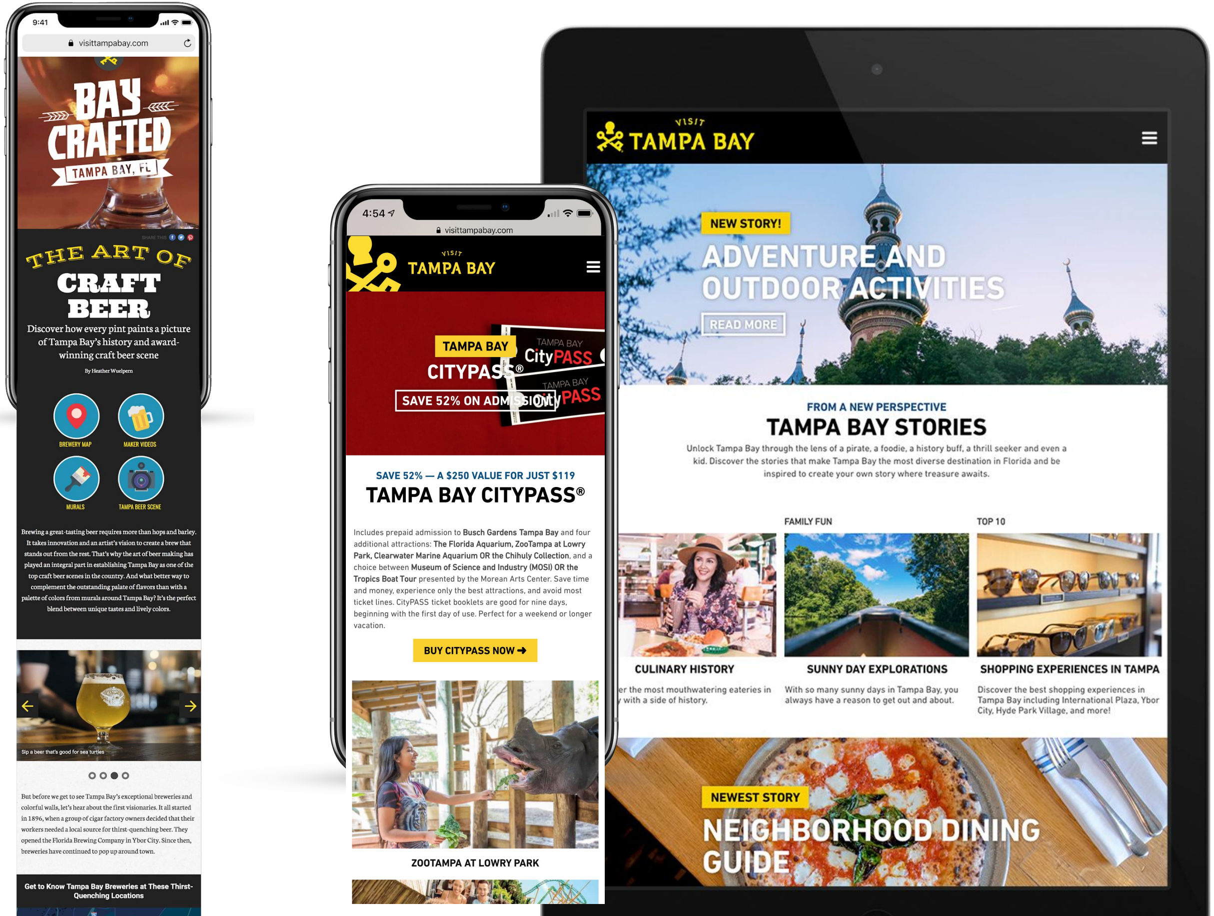
Opening Date Announcement

Community Opening

Return of Meetings and Groups

Engage and Encourage (25% Daily Spend Levels)	Incentive Activation (60% Daily Spend Levels)	Recovery Marketing (130% Daily Spend Levels)	"New" Normal (Normalized Budget Levels)
Target Audience			
Existing, engaged audiences	Residents, Leisure drive markets, in-state, key meetings markets	Leisure drive markets, in-state, key fly-markets, key meetings markets	Leisure drive markets, in-state, fly-markets, key and new meetings markets
Media Tactics			
Lower-Funnel Engagement, Keep Engaged Users, Improve Organic, and Visitor Guide Distribution	Conversion-Driven marketing, Prospecting Display, Paid Social, Native Advertising	Strong CTAs, Traditional, Email Campaigns	New Normalization of Media Strategy based on New Environment

Importance of Collaboration



Key Takeaways

- Content to Drive Planning and Increased Spend In-Destinations
- Packages, especially for multi-day stays
- Current collaboration efforts with local businesses beyond hotels are going to be differentiators

Consumer Journey

Pre-COVID: 43 Days, 116 Minutes, 56 Digital Touchpoints	Current Environment
April 19	June 1 Arrival
May 19	July 1 Arrival
June 19	August 1 Arrival

**Booking windows (Consideration) will shorten while planning windows, expand amid uncertainty.*

Source: "Passive Digital Travel Research Journey" by GfK

Winning Road Trips + Length of Stay

AWARENESS — INSPIRATION — CONSIDERATION — DESTINATION — ADVOCACY

Imagery:
Parks, Outdoors, Family

Democratize Influencers:
Engage Visitors/Residents

Pre-COVID:
85% of Leisure Travelers decided on activities in destination (Google)
Post-COVID:
57% say they will do more research when planning (TripAdvisor)

Content:
Multi-Day Itineraries, Stories

Collaboration:
Bundling, Packages

Emotion:
Return Visitors, Known Environment, Reduced Uncertainty

Travelers who book their activities ahead of their trip spend 47% more on lodging and 81% more on transportation than those who wait to book in destination.

Think with Google

Google/Greenberg, Global, Travel Tours and Activities Survey and Behavioral Study, Dec. 2018.

Recovery Creative

In recovery, you must create campaign-based creative that speaks to the intents of niches

Create Emotional Connections to Brands and the Destination

Recreate Emotions of Past Visitors

Experiences

Outdoors

Dining

Family Friendly

Craft Beer/Spirits

Cancellations

Why We Do, **What We Do**

Travel opens people's eyes to new places and cultures, which in turn makes them more open and accepting of differences.

We know our work helps make the world a better place to live, explore, and work.

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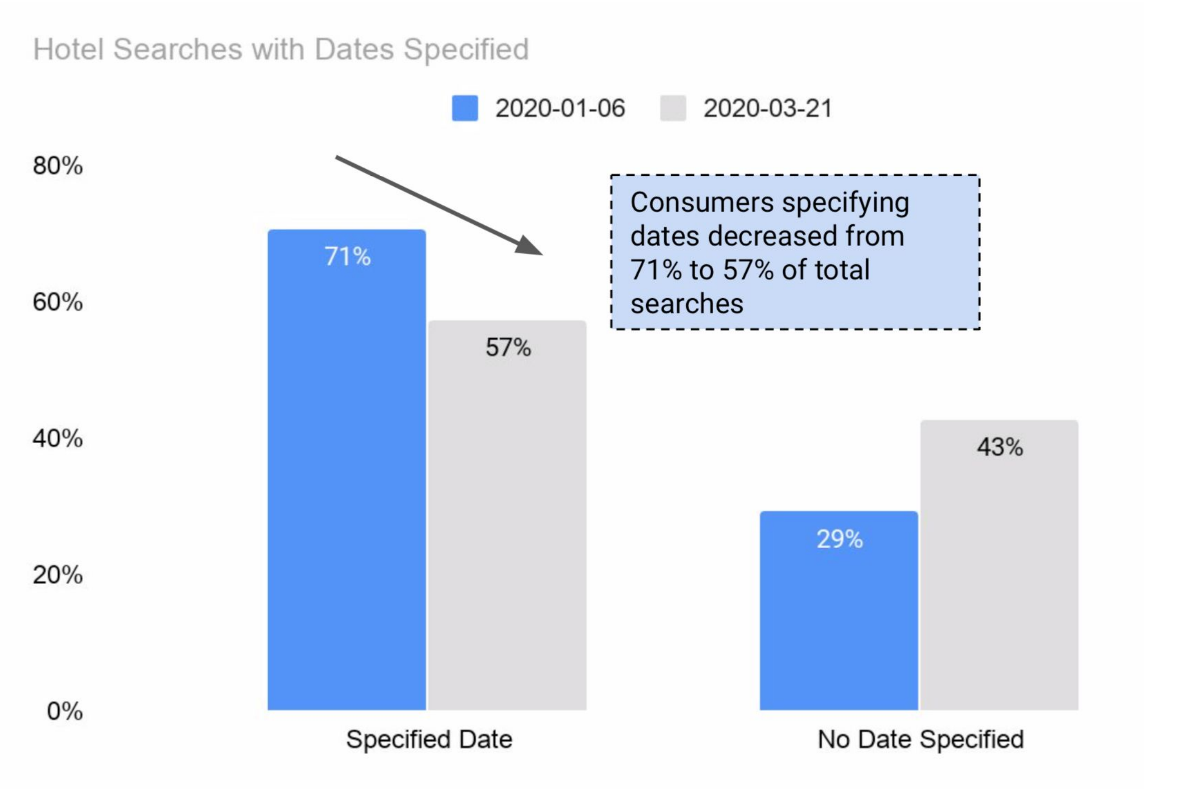
Traveler Booking Intent

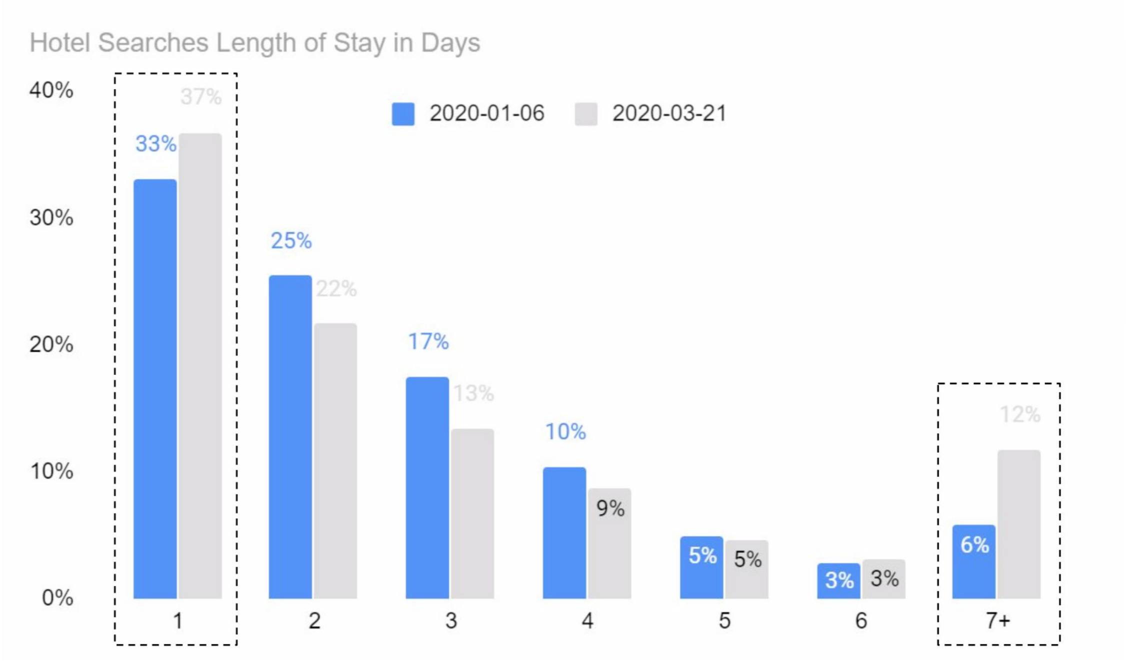


Source: Google Internal Data, Google Hotel Ads Footprint Clicks, US USer Country, 7-Day average

Key Takeaways

- Uncertain Environment Preventing Decisions and Final Booking Behavior / Conversions
- Community open dates will drive inclusion of dates - DA Research shows **22.5%** of all surveyed will **Go On a Trip** after restrictions listed

Traveler Booking Intent



Source: Google Internal Data, Google Hotel Ads Footprint Clicks, US USer Country, 7-Day average

Key Takeaways

- Event and Data-Driven Intent Remains
- Consumers Seeking Longer and Deeper Experiences

What Are Consumers Saying About Travel?

In a recent survey by Google and aligns with research from Destinations Analysts, travelers are more willing to consider domestic destinations and locations close to their homes in the next 3 months (from end of March):

77%
Said they are interested in traveling in the U.S.
(46% - Anywhere in the United States)

13%
Anywhere in the world

10%
Only in North America

Travelers are also more willing to consider more spacious outdoor destinations and less crowded small towns. Destination Interest among those who would book travel in the next 3 months:

31% Somewhere in nature

27% Beach destination

17% Small Towns

15% Major City

6% Theme Parks

3% Skiing

Source: Google Consumer Surveys, Fielded 3/27-3/30/20 vs. weeks prior

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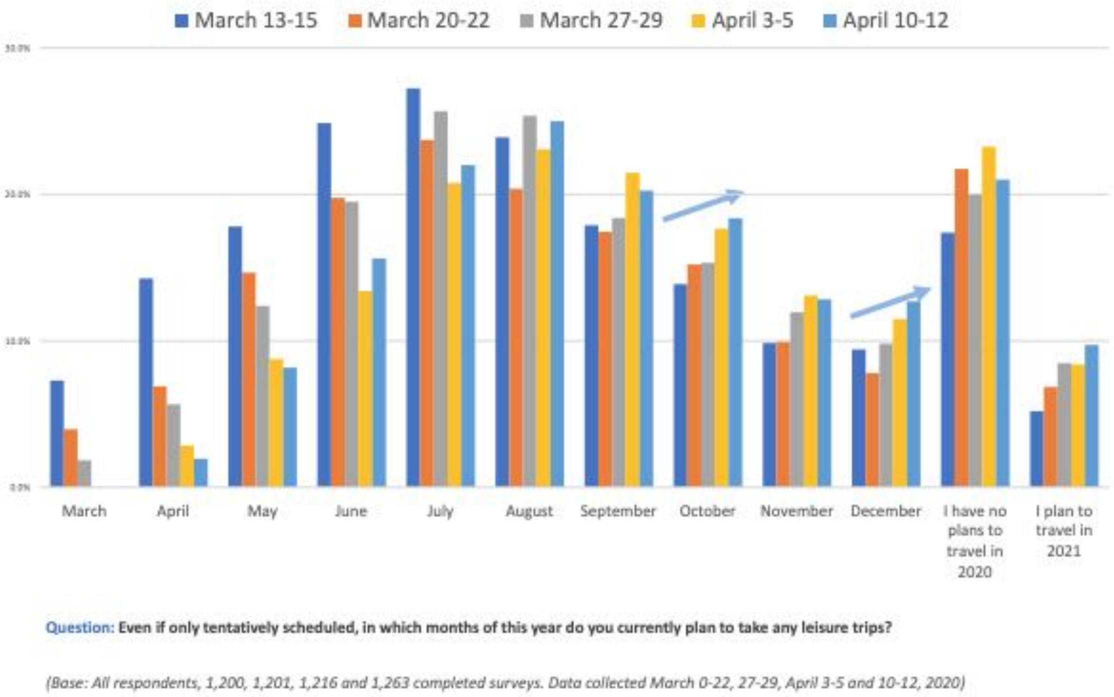
Traveler Booking Intent

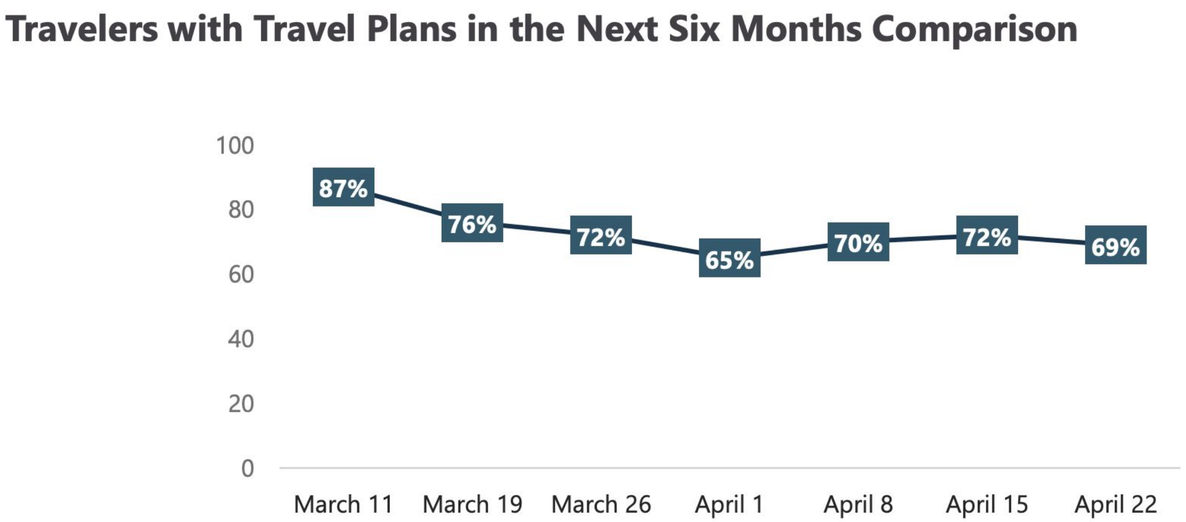


Source: Destinations Analysts, Latest Study Fielded April 10-12, 2020

Key Takeaways

- Q2 Concerns are shifting into Q3 Demand
- Unwillingness to Travel Stable to Declining
- Google Hotel Searches showing lack of specification on dates and 7+ day booking periods

Traveler Sentiment

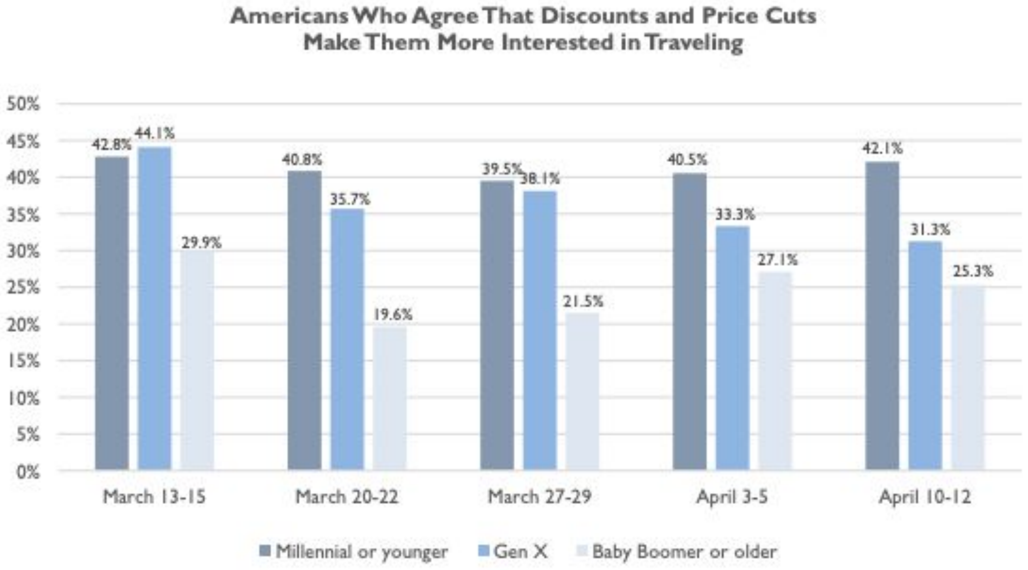


Source: Travel Sentiment Study Wave 7, Longwoods International

Key Takeaways

- Plans to travel over next six months stabilizing

Importance of Collaboration



Question: How much do you agree with the following statement?
Statement: The coronavirus has led many travel providers to cut their prices. These discounts and price cuts (airline, hotel, etc.) make me more interested in traveling in the NEXT THREE (3) MONTHS.

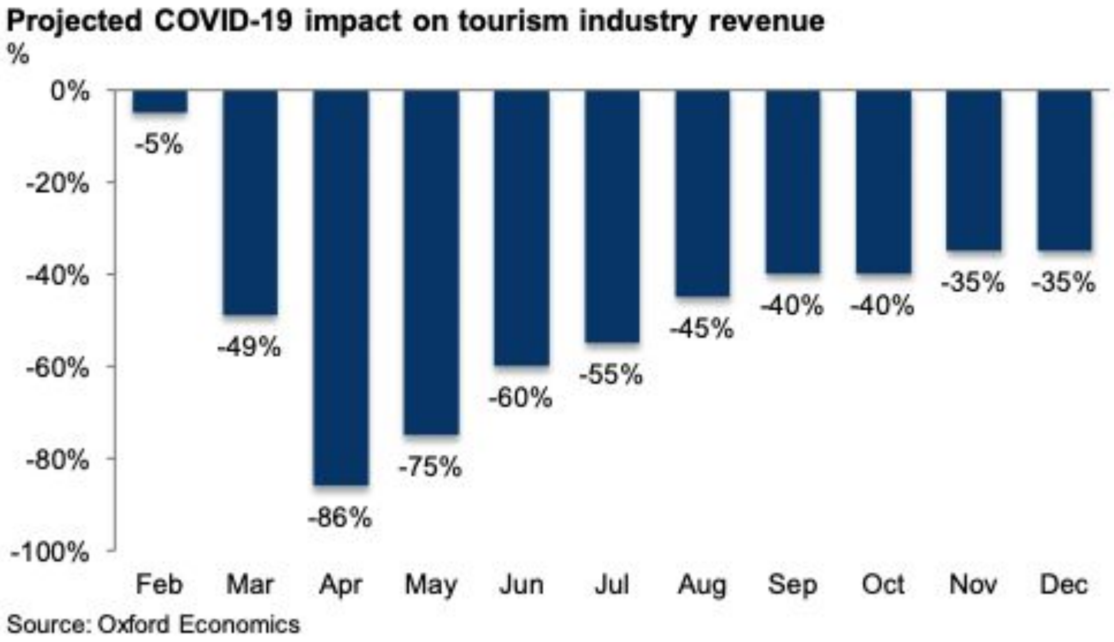
(Base: All respondents, 1,201, 1,200, 1,201, 1,216 and 1,263 completed surveys. Data collected March 13-15, 20-22, 27-29, April 3-5 and 10-12, 2020)

Source: Destinations Analysts, Study Fielded April 10-12, 2020

Key Takeaways

- Willingness to hear about offers in this environment (37%)
- Packages, especially for multi-day stays looks to be welcome
- Current collaboration efforts with local businesses beyond hotels are going to be differentiators

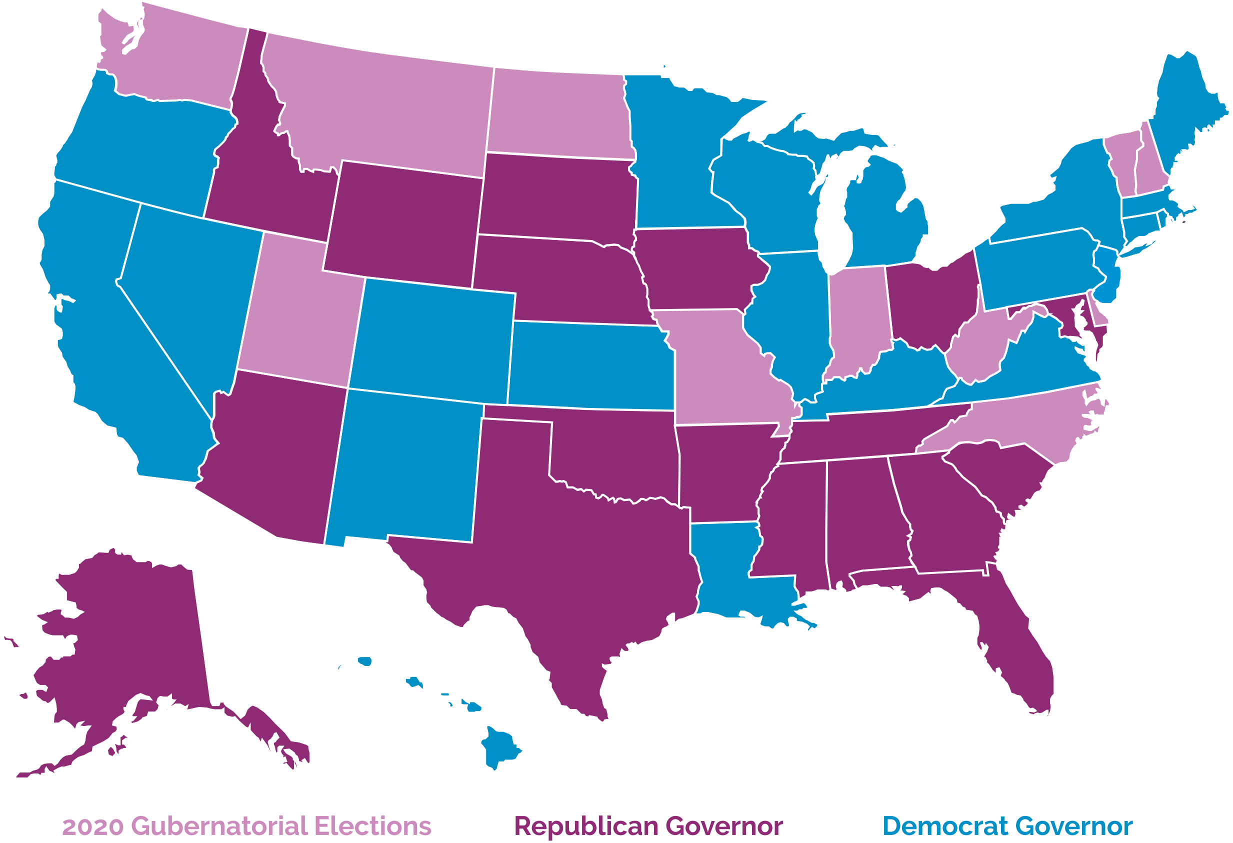
Budget Planning



Key Takeaways

- Model future cash flow for recovery planning
- Opportunities to use debt to invest in recovery
- Use expected occupancy levels from group/meetings to manage media plans

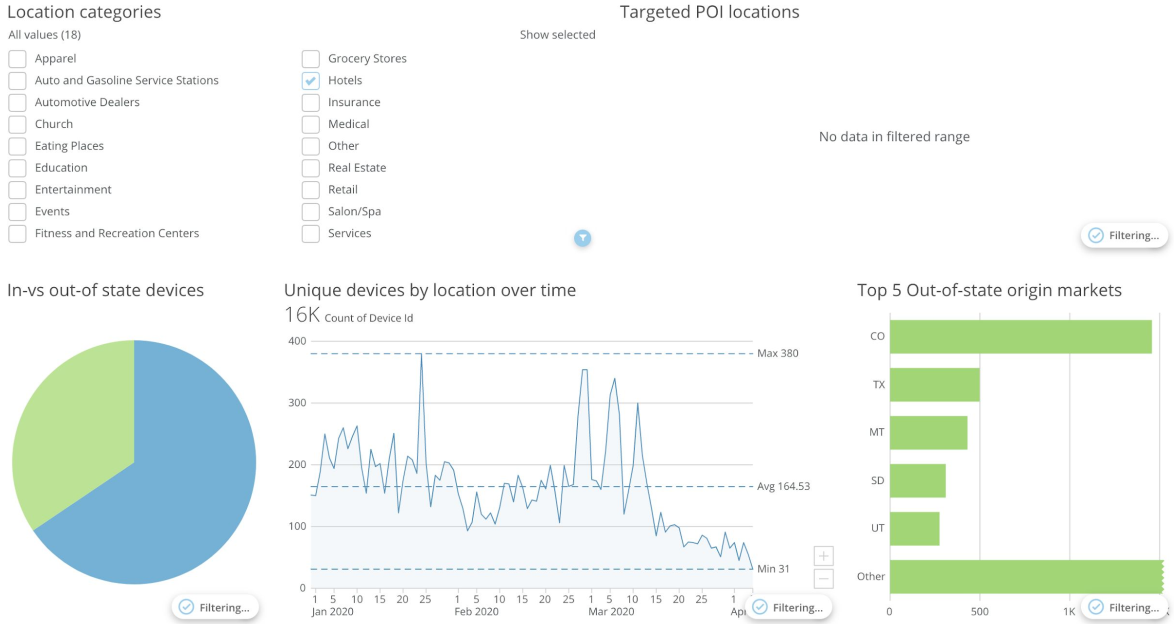
Political Considerations



Key Takeaways

- US Federalist Response to Crisis, Governor-Led
- Will Partisanship Lead Recovery Decision Timelines? States and Metros?
- Overall infection rate <0.2%, but states with high rates may lag

Travel Activity by Device



Key Takeaways

- Dual-Purpose Management and Marketing Tool
- Capture visitor profile data daily with lookback
- Understand visitor activity by category

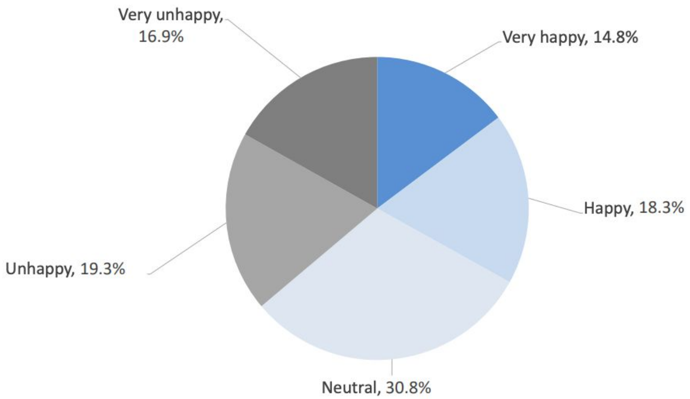
Source: Madden

Resident Sentiment

Question: How would you feel if you saw an advertisement today promoting your community as a place for tourists to come visit when it is safe?

(Base: All respondents, 1,208 completed surveys. Data collected April 24-26, 2020)

Question Added in Wave 7



Source: Destinations Analysts, Latest Study Fielded April 24-26 2020

Key Takeaways

- While >60% of people do not want to see visitors, 36% would be happy to see advertising for their community
- Loud minority