

INSIGHTS COLLECTIVE

Pandemic Economics Think Tank



VIRUS

A new study shows that the odds of catching COVID-19 on a flight are less than most travelers think. The analysis by an MIT professor attempted to quantify the chances of becoming infected while flying, and it resulted in odds of 1 in 4300 on a completely full 2-hour flight. The odds drop to 1 in 7700 if the middle seats are unoccupied. Source: [Bloomberg](#) / Research Paper: [medRxiv](#)

And why is that important... [Insights Collective] Planes seem like a natural place for a virus to spread, and previous research before the COVID-19 era showed that illness can indeed pass between passengers while in-flight. But planes have not been the sites of superspreading events so far, the term for incidents where one person can infect many nearby. This should not be an excuse for relaxing standards, but it does give airlines something to work with when trying to convince passengers to fly again. Our network is reporting that **carriers are leaning ALL IN to combat previous negative messaging – and we suggest destinations can/should join strongly as it is the best way to rebuild the lucrative long haul and international markets so valuable to all.**

REOPENING

Weekly Briefing Sheet 2020 08 12

Massive Airbnb house parties in New Jersey have led to more restrictions on rentals. More than 700 people attended one party in the state, and nearly the entire local police department was required to break it up. A separate party nearby led to dozens of people contracting COVID-19. Those two houses and 33 other listings in 25 cities are now banned from Airbnb. Source: [CBS News](#)

And why is that important... [Insights Collective] For those staying inside and following the recommended steps to prevent COVID-19 from spreading, the idea of a party with 700 people may seem almost unimaginable. But that is what some destinations are dealing with. While much of this all seems beyond control, the mask/social safety element is clearly effective (and something we've advocated for in previous issues) and very much in control for those destinations who have the courage to take a stand, and work with municipal leaders to implement policy and protocol. **Collaboration with elected officials is more important than ever and will be the difference between winners and losers.**

ECONOMY

House leaders in Congress are open to including some relief for the hotel industry in any stimulus deal. The House Majority Leader told hotel industry executives that further payroll help was already a priority but that a boost in deductions for business meals was unacceptable without also increasing food stamp funding. The lodging industry has also been advocating for a travel tax credit, but that is not yet part of any plan. Source: [BTN](#)

And why is that important... [Insights Collective] The meeting provided interesting context for the negotiations surrounding another stimulus plan. Part of the insight was due to the meeting occurring online rather than in-person, resulting in a much more immediate and accurate look at what was said. Lodging executives had several suggestions, from streamlining application for loans to allowing loan recipients to spend a smaller share of bailout money on paychecks.

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Cutting a deal will be important, especially considering recent comments from Hilton's CEO noting **"business travel will take two to three years to recover."**

NEW REALITIES

The Sidney (Montana) Chamber of Commerce has lost its eligibility to act as a CVB also. In order to fill both roles, a certain level of annual gross lodging tax revenue must be met, and Sidney reached that level for the first time in 2013 amid a boom in oil and fracking business. Bed tax revenue has fallen by nearly 70 percent since that time, and Sidney will now have its tourism funding controlled by a regional visitors bureau. Source: [Sidney Herald](#)

And why is that important... [Insights Collective] Is Sidney the first casualty in the funding model war of 2020-21? We think yes – and call attention to the archaic model in which allocations were determined: solely on total BedTax revenue. The future includes positioning local destination organizations as a community-shared value – no matter the total budget amount. In fact, the dollars collected need not be earmarked for promotion in the future – but rather **"the tourism sector needs to undergo an analytics transformation to enable the coordination of marketing budgets, sector promotions and calendars of events, and to ensure that products are marketed to the right population segment at the right time."** ([McKinsey & Company](#))

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The COVID-19 Briefing Sheet is a weekly distribution of Insights Collective, an industry Think Tank focused on leading destinations through the New Realities of destination/resort management, marketing and positioning.

The COVID-19 Briefing Sheet, combined with other resources from Insights Collective, allows destination and resort executives to have top-line information on demand and supply developments, along with Insights Collective knowledge on where to focus resources next.

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