

Summary of Data Collected, COVID 19 Survey #1, March 19, 2020

The data reported on below is from a province wide survey that the Tourism Industry Association of Ontario (TIAO) put out from March 12th to March 16th 2020, to measure the impact of COVID 19 containment responses on tourism operations in Ontario. A sincere thank you to all the stakeholders who shared this across your networks, the Regional Tourism Organizations, and of course thank you to the more than 2000¹ survey respondents. This data is a crucial part of our communication of evidence driven discussions with government on how to support recovery efforts for our industry.

Purpose: The purpose of this data collection is to multifold. First, we are tracking the real time impacts of COVID 19, and the reactions to COVID 19 on the tourism and hospitality industry. We are looking at impacts to revenue, staffing, and all aspects of business. Secondly, we are analyzing this data at multiple levels, including impacts to sectors, and regions of Ontario. Our analysis is aimed at developing a broad *and* nuanced understanding of how best to communicate the needs of the tourism and hospitality industry to all levels of government, in particular, Minister Lisa MacLeod.

The Broad Findings:

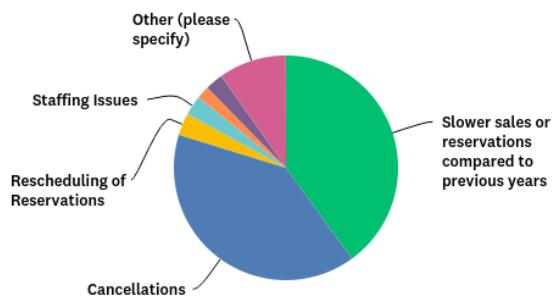
Aside from the drastic impact on the healthcare industry, the tourism and hospitality sectors of Ontario are the first and hardest hit by the reverberating impacts of COVID 19, and the required state responses. In order to ensure the protection and resiliency of the tourism industry of Ontario, we are communicating to the provincial and federal levels of government, what types of policy instruments, and specific stimulus spending in our industry are required to protect, employers and employees, and sustain the continued economic growth and impact of the industry.

¹ TIAO sent out 2 surveys in the first week of data collection. One survey collected province wide data on the impact of tourism and had 1629 respondents. The second survey targeted more data collection from Northern Ontario and had 459 respondents.

The impact COVID 19 has had a swift and severe impact on the tourism industry in every region of the province. Of the more than 2000 respondents across the province, nearly 20% have reported that COVID 19 has greatly impacted their business operations. Nearly 50% have reported that over the next 3 months there will be a dramatic impact on their business operations.

Tourism Operators from across the province are experiencing serious impacts on their tourism business operations, indicated in the following chart:

Q5 If you responded with a 1 or above to the two previous questions, please tell us what the main impact to your tourism operation has been?



Northern Ontario:

In northern Ontario, more than 45% of respondents across sectors, report that they have received cancellations as a direct result of COVID 19. Tourism operators from all sectors are reporting significant losses to business and revenue, including:

- Up to an 80% drop in hotel reservations
- Meetings and Conventions reporting loss of contracts and bookings with some reporting an associated loss of \$30,000 in revenue
- Reports from Attractions of a loss of 800-1000 visitors, and an associated loss of \$40,000 in revenue
- Reports from Tour Operators in Northeastern Ontario that rely on business with Cruise Ships are projecting that revenue will be down by at least \$500,000 in 2020 compared to years past
- Accommodations ranging in size are reporting immediate COVID 19 related cancellations, with loss of revenue ranging from \$2000 in the first week to over \$45,000

Top Level Sector Break Down Across all of Ontario:

Accommodations:

- The data reported by the Accommodation sector across every region of the province show that 98% of the respondents are experiencing cancellations and/or slower reservations than previous years
- Accommodations across the province are reporting 20% up to 100% loss of bookings
- Many Accommodation businesses are projecting upwards of 80% loss of bookings for 2020
- Some Accommodation businesses are reporting the risk of massive lay offs and closures

Direct Answers on the impact of COVID 19 to the accommodation sector:

“This is our only source of income, and we just stretched ourselves thin completing some much needed renovations, so we are quite concerned about making our mortgage payment and utility payments.”

“Business has taken a nose-dive. We will not be able to survive this for long, as financial burden is huge. We need help, and fast as of now.”

“At the moment, we have over 60 rooms booked in July and August, most from Europe and Britain. We expect many of these to cancel, based on the current Covid-19 forecasts. If this happens, it will be a financial disaster for us, and we may actually have to sell our house, after 19 successful years in the B&B business.”

“Well being of Employees that are on Unemployment, will soon be running out, ...With slow down of business in the Hotel and the Dining room side, we will not be able to have them start full time hours. Any additional staffing that we would hire for the spring has been put on hold. Any special events that we put on, i.e. March Break Madness has been cancelled.”

“Lay-off of 25% of work force”

“Like everyone else, the impact of COVID-19 is financially hurting us, our staff are scared of dealing with the travelers/clientele, and we are concerned about the fact that we still have utility bills, taxes, and living expenses that all still need to be paid even though we’re not bringing in money.”

“This will definitely result in layoffs/substantial loss in income for 100 employees, all in income brackets that cannot easily withstand these changes.”

“20% cancellation for March. Inquiries for spring have dropped off sharply. 50% of our market is from Europe.”

“50% reduction in bookings over March Break. Currently over \$3mil in potential group event cancellations, very likely to grow. Comparing April-June year over year, estimate possible loss of revenue of 50-70% due to virus.”

“We are down 40% for March and 35% for April to date. By the end of the day we anticipate being down 50% for each month. Cancellations are starting for May and June as well.”

“100% group cancellations and 90% individual travel”

“We have already lost 80% of our upcoming revenues for the next 75 days.”

“Loss of revenue due to cancellations in both transient and group have surpassed \$100K since March 10 2020. We are also seeing a large drop in pick-up of future reservations.”

“Massive layoffs. In the next upcoming weeks we will have to lay-off over 50% of our hourly paid employees and 25% of our management.”

Attractions:

- 97% of Attractions have reported cancellations and/or slower reservations than previous years
- Attractions are reporting a dramatic impact on all elements of business from, revenue loss, staffing issues, to a reverberating impact from loss of events and the overall visitor economy
- Attractions are reporting losses of revenue ranging from 15-100% across every region of the province

Direct answers on the impact of COVID 19 to the Attractions sector:

“Business is down 80-100%”

“We lost around \$30,000 in bookings in the last 24 hours. I expect we will lose 10 times that amount (ie all of it) over the next two months alone if this continues. If it continues into the summer and fall we may need to close the business.”

“It has already been devastating to our business and it has only just begun. We will lose our entire school group season in all likelihood as fear has taken over. We are investigating ways to avoid losing the business entirely but it will be difficult to recover from this. We have been in business for 25 years and employ 100 people and have never faced something on this scale before. Many of our staff will face unprecedented hardships in the coming months.”

“We lost around \$30,000 in bookings in the last 24 hours. I expect we will lose 10 times that amount (ie all of it) over the next two months alone if this continues. If it continues into the summer and fall we may need to close the business.”

“We have 40 vendors and over 3000 people attend our gem show for over 48 years. We also have gourmet food trucks on site. We will lose over \$35,000.00 income for our not for profit corporation. We are 90% we will cancel our event by Monday march 16 2020. Our event was scheduled for april 4& 5 2020.”

“Looking at a 60% decrease in business over the March Break”

“Bookings are 90% down we may be forced shut down for next 3 weeks.”

“We have seen a 63.84% drop in revenue for March 2020 compared to March 2019 so far.”

“95% drop in reservations/ bookings”

Impact on Culture & Heritage Industry:

- More than 80% are experiencing cancellations and slower sales and reservations
- Revenue loss between 35%-100% as some were forced to close
- Dramatic cancelling of events and programs

Direct answers on the impact of COVID 19 from operators in Culture & Heritage Industry:

“As of March 13, we have had to cancel two theatre productions. The loss of ticket sales and the costs already incurred for these productions mean a loss of \$83,000.00. We anticipate that this will increase in the next month.”

“78% fewer registrations for March Break activities compared to the number of people who attended March Break activities in 2019.”

“Still calculating but we have had our operating grants through the OAC cut by 8% and will likely lose 15-20% in revenues so at the very least we need the provincial government to reverse the cuts and consider low cost loans or tax relief to prevent staff layoffs”

Impact on Food & Beverage Service Industry:

- More than 98% of respondents are reporting cancellations and slower sales and reservations
- Dramatic loses in sales
- Panic and fear amongst frontline staff around safety
- Staffing Issues and uncertainty
- Loss of revenue ranging from 35%-95%
- Layoffs

Direct answers on the impact of COVID 19 from the Food & Beverage Service Industry:

“Over \$150000 in lost/cancelled revenue in 16 days.”

“Delaying opening of seasonal restaurant. Effectively putting 45 people out of work. And over \$70000 in sales”

“55% down in sales for the month of March”

“We have had upwards of 25 group cancellations, as well as smaller tables cancel as well through to the end of May. we have lost an estimated sales revenue upwards of \$100,000 already in cancelled bookings.”

“Sales for the past week have been done significantly....over 100% decrease in sales for this past week compared to last year's sales for this week.”

“Down 50-70% and uncertain future past 24 hours - depending on policy”

“Having 1 year of sales history under my belt, my sales are down 40% vs same time frame year ago.”

“Cancellations. Postponed events and lack of traffic in establishments. Lots \$26,000 in one day”

“If we have to shut our business for any length of time or we lose staff due to quarantine, it will greatly affect our business.”

“approx 2000.00 dollars in sales per day being lost”

“Without cash sales to pay staff and pay the mortgage there is a real fear that in a seasonal business, like ours, that has just struggled to pay bills on the winter that we might miss mortgage or payroll tax payments due to such a sudden and dramatic drop in income... staff , if hours are cut , will also face extreme hardships”

“40 to 50% reductions in reservations for March break”

“Staff hours cut & owner working personally to cover operating hours. NO days off. Supply chain issues foretasted. Demand for paper products/disposable cups, suppliers low in stock/scarce. Hand sanitizer out of stock/unavailable from all our suppliers.”

“We could lose everything. Our utilities our home our car”

Impact on Meetings & Conventions:

- More than 98% of respondents indicated cancellations and/or slower sales and reservations
- Uncertainty for the future of major conventions
- Staffing uncertainty

Direct answers on the impact of COVID 19 from Meeting & Conventions Sector:

“With COVID-19 came a dramatic plunge in the value of the Canadian Dollar against the US Dollar. Our products are all US-made and our prices have increased nearly 10% in the past 30 days. We can not survive with such rapid price escalation on top of dramatically reduced consumer traffic.”

“We have seen a drop in projected to actual income (March) 70%, (April) 100% and (May) 80%. June has about 50% of total revenue in question at this point. Sales is projected to be 20% to 30% of the last year’s sales for the same quarter. Fall and Spring generate 80-90% of all revenue for the year. So the loss in Spring sales will affect not only the year but the cash flow for the summer quarter. The required end of large scale events for business event agencies and their suppliers that solely generate revenue from this type of event is gutting these businesses. It is totally understandable given the public health crisis but we are going to fight hard as hard as we are to combat COVID-19 to keep businesses operating so that they do not become the next wave of casualties.”

“In just the last 24 hours over 1 million in lost revenue

“over a million dollars in cancellations in the next 3 months”

Coded open-ended Survey Questions:

The surveys included open-ended questions to the industry on the impacts of COVID 19, and the following charts represent the coded and categorized responses to the questions. MHSTCI supported TIAO with the analysis of this portion of results from the COVID-19 Industry survey.

Below is the chart for thematic codes that represent the key responses from industry to the question in the Ontario wide survey, **“Please tell us what the main impact to your tourism operation has been?”**:

Code	Category	Count	%
1	All of the above (Cancellations, Reduction in capital projects and/or expenditures, Rescheduling of Reservations, Slower sales or reservations compared to previous years, Staffing Issues, Supply chain interruptions)	23	15.2%
2	Cancellations	36	23.8%
3	Closures	13	8.6%
4	Increase/No Impact	11	7.3%
5	Less visitors	17	11.3%
6	Too early	23	15.2%
7	Other	28	18.5%
blank		1478	0.0%
Total		1629	100.0%

Below is the chart for thematic codes that represent the key responses from industry to the question in the Ontario wide survey, **“How has COVID-19 impacted your tourism operation compared to this time last year? For instance, changes in percentage of bookings or sales?”**:

Code	Count	%
1 - No change	143	10.6%
2 - Decreased by 1-10%	41	3.0%
3- Decreased by 11-25%	77	5.7%
4 - Decreased by 26-50%	136	10.1%
5 - Decreased by >50%	175	12.9%
6 – Not open yet/later event	39	2.9%
7 – Too soon to tell/unsure	74	5.5%
8 – Losses expressed in \$ terms	33	2.4%
9 – Fewer inquiries/bookings and cancellations	530	39.2%
10 - Other	104	7.7%
N/A	38	0.0%
blank	239	0.0%
Total	1629	100.0%

Below is the chart for thematic codes that represent the key responses from industry to the question in the Ontario wide survey, **“Are there any other impacts of COVID-19 on your tourism operation that you want to share?”**:

Code	Count	%
A - Close Permanently	4	0.4%
B - Close Temporarily	9	0.9%
C - Staff Layoff	17	1.7%
D - Reduced Staff	43	4.3%
E - Reduced Services	6	0.6%
F - None	228	22.9%
G - Future Concerns	230	23.1%
H - Supply chain	42	4.2%
I - Health and Safety	142	14.2%
J - Cancellations	74	7.4%
M - Financial constraints	131	13.1%
O - Other	71	7.1%
blank	632	0.0%
Total	1629	100.0%

Below is the chart for thematic codes that represent the key responses from industry to the question in the Northern Ontario survey, **“Please provide details on the impact of the cancellations including: - Number of cancellations -Number of people -Number of nights-Dollar value impact, loss of revenue”**:

Code	Count	%
1 – Loss between 0-\$5,000	68	35.2%
2 – Loss between \$5,001-\$20,000	53	27.5%
3 – Loss between \$20,001-\$50,000	15	7.8%
4 – Loss between \$50,001-\$100,000	6	3.1%
5 – Loss over \$100,000	5	2.6%
6 – Too early	22	11.4%
7 – Other (nights, people, etc)	24	12.4%
(blank)	266	0.0%
Total	459	100.0%

Next Steps:

This analysis is just the beginning, TIAO is in direct and ongoing conversation with Minister MacLeod who is supporting our survey by distributing it across her channels and providing us with direct questions so that we can inform her of the state of our industry. The Regional Tourism Organizations are putting out their regional analysis and data findings, and each week will be look to you, the industry to lead this conversation on what the economic recovery tools and plans will look like for tourism in Ontario.

2020-03-19

