

COMMENTARY

Introducing a new series, 'The road ahead: New realities in a pandemic economy'

From Ralf Garrison, founder of Insights Collective, a pandemic economy think tank:

The Aspen Times is pleased to announce a new series, "The road ahead: New realities in a pandemic economy," launching in Wednesday's paper (see page A15) dedicated specifically to the COVID-19 pandemic economy in mountain resort communities across the West.

Six months in, it's clear that both the pandemic itself and the economic consequences continue to be a major disruption to business-as-usual and the lifestyle common to locals, part-time residents and visitors. And while much has been learned about summer COVID considerations, winter brings with it new threats from fall flu season, COVID-20 and winter weather considerations, not to mention the context of a volatile economy, election cycle buffoonery and social unrest.

"The road ahead: New realities in a pandemic economy" is part of a new partnership between The Aspen Times and its sister publications and the Insights Collective, whose members are researchers, economists and market strategists who share a common goal of working together to help resort communities — and their tourism-dependent

businesses — navigate their way through the unprecedented disruption caused by the COVID-19 pandemic. Our goal is to analyze economic consequences to help establish a sustainable business case and lifestyle for all, likely based on new realities.



Ralf Garrison
Founder of
Insights Collective,
a pandemic
economy think
tank

The Collective uses data analysis and decision-making systems well established in other industries but not frequently found in the tourism industry, to 1) Gather such facts/evidence as is available, 2) Add selective original research, 3) Aggregate emerging best practices, 4) Apply a scenario-planning process from its think tank system to provide insights and recommendations about what you need to know to prepare for this coming winter, and what you should begin to anticipate in 2021 and beyond.

For those on the business side of mountain resort communities, the Swift organization is well known for the communication platform underneath many of the leading resort communities in the Rocky Mountain West. Swift's commitment to the greater good of the industry is particularly important for an industry in need these days, and a great complement to our credo: "All of us, together, are smarter than any of us, individually," — the collectivist approach upon which our Collective is founded.

From Bob Brown, president, Swift Communications:

The pandemic has delivered grueling days, weeks and now months filled with concern for our

people, communities and our businesses. It was a couple days prior to the Labor Day holiday when one of our talented people sent me a note asking to connect me with Ralf Garrison to discuss an idea that appeared to be aligned with our mission. Although I didn't know Ralf personally, our resort newspapers had been using his information and research — he is the founder of Mountain Travel Symposium, DestiMetrics and the Central Reservation Association — to inform our communities for the past 25 years. Ralf and his group of colleagues are Western U.S. destination market experts when it comes to identifying consumer trends, sentiment and business insights.

After many planning discussions with Ralf and my team, I am pleased to announce The Aspen Times and our sister resort publications are collaborating with the Insights Collective to publish nine articles over the next nine weeks. "The road ahead: New realities in a

pandemic economy" begins Wednesday and will culminate Nov. 25.

The purpose of the series is to illuminate insights on the changes to our markets and consumers, and offer thoughts about where we need to head as our new realities settle in for the coming year. The initial focus will be "What You Ought To Know" in order to plan and prepare for winter 2020-21, and evolve toward the "New Realities" forthcoming in 2021 and beyond.

Through this partnership with the Insights Collective team, The Aspen Times can deliver timely information to the community, with the overarching goal of promoting economic sustainability through actionable ideas and analysis. This series will be both in print and online offering flexibility to you to stay connected.

I'd like to leave you with what The Aspen Times and its sister publications endeavor each day to accomplish: "Champion the Power of People to Improve Communities."

We intend this series will support this purpose, and we hope it provides insights for all to successfully move forward this winter and into 2021.



Bob Brown
President, Swift
Communications

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Do we have what it takes for pandemic-era success?

INSIGHTS COLLECTIVE
Pandemic Economics Think Tank



THE ASPEN TIMES

What you ought to know: The most important job of a destination is to manage COVID-19 for today and tomorrow

By Carl Ribaud

Brought to you by The Aspen Times and The Insights Collective

Reduced capacities and altered travel habits have upended tourist economies' reliance on consumer spending, employment and local tax collections. But it's how well a destination manages COVID-19 that is emerging as the essential key to pandemic-era success. While there has been much focus on visitation to many mountain destinations this past summer as visitors sought open spaces — raising hopes that some level of normalcy might return to pre-pandemic levels — what it means for the peak winter months is less clear as ski resorts face mandated reduced capacities.

As it relates to tourism research conducted by RRC & Associates, a marketing research firm with experience and expertise in the tourism and recreation industry, as part of the tourism economy think tank The Insights Collective, 70% of those surveyed indicated that health and safety measures being implemented by the destination were the kind of information that would increase the likelihood of travel to a destination. Additionally, in the same RRC study, 82% indicated an interest in travel once conditions are safe.

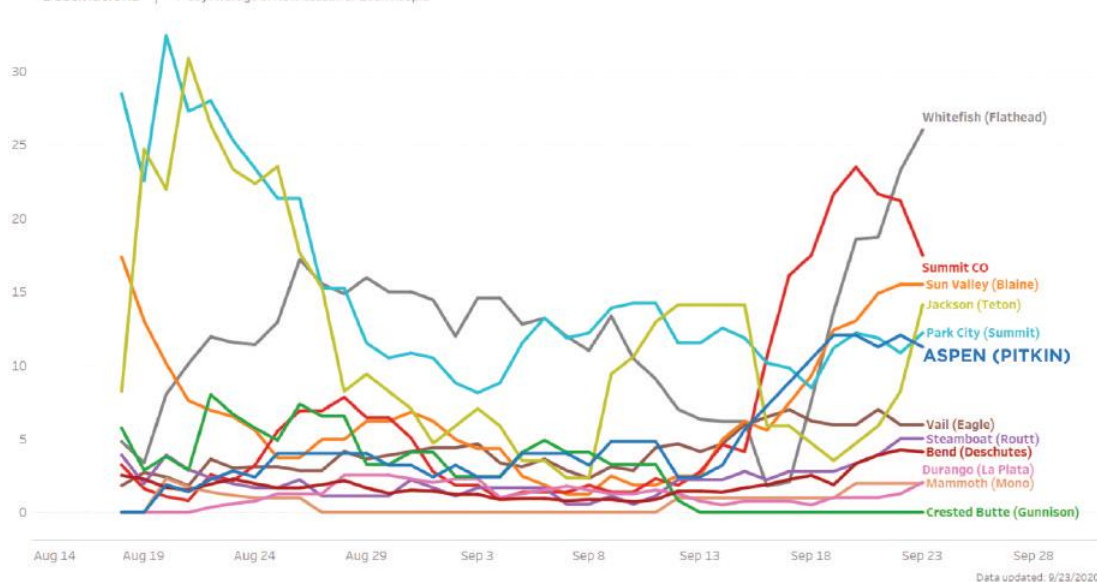
"The data is pretty clear that potential visitors are very interested in health and safety issues," according to Chris Cares, managing director of RRC & Associates and an Insights Collective member.



FILE PHOTO

To help destinations grapple with challenges that have never been faced, a group of tourism industry researchers, marketers, and strategists formed a think tank, The Insights Collective, to help resort economies transition to the next phase of the tourism industry.

Destinations | 7-day Average of New Cases Per 100K People



New COVID cases across Western mountain resort destinations.

The world renowned business strategy consulting firm McKinsey and Company concluded recently that "the uncertainty surrounding COVID-19 and its associated health risks has caused many individuals, households and businesses to opt out of normal activity, even if no formal restrictions are in place."

ALIGNMENT IS CRITICAL

The challenge has often been a mishmash of rules, mandates, and ordinances that can vary state-to-state and destination-to-destination. Even at the local level, there is inconsistency in regulations regarding masks and social distancing, with some destinations having no enforcement and leaving it to local businesses.

This issue has caused significant concern among residents who, in some cases, have pushed back in a variety of ways. The City of South Lake Tahoe has mandated masks

or you will be fined. They took this step because of significant pushback from residents. "We have really seen local residents get much more involved politically on behalf of public safety," said Carl Ribaud, president and chief strategist of SMG Consulting and an Insights Collective member.

What does this mean for tourism destinations? Simply, job one is getting the entire destination in alignment with COVID-19 management practices. That means restaurants, retail stores, hotels, and attractions combined have to reassure visitors that the situation is under control, and their safety is assured.

"Even if you want to strengthen your economy over the long term, it's critical to implement firm and proven management practices, otherwise potential visitors' safety concerns will not be met," Cares said.

COVID-19 BEST PRACTICES

This issue is shaping up to be one of destination competitiveness: destinations now need to compete on consumer safety and the implementation of COVID-19 best practices. Those destinations that have best practices with COVID-19 management will have a more defined and competitive position among potential visitors in a very challenging marketplace.

How can this best happen?

1. It takes a community, not just the tourism industry. To date, COVID-19 management policies have not been developed by the tourism industry. Instead, federal, state or local agencies have developed policies, while the tourism industry has reacted to these policies. As such, it's essential for destination marketing organizations to take a leadership role for the industry in implementing best practices and, at the same time, work cooperatively with government agencies.

2. All businesses, small and large, have to participate for the greater good and sustainability of the community.

3. Messaging must come from the municipality, not just the tourism industry. It's important to realize that messaging cannot just come from the destination marketing organization; they can help, but the **local municipality must have a strong voice** in communicating what the guidelines are, what the expectations are, and what the penalties will be if they are not enforced.

4. Residents matter. Another critical aspect of COVID-19 management is communicating to residents how the tourism industry is working to implement management practices that will keep them, as well as visitors, safe.

"For decades, destinations worked to get consumer attention and visitation through a variety of marketing messages, special events, activities, dining experiences and more. But the pandemic has changed all that," said Jesse True, a resort marketing specialist and Insights Collective member. "Those destinations that adapt quickly and execute best management practices will not only set themselves apart, but also create a competitive advantage for the destination." The message is simple: Control the virus, and the local economy will sustain itself over the longer-term. Discard management practices for short-term gain in a tourism season and risk losing the market that is not prepared to travel until COVID management practices are implemented. Insights Collective founder Ralf Garrison put the situation in perspective: "It's important to remember Charles Darwin's reminds, 'it's not the strongest that survive but the most adaptable.' Those that adapt the best will be well positioned in the recovery."

For more information about The Insights Collective, visit www.theinsightscollective.com.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Creating positive wins for mountain destination marketers



THE ASPEN TIMES

What you ought to know: The holy grail of travel patterns

By Tom Foley

Brought to you by The Aspen Times and The Insights Collective

For decades, as weekends have reached maximum practical capacity, mountain destination marketers have been looking for ways to spread visitation across midweek and lengthen stay duration, what one calls “the holy grail” of travel consumer patterns. And now, with consumer behavior shifting both by economic circumstance and emotion, that holy grail is edging nearer at an increasingly faster rate with each passing month.

Monitoring booking behavior at some 1,700 of Inntopia partner properties primarily across mountain destination resorts, the two trends of the holy grail — midweek and longer off-peak stays — are emerging organically as consumers adjust to the new realities of more flexible work or school schedules, while also looking to uncrowd their travel experience.

Length of stay at mountain community lodging properties began to increase in earnest in June, with the average reservation arriving in that month staying 0.14 nights longer. While that number may not sound like much to the non-lodging operator, it's an extra 1.4 nights of revenue for every 10 nights booked when applied over time; real numbers that add up.

And, though occupancy across those properties in June was down 57% year-over-year, the boost in the average length of stay in that month was the first hint that the market was changing.

EXTENDING THE WEEKEND

The June trend has increased in each subsequent month as consumers find new ways to take advantage of time and space, and marketers recognize the opportunity.

Length of stay was up:

- 0.23 nights in July (an extra 2.3 nights for every 10).
- 0.29 nights in August (an extra 2.9 nights for every 10).
- 0.33 nights in September (an extra 3.3 nights for every 10).

Chris Romer, president and CEO of the Vail Valley Partnership, said that Covid-19 “creates potential for mountain communities to drive mid-week business as schools around the country are under remote learning and many businesses across the country experience remote working.”

Look more closely at the data by day-of-week, and it becomes clear that the varying changes in length of stay are reflecting changing attitudes toward not only what a weekend or weekday is, but whether or not a crowd is desirable as part of a vacation.

Here's a look at length of stay increases for stays based on the guests' arrival day:

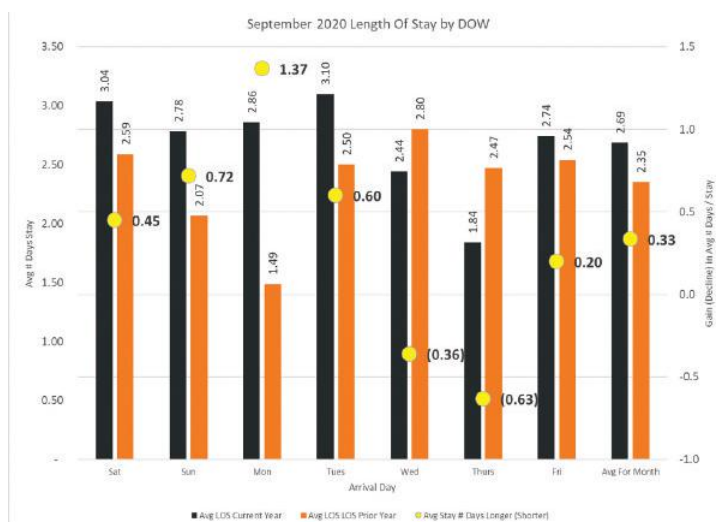
- Mondays, up 1.37 nights.
- Sundays, up 0.72 nights.
- Tuesdays, up 0.60 nights.
- Saturdays, up 0.45 nights.

A NEW PACE FOR VISITORS

Eliza Voss, director of marketing at the Aspen Chamber Resort Association, is seeing the change and is planning for peaks and valleys to level a bit as a result.

“Typically, in a fall season we see peaks on weekends, driven by weddings and a typical work/school-week pattern. This fall, with the flexibility provided by both remote work and school, we are anticipating more of a steady stream across the week,” she said. The shift doesn't end there. Bookings scheduled to arrive on Wednesdays and Thursdays are each experiencing sharp declines in length of stay, with Wednesday arrivals for September 2020 typically staying 2.44 nights this year, down from 2.8 last year, while Thursday arrivals are only staying 1.84 nights, down from 2.47 in 2019.

These developments actually wind up taking the heretofore desirable peak night of Sat-



This chart shows the average length of stay for visitors by arrival day of the week at western mountain resort destinations for September 2020 and September 2019, as well as the difference in nights between the two years.

urday out of play for those guests. Whether this is a reflection of consumers looking for an uncrowded experience or a lower room rate — a possibility as a result of some of the broader economic pressures on consumers — is not entirely clear just yet. But, according to Voss and Romer, it's a long-sought desired state.

“Though the circumstances created by Covid 19 are out of our control, it's actually dispersing the guest into a pattern we have long hoped to achieve,” Voss said, “by spreading out the visitation pattern and allowing guests to experience destinations on off-peak days and at their own pace.”

A SPOT OF BRIGHTNESS

This conversation is a lot broader than just lodging properties. Real changes in which days of the week consumers wish to travel to mountain communities, and their length of stay, will have real operational and fiscal consequences within the greater community if those changes are sustained.

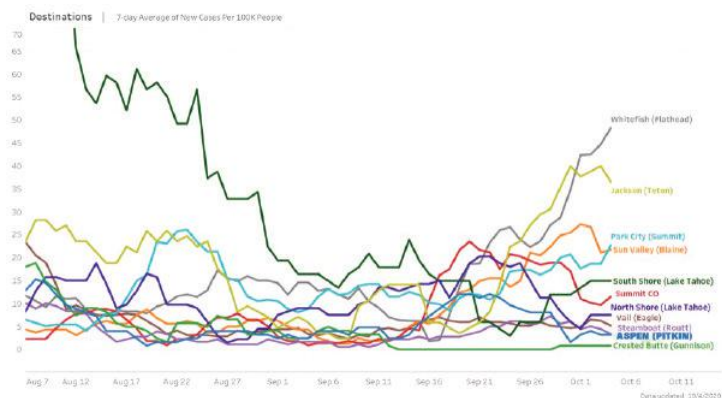
Other service providers will have to look at historic staffing and systems protocols and

adjust them accordingly to take advantage of the revenue opportunity. And at the jurisdictional level, there are considerations such as modified parking restrictions, transportation services, and health and safety services like police, fire, and sanitation.

With strong room rates coming out of summer, and now a lengthening of stays, the opportunity to mitigate revenue, and therefore tax, losses is one the industry will gladly embrace. And the chance to make a long hoped-for shift toward midweek and non-peak stays is a spot of brightness in challenging times that destination marketing organizations can build on.

“Creative packages and messaging to position our communities and properties as welcoming and accessible to these markets is an opportunity moving forward,” Romer said.

Tom Foley is the senior vice president of Analytics at Inntopia, a leader in travel technology, marketing and research.



New COVID cases across western mountain resort destinations.

ABOUT INSIGHTS COLLECTIVE

The Insights Collective is a pandemic economy think tank, established as a platform for the exchange of information, best practices, collective wisdom and the application of scientific evidence where available. Founded by Ralf Garrison, the Insights Collective's objective is to leverage its resources to provide insights and actionable recommendations to public and private sector decision makers in leisure travel destinations.

The Insights Collective is composed of the following tourism industry experts, with a combined 250 years of experience:

Ralf Garrison, Advisory Group; Chris Cares, RRC & Associates; Tom Foley, Inntopia; Carl Ribaud, SMG Consulting; Brian London, London Tourism Publications; Jesse True, True Mountain Consulting; Susan Rubin-Steward, SRS Consulting; Barb Taylor Carpenter, leisure travel specialist; Jane Babilon, leisure travel specialist.

For more information on the Insights Collective, visit www.theinsightscollective.com.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Welcoming visitors while keeping communities safe



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In destinations that are open for business, educational outreach is needed instead of a backlash toward visitors

By Brian London

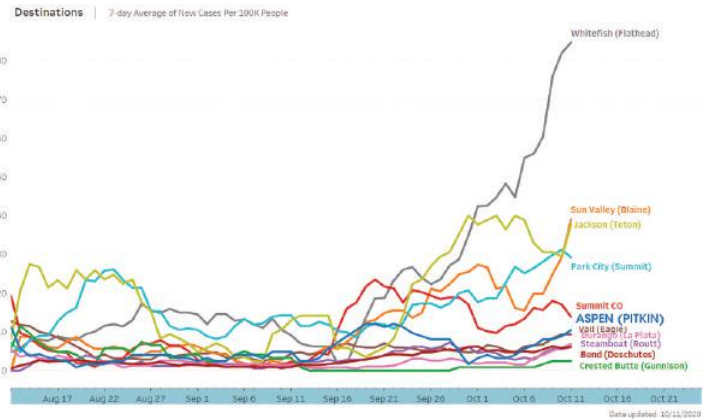
Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

Residents, not visitors, are the ultimate customers of destination marketing organizations, which is why it's important that tourism address the needs of residents first. Resident sentiment can determine a destination's ability to bounce back from the pandemic-recession. It's hard to see a best-case recovery scenario without support for visitors from the resident population. "Residents matter. A critical aspect of COVID-19 management is communicating to residents how the tourism industry is working to implement management practices that will keep them, as well as visitors, safe," said Ralf Garrison, founder of the Insights Collective, a pandemic economy think tank. Given the wave of financial hardship that is hitting many destinations, the idea of com-

plaining about visitor behavior may seem extremely out-of-touch. Everywhere you look in the tourism sector – hotel occupancy, airline traffic, cruise ships that can't even leave port – declines of more than 90 percent forced organizations of all shapes and sizes to take drastic steps to survive. In these conditions, who wouldn't trade an empty downtown for one bustling with visitors, even if they behaved a little impolitely?

SCRUTINY OF VISITOR BEHAVIORS

Open destinations are facing a growing backlash to tourism rather than appreciation that it continues to bring in revenue. If anything, visitors are being held to an even higher standard than normal. In Colorado, White River National Forest Public Information Officer David Boyd reported heavier use of trails in the region has led to more litter. Around Lake Tahoe, residents staged a series of rallies in five different locations to protest tourism-related issues. A historic heat wave recently sent visitors flowing into the destination, which is one of relatively few in the area that has remained open for business. A surge in travel that should have been spread out across the region was instead concentrated in places like Tahoe, resulting in packed stores, slowed traffic, and trash that overflowed from containers. The protests began with online complaints and pictures of trash sites, but they ended up drawing several hundred people to greet tourists on their way in and out of town with signs and demands for better behavior. Another protest took the form of a petition calling on tourism officials in Mammoth Lakes, Calif., to redirect marketing funds toward cleaning up after visitors.



New COVID cases across western mountain resort destinations.

This is one of the underappreciated impacts of the pandemic – the presence of other people has gone from an inconvenience at worst to a potential threat to public health. And as tourism slowly resumes, this scrutiny of visitors will only increase. "I think we are seeing a 'rise of residents' and their involvement in the tourism industry within the destination because they have grown weary of the impacts. They want a voice," said Carl Ribaud, president and chief strategist of SMG consulting.

HEALTH VS. QUALITY OF LIFE VS. THE ECONOMY

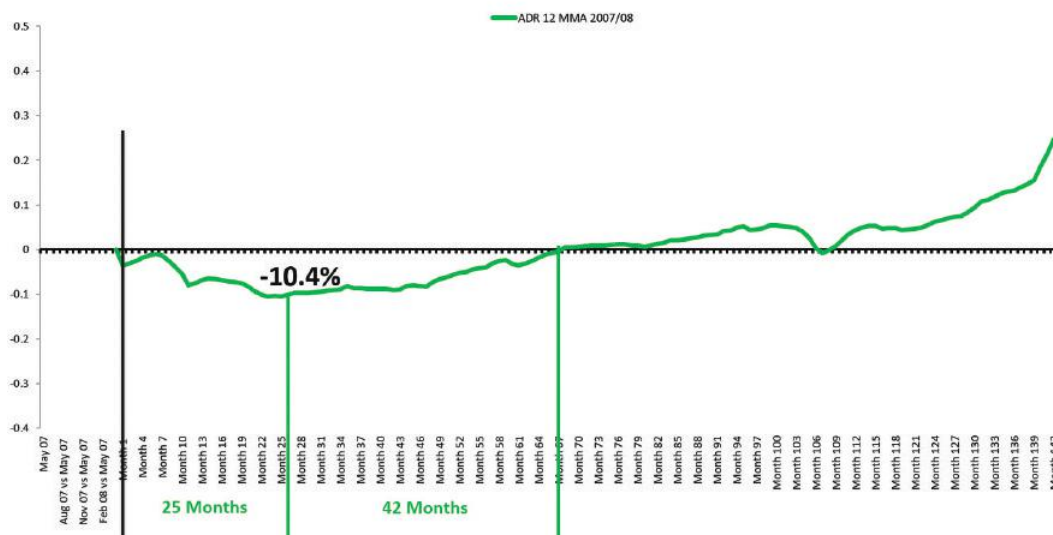
The danger of this trend is that we are increasingly left with two kinds of destinations for the next several months: places that can't accept visitors for health reasons and

places that don't want any more visitors for quality-of-life reasons. That dynamic will only complicate an already slow climb back to a healthy level of tourism for everyone. "Mountain travel had a long, 70-month revenue recovery from the Great Recession, driven by a dramatic economic downturn. All things being equal, we could expect the same as we travel along a Covid continuum. But things are not equal; the recent economic slowdown is a symptom of the Covid-19 pandemic, not a cause," said Tom Foley, senior vice president of Analytics at Inntopia, a resort marketing and e-commerce platform. "While we fully expect economic recovery to be measured with a calendar, not a watch, until the pandemic is controlled and the long-term economic damage is fully understood, we can only guess as to whether recovery for the destination travel industry will be shorter or longer than last time around." The Insights Collective recommends informing visitors of the impact litter can have on the natural environment through signage and educational outreach. Working with city officials to ensure trash receptacles are available for use is also a good idea. Visitors are guests in our communities. It's appropriate to hold them accountable for their behavior to ensure they follow basic social responsibilities (and the law) by not leaving trash everywhere, or that they follow health and safety protocols. Remember, a place in which we'd want to live is also going to be a place in which others will want to visit.

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Gain / Loss: April 2008 - February 2020 Actual vs 2007/08 Occupancy vs Market Shock 12 MMA



The line tracks destination lodging occupancy rates as compared to Feb. 28, 2008, the month immediately preceding the failure of Bear Stearns. It depicts the moderately slow decline of occupancy over the first 25 months following the 'failure' to a low point of -10.4% down, then the elongated recovery to parity with 'pre-event' conditions, which occurred 42 months after the low point, and a total of 67 months after the Feb. 28, 2008.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Considering a new future, should tourism return to “normal?”



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The changing role of destination marketing organizations

By Carl Ribaldo

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

Remember the fondness one had for 2019 and the previous decade when tourism experienced some of the most significant travel spending increases?

Tourism industry revenues grew with hotels sprouting and new restaurant concepts at every turn. Consumers were absorbing price increases without much complaint, and municipalities enjoyed strong transient occupancy and sales tax growth. If only this virus could be tamed, and things could return to what was once familiar.

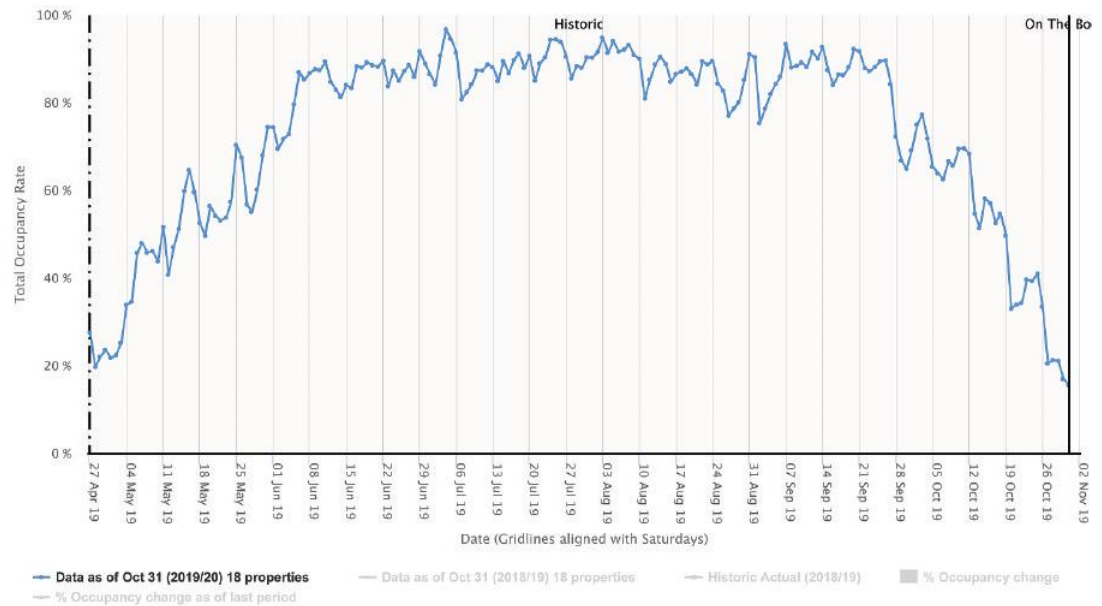
While many destinations across the West would love to see a return to that time, a more profound and more fundamental question needs to be considered: Should tourism return to normal? The COVID-19 crisis has given the tourism industry, municipalities, and residents a needed pause to consider that question and, if necessary, consider a different future.

“It could be a perfect time for destination marketing organizations to assess their future and what role they play moving forward,” said Brian London, CEO of London Tourism Publications, and an Insights Collective member.

A NEW TREND EMERGES

Even before COVID changed the landscape, the tourism industry struggled to grapple with significant systematic marketplace changes including “overtourism” and the impacts of climate change. These issues have only been exacerbated by COVID-19, causing all involved to consider the best way forward.

Pre-COVID, tourism destinations and destination marketing organizations such as



SOURCE: INNTOPIA FOR USE BY INSIGHTS COLLECTIVE

This peak demand pattern is typical for several mountain destinations throughout the West.

chambers of commerce and the like, were on near autopilot — growth in visitor volume, travel spending and tax collections had reached a level of near predictability. The lodging industry had experienced consistent growth in both average daily revenue and revenue per available room (RevPAR). Attractions had seen consistent growth, and municipalities even enjoyed consistent and growing tax collections that had become ever more critical to their general fund budgets.

OVERTOURISM

But like all trends, there is always an unintended consequence that few, if any, in the industry could see or wanted to see. This growth in visitor volume and travel spending led to peak visitation, also known as overtourism, in each significant destination. Overtourism brought forward a host of issues that impacted the destination and the local community. The data provided by INNTOPIA (see graphic) is representative of many destinations throughout the West.

This chart shows consistent occupancy above 90% and, at times, close to 100%. The problems associated with this demand level vary from alienating residents to overloading infrastructure and the natural environment. Below is a summary of the issues:

1. ALIENATED RESIDENTS

Residents often voice various concerns, including traffic congestions, rising rents, over-crowded access to recreation, thus impacting their quality of life.

2. IMPACTED INFRASTRUCTURE

The visitors' infrastructure is often the same as residents; thus, visitation adds to wear and tear to the community. Bike trails, recreation activities, and attractions are all impacted. Often these impacts are not calculated into fees and taxes that visitors pay.

3. POTENTIAL DAMAGE TO THE ENVIRONMENT

Perhaps one of the biggest concerns is the potential damage to the local environment. Parking is often full, but potential visitors are not informed until they arrive, creating additional travel and vehicle miles traveled, further impacting air quality and additional cars on the road.

4. IMPACTS ON LOCAL CULTURE

Whenever there are significant increases in visitor volume, there are impacts on the community's local culture. Residents develop a specific flow of life-based on the local culture. They develop patterns and rhythms, when they shop, where and when they recreate, how they take care of the place, etc. Increased volumes of visitors can wreak havoc with local community culture creating negative perceptions to visitors.

AN OPPORTUNITY TO RETHINK THE FUTURE

These issues combined have led in many destinations to the “rise of the resident,” who has morphed into a political force and

wanting a say in tourism policy. Many destinations are becoming more supportive in implementing sustainable programs, effectively trying to manage tourism better. While important, these efforts fail to consider the more fundamental visitor volume issue, available destination capacity and pricing.

“The destination, including the tourism industry, local government and residents, will need to reconcile how many visitors their destination can effectively handle AND get the desired behavior once visitors arrive,” according to Ralf Garrison, Insights Collective founder.

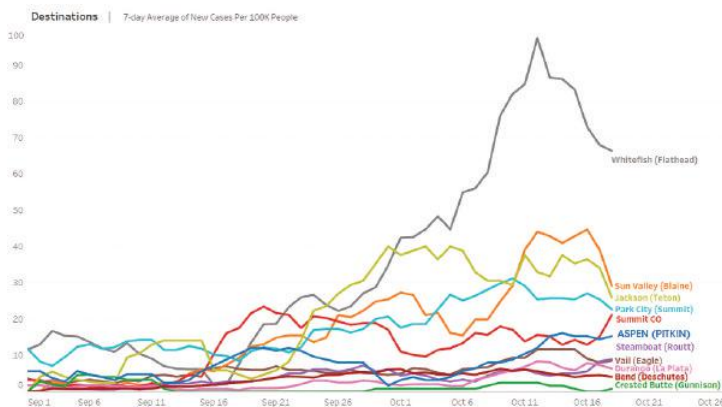
The current situation presents a unique moment-in-time for destinations: Stay the course or pivot in a new direction?

The Insights Collective recommends destinations resist the inclination to confuse the COVID-19 situation specifically with the underlying forces of change that were already present before the pandemic, but consider it an opportunity to rethink the future.

Carl Ribaldo is a tourism industry thought leader, consultant, speaker and writer who lives in South Lake Tahoe. He can be reached at carl@sngonline.net.

ABOUT INSIGHTS COLLECTIVE

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New COVID cases across western mountain resort destinations.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Survey reveals ski resort visitors' top concerns for upcoming winter



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More than 20,000 skiers and snowboarders responded, providing insights about the road ahead

By Dave Belin

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

The intention to ski and snowboard this winter is strong, season pass purchase is up nationally, and skiers are planning for a socially-distanced, face-covered winter at mountain resorts, with some adjustments to their typical behavior.

These topics and more were part of a comprehensive national survey that RRC Associates conducted with skiers and snowboarders in September of 2020. The survey received over 20,000 responses from all corners of the U.S. and provides unique insight to what skiers and snowboarders are expecting for the 2020/21 season.

The results of the survey give local leaders and resort staff critical information about what visitors, locals, and second homeowners are thinking about in terms of safety, adjustments, concerns and behaviors for this winter.

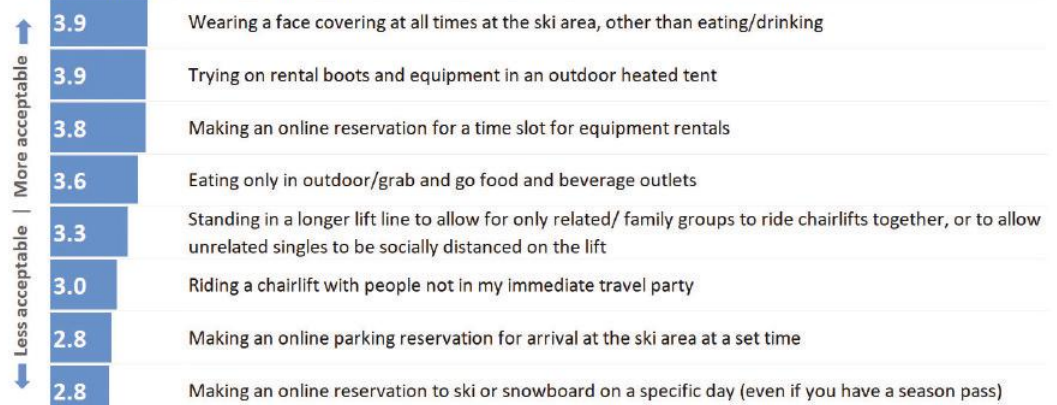
"Understanding what our visitors are thinking before they get to our resorts is critical," said Kelly Pawlak, President and CEO of National Ski Areas Association. "This information is another helpful tool we will use to open the winter season with the safety of our staff and guests front and center."

VISITOR CONCERNS

The survey showed that one of the biggest concerns of both visitors and locals alike is whether ski resorts will be able to stay open all winter. People are worried about a situation like the one in March, when resorts were forced to close abruptly. About two-thirds of visitors and locals indicated that they were concerned about coronavirus-related closures of ski areas. Resorts have been making preparations to address that issue, but maintaining focus on staying open all

In general, how acceptable would the following potential adjustments to visiting a ski area this winter be?

Average Rating 1-5 (1 = Very unacceptable, 5 = Very acceptable)



Source: RRC Associates, October 2020

A study showing the COVID-related sentiment of visitors to mountain resort destinations for the upcoming winter.

winter will be critical.

"At our resort we are meeting daily and sometimes multiple times a day internally to stay aware of trends and changes in the way this pandemic is behaving regionally," said Nick Polumbus, Director of Marketing and Sales at Whitefish Mountain Resort. "We know that it will take constant attention to trends as well as our own protocols and procedures to keep the virus in check and the lifts spinning."

Other concerns among local residents are whether guests follow health and safety protocols, the overall health and safety of the community, and visitors from major cities/hot spots. Additionally, locals are focused on the potential impact of COVID-19 on the local economy. These legitimate concerns among local residents are important for local leaders to monitor and communicate with community members.

ADJUSTING BEHAVIORS

In terms of skier behavior at the mountain this winter, survey results show that most snowsports enthusiasts are already planning to wear a face covering around the base area and while riding lifts, to make an online appointment to rent equipment, and to eat lunch at their car or outside. The survey also revealed they are generally OK with longer

lift lines due to unrelated parties not riding together on chairlifts. Knowing what the guests know ahead of time gives ski areas a head start on guest education and safety. "Skiers and riders continue to show that they'll do what it takes to get out on the hill. I am encouraged by the willingness of skiers/riders to wear masks and socially distance. This level of flexibility and resilience among snowsports enthusiasts is impressive, even during a pandemic," said Jesse True from the Insights Collective.

Skiing midweek will be more common, with nearly half of survey respondents saying they are more likely to ski midweek this winter. Increases in midweek skiing will contribute to spreading skier visits out across the week and could alleviate some weekend crowding, a significant concern for resort operators. On the other hand, carpooling will be somewhat less popular and could therefore strain resort parking infrastructure.

Most downhill skiers do not plan on changing their behavior when it comes to enrolling children in midweek ski lessons (rather than weekends), participation in half-day ski lessons (rather than full-day lessons), or partaking in off-mountain activities like snowshoeing, backcountry skiing, and snowmobiling. Nevertheless, about 1/4 of survey respondents are more likely to take part in off-mountain activities, and resort areas can help to show visitors how to access and safely participate in those alternate activities.

"Resorts and resort towns will need to have plans in place to accommodate this additional demand for alternate activities and to manage capacity appropriately," said Barb Carpenter, of the Insights Collective. "Communication with visitors about the availability and safety of alternate activities will be key to ensuring a good guest experience." Since comfort with dispersed outdoor recreation like ice skating and Nordic skiing is incredibly high, demand for these activities – beyond that from the downhill skiers and snowboarders represented in the survey – is anticipated to be elevated this winter.

PREPARING FOR A DIFFERENT SKI SEASON AHEAD

Communication with visitors will have to be accurate, nimble and frequent. Fortunately, skiers are very receptive to opting-in to receive text message updates from resorts.

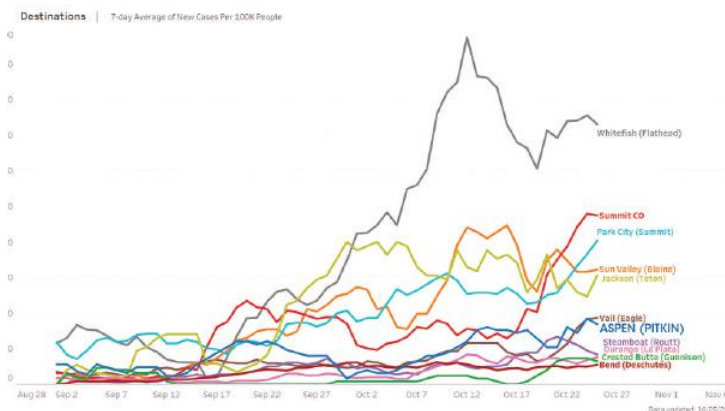
Email and resort or town apps are also good ways to communicate information to visitors. Towns and ski areas should be planning to use these methods to communicate with visitors this winter.

"This continual use of technology to manage the visitor experience in an effort to provide a seamless experience will become a standard going forward for destinations," said Carl Ribbaudo, President of SMG Consulting and a member of the Insights Collective. The majority of second homeowners are not anticipating changing the way they normally use their second homes this winter. However, about one in five ski area second homeowners said they would plan to use their home more for themselves or for friends/family, rather than renting it out, which could have implications for the short-term rental inventory in some resort towns. Indeed, skiers responded in the survey that they are more comfortable with rent-by-owner lodging than with a traditional hotel, for a variety of reasons, including safety, cleanliness and the ability to make and eat meals more easily.

These national-level survey results might play out somewhat differently in specific resort towns across the U.S.; however, the results indicate that ski area and town leaders should anticipate a positive, though different, ski season than the past, and that safety, cleanliness, communication, and flexibility will be critical to that success.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Vacations shift into longer, seasonal stays and relocation



THE ASPEN TIMES **ACRA** DEFY ORDINARY
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When the dust settles, will these Covid-related impacts on mountain destinations remain?

By Brian London

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

The pandemic has accelerated the exodus from dense, crowded urban areas to remote, unpopulated resort areas. This in-migration is traced back to the perception of personal safety that can be obtained by living in uncrowded, unspoiled destinations.

A Pew Research study conducted in June noted roughly one in five Americans either have relocated due to the pandemic or know someone who has. The study further found that among U.S. adults who moved due to the pandemic, 28 percent say the most important reason was to reduce their risk of contracting the virus.

As people relocate to mountain towns across the West, leisure activities that were previously experienced during typical vacation periods are now pursued daily. Research on physical activity has shown that when people live close to trails and greenspace, they tend to be more physically active and thus healthier.

WORKERS REMAIN VIRTUAL

Accelerating the trend are work-from-home policies and a work-from-anywhere culture amplified by the technology industry. These same work from home opportunities are concurrently being offered by many school districts, making the ability to relocate easier.

"Taken together, these factors are creating both challenges associated with more full-

Are you anticipating changing your typical usage of your second home this winter? (Check all that apply)

- No changes to my typical use of my second home this winter
- Use my second home more personally rather than rent it out
- Use my second home for family/friends usage, rather than rent it out
- I have moved into my second home for the foreseeable future
- Rent my second home out short-term rather than use it personally or for family/friends
- Rent my second home out long-term rather than use it personally or for family/friends
- Don't know/not sure

73%

13%

7%

4%

2%

1%

6%

Source: RRC Associates, October 2020

In addition to new residents purchasing real estate, about one-quarter of existing second homeowners are changing the way they use their second homes.

time resident infrastructure, particularly housing, and prospective benefits including flattening peak holiday and school break periods when resorts are historically constrained, and filling in low-demand periods when resort resources are often underutilized," said Ralf Garrison, Insights Collective founder and strategist. "With prospective Covid capacity constraints this winter, this could help resort communities better balance visitor supply-and-demand to the benefit of all."

Many tech companies have expanded their work from home policies to now run through the beginning of 2021 and in a growing number of instances those policies will have no expiration date. Microsoft, in the most high-profile example yet, will allow its employees to work from home permanently. The benefits to the corporation are numerous in terms of lower overhead expenses. And so long as the work is getting done, workers — many of whom are high-income — will relocate.

"This trend has the potential to change local culture and economics with a community," said Carl Ribaud, president of SMG Consulting and an Insights Collective member. "Imagine the in-migration of

additional residents and the impact of dining, shopping, recreation use, voting and the overall culture of a destination."

REAL ESTATE GROWTH — THE GOOD AND THE BAD

The real estate market is growing very quickly, and with that growth comes the associated purchases needed to stock the home with essentials. Data provided by the Colorado Association of REALTORS confirms the growth in Summit County. In September, 111 single-family home listings sold, a 94.7 percent increase from the 57 sold listings in September 2019. The average sales price increased 23.5 percent to \$1,706,149.

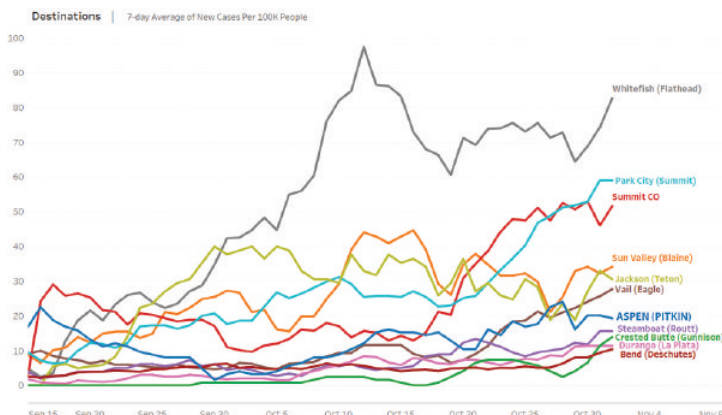
This real estate growth leads to a problematic lack of affordable housing. In-migration represents increased demand on housing supplies, which pushes prices upward. To those new arrivals, the price represents a decrease from their urban real-estate market — they don't feel like they are paying a premium, they feel like they are getting a bargain.

"Some mountain town second homeowners are using their units personally, taking them out of the rental pool. For short-term rentals, the contraction of inventory will result in transient visitors having fewer

options to choose from. This dynamic is especially challenging given the preference that mountain travelers have expressed for rent-by-owner lodging over hotels during COVID," Dave Belin, Director of Consulting Services at RRC Associates and Insights Collective member. "Similarly, long-term rentals that would normally house employees are also being taken off the market, further straining the availability and affordability of worker housing."

ONCE A LOCAL, ALWAYS A LOCAL?

These new full-time residents don't think of themselves as outsiders. Many of them have been vacationing here for many years — either as second-home owners or as frequent skiers. They already feel as if they are part of the fabric of the community — and they are. The best we can do is to welcome them and cherish their contributions. We weren't the last to settle here, and neither will they. "There is already beginning to show some decline in the number of people that are buying resort real estate at absurd prices," Garrison said. "As people leave their New York and Chicago condo-doorman lifestyles for this perception of a new reality, how's it really going to play out with a winter of snow shoveling and this perceived lifestyle? Where will they be next year?"



New Covid cases across western U.S. resort destinations.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Lessons to Date: Legacies around the corner



THE ASPEN TIMES **ACRA** DEFY ORDINARY
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SUSTAINABLE TOURISM • ECONOMIC RESILIENCE • COMMUNITY ENGAGEMENT

By Ralf Garrison and Susan Rubin-Stewart

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

With the 2020 election behind us and winter season just around the corner, it's time to turn our attention toward the future and how it will impact those of us who live and work in mountain resort communities. Using Insights Collective think tank and lodging tax data, we'll recap evidence to date, then summarize our current thinking about the key factors upon which 2021 will depend.

COVID-19 PANDEMIC: A NEW REALITY?

Now significantly worse than originally modelled, cases are at an all-time high — nearly 125,000 new cases per day in the U.S. at press time. And with flu and holiday season upon us, Drs. Anthony Fauci and Deborah Birx both predict the worst is yet to come and will extend well into 2021 until the forthcoming vaccine reaches a worldwide critical mass. Until then, and certainly for winter 2020-21, pandemic protocol management is the likely new reality for some time to come.

RESULTING ECONOMICS: COVID VS. THE FED?

The COVID-19 pandemic is the economic driver and federal intervention is the offset, but results vary widely and favor many mountain resort communities with more rural, outdoor activities and established drive markets. But among residents and visitors, anecdotal data suggests negative impacts to be greater for the service indus-

try workforce, and less for boomers/retirees whose assets are largely in the market and home ownership, both of which are holding up well.

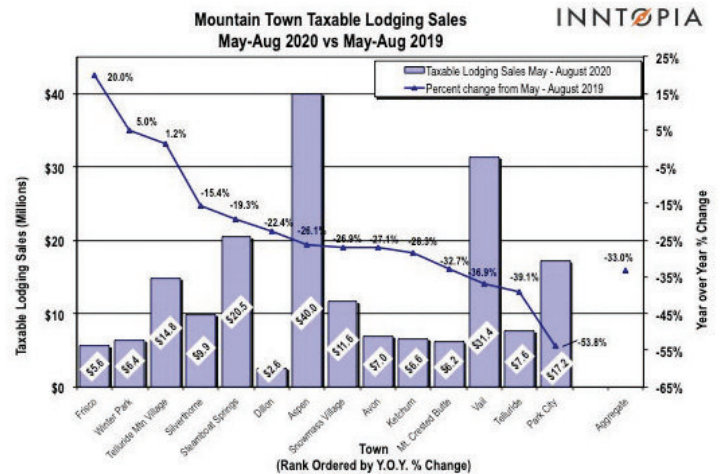
GEO-POLITICAL CONSIDERATIONS: A POST-ELECTION SHIFT?

The election is finally over, notwithstanding a long tail of legal challenges and early 2024 positioning. But at press time, it is uncertain that a clear mandate will substantially change the disparity and polarization of a deeply divided nation. "To a remarkable degree, this traumatic election year (pandemic economics, etc.) has not really changed the political divide of the political contour in America since 2016," observed Gerald Seib, political analyst for Wall Street Journal.

MOUNTAIN TOURISM 2020-21:

Lodging reservation activity is the best indicator of destination tourism, having done better than feared in many mountain towns, but varied widely (see graphic). Our Insights Collective think tank, along with some of our national affiliates, offer some brief insights:

- "While the broader travel industry has been hurt more than many market segments, the hardest hit are international; meetings and conferences; larger leisure groups, sporting, and special events. None of these are likely to rebound soon or contribute much to winter '20-'21." — **Barb Taylor Carpender, Taylored Alliances**
- "Guests are seeking travel assurance in record numbers — up 40% year to date — and producing better summer business that had been anticipated as they do. And, looking forward, the trend is continuing; with warm weather coastal resorts booking more strongly than winter/mountain resorts, where winter weather and complicated ski area operational considerations may be contributing to slower booking patterns to date." — **Laird Sager, CEO of Red Sky**



Declines in taxable lodging sales across western U.S. mountain destinations.

- **Travel Insurance**, whose customers include both travelers and rental property owners around the U.S. and Hawaii.
- "The initial wave of bookings that resulted from the release of operational plans by the big ski companies has waned, and consumers have reverted to booking patterns akin to late summer, with short booking lead times and a "coast is clear" approach. The result is a mixed bag, with strong arrivals for now through December, but only modest activity beyond that." — **Tom Foley, Inntopia/DestiMetrics and The Insights Collective**
- There appears to be a (COVID-induced) shift in lodging preferences. Guests are showing preference for larger, stand-alone vacation rental lodging over more dense condominium rentals and traditional full-service hotels, whose usually attractive amenities and services are often being limited by COVID protocols." — **Kellen Kruse, Air DNA**
- "Just as the lodging data is a proxy for

the destination guest, we can similarly see that retail sales data indicates that local business and day traffic is rebounding more rapidly. For example, Vail's taxable lodging sales are down almost 54%, while other taxable sales are only down 16%." — **Susan Rubin-Stewart, customer contact consultant and analyst for the Insights Collective**

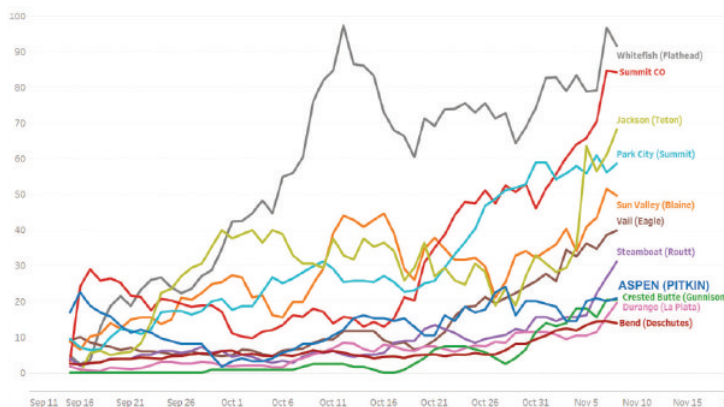
So while the vote's in from a political perspective, it's still, "too early to predict" mountain tourism '20-'21 and will depend largely on how we, together, manage the pandemic and adjust to the changing economic landscape. Charles Darwin's statement about "survival of the fittest" is well suited to the pandemic, but his subsequent amendment to "the most adaptive" is the statement that best suits the broader situation and determines the winners and losers going forward. So, stay tuned — we'll be tracking the trends, working the data, and sharing our ongoing insights on a weekly basis.

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New COVID cases across western mountain resort destinations.



Wintersköl™ Slogan Contest 2021

SLOGAN SUBMISSIONS ARE NOW BEING ACCEPTED.

RULES:

- Be creative, consider what you love about our community, life in the mountains, and Aspen's traditional winter event when interpreting the 70th Anniversary of Wintersköl.
- Entries due Monday, November 16th by 5 p.m.

- Limit of 5 entries per person.
- Slogan must be a 1-5 word phrase to fit on a 3" button.
- E-mail entries to Liz Cluley, lcluley@aspenchamber.org.

WINNER receives \$1000 gift certificate to the Gant.

THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Beyond skiing: Destinations must be complete

INSIGHTS COLLECTIVE
Pandemic Economics Think Tank



THE ASPEN TIMES **ACRA** DEFY ORDINARY
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SUSTAINABLE TOURISM • PUBLIC ENGAGEMENT • ECONOMIC DEVELOPMENT

By Dave Belin, RRC Associates

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

Successful towns and cities all over the world strive to improve the quality of life for residents, which in turn often makes these locations attractive for visitors and second-home owners. One of the keys to that success is collaborative partnerships between different entities, both public and private, toward a common goal.

The maturation of tourism economies in many towns in the West has represented an evolution from a one-trick pony (ski resort only) to a vibrant, complete destination with activities, attractions and facilities for a wide variety of visitors and residents. The diversity of restaurants, cultural offerings, retail shopping and outdoor activities represents a potent draw for tourism.

While many COVID-related challenges exist, creative new partnerships between visitors' bureaus, local governments, private foundations, citizens and other entities have quickly emerged to offer new and different activities to visitors, to communicate effectively to keep visitors safe, and to develop innovative new programs that support local businesses. These dynamics are an extension of the trend of mountain communities becoming complete destinations, appealing to many different types of visitors for different reasons.

NEW AMENITIES FOR VISITORS AND LOCALS

Getting outside has never been more popular. This summer, national park visits set records, bike and sporting goods retailers reported empty shelves and racks, and even Hershey's chocolate sales were up from more people making s'mores outside. The surge in the number of visitors seeking outdoor experiences is normally a welcome trend in mountain communities, but this winter obviously presents new and unique health and safety challenges. Steamboat Springs is addressing the anticipated demand for outdoor recreation head-on by creating two outdoor ice-skating rinks that will be free for all skaters. The temporary rinks are being built on top of existing tennis

courts, which already have lights for after-dark tennis play. Usage of the rinks will be free for residents and visitors alike, and the new, innovative facility is funded primarily by private individuals and business sponsors.

"In a time where indoor capabilities are limited and public opportunities are scarce, we're able to create unique recreation opportunities for the community," the City of Steamboat Springs Parks & Recreation Director Angela Cosby said in a recent press release.

The new skating rinks in Steamboat are one of many non-downhill activities available in the community, which contributes to a well-rounded winter economy and makes Steamboat Springs an even more attractive place to visit. The broader offering of different activities not only makes resort towns more appealing to a wider range of visitors, but also enhances the quality of life for existing residents. "Beyond skiing, you can ride fat bikes on groomed trails, go horseback riding, ice fishing, dog sledding and even learn to drive in icy conditions. As always, relaxing in hot springs is a unique winter experience," commented Laura Soard, Marketing Director of the Steamboat Springs Chamber.

SUPPORT FOR LOCAL RESTAURANTS

When it comes to what SKI Magazine calls "Down Day Activities," dining and retail shopping are two important elements in the mix. Many restaurants that were able to offer outdoor seating this summer will transition to a greater share of take-out and delivery meals this winter. Indeed, it is likely that winter visitors will want to "dine out," but do so more safely at their condo or hotel suite.

With the shift to delivery, restaurants are absorbing the fees that third-party delivery apps charge to deliver the meals to customers. One way to address this increased cost is a new restaurant grant program from the City of Boulder. The city is using a portion of the federal CARES funding to pay the restaurant portion of third-party delivery fees, which will allow restaurants to retain more of the profit on the sale of delivery meals.

"Communities lose vibrancy, character and precious tax revenues when restaurants close down. Everyone loses," said Sean Maher, CEO of RRC Associates. "This program will help struggling small businesses survive during the winter season, when outdoor dining is limited, and customers are nervous about eating inside."

NON-DOWNHILL OUTDOOR ACTIVITIES

When ski resorts shut down in mid-March, backcountry skiing and touring quickly became a popular alternative activity. That popularity is expected to continue this winter, given the sales figures for backcountry gear of

This winter, would you be more or less likely to do the following?

Average rating 1 - 5 (1=Much Less Likely, 5=Much More Likely)



Source: RRC Associates

Skiers and snowboarders expect to behave differently this winter — more midweek downhill skiing and off-mountain outdoor activities, less eating in restaurants and shopping in stores.

all kinds.

"We've seen some big orders this fall from retailers, especially for our lower price-point products," noted Bruce Edgerly, vice-president and co-founder of Backcountry Access. "Other retailers have moved up their pre-season order ship dates. Given this high demand for snow safety equipment, it's likely we'll see some new participants and greater overall usage in the backcountry this season."

Other on-snow activities are likely to be popular as well, especially among non-skiers. If the surge in interest for hiking and biking this summer is any indication, then tubing, Nordic skiing, ice skating, fat biking and snowshoeing will likely be in high demand.

"At both ski areas and elsewhere, we anticipate an enormous interest in getting outside this winter. The dual challenge of pent-up 'cabin fever' during COVID and an ongoing recession, will make lower-cost options like sledding and snowtubing an incredibly popular and affordable option," said Dave Byrd, Director of Risk and Regulatory Affairs at National Ski Areas Association.

COMMUNICATION AND SAFETY

For all of these activities, it will be important to communicate not only their availability, but also the rules and limitations on certain trails to keep all users safe, particularly newcomers

to winter outdoor recreational activities. Communication about current health orders, trail closures or modifications to trail usage will all be essential topics to push out to the public this winter.

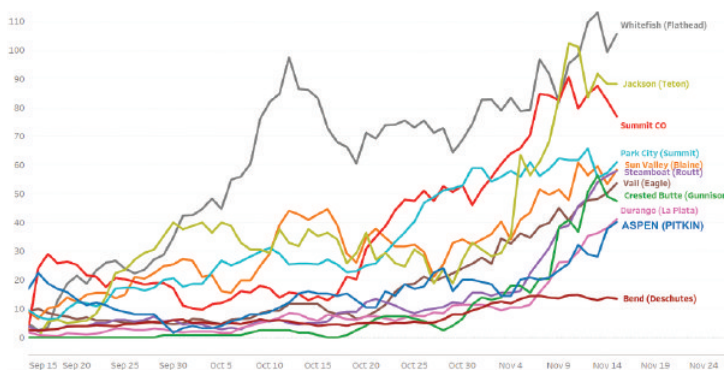
Resort apps and social media are great ways to push messages to visitors in town. Additionally, emails and websites are proven communication technologies that resort visitors are accustomed to using to get information.

"Articles in local media and local radio/TV are key outlets for communicating with visitors and locals alike," Byrd said. "For example, in terms of guests looking to go sledding on their own, enhanced signage, clear rules of when/where sledding or tubing is allowed, and security policing areas like golf courses, parks and easy-access hillsides will be important to keeping our visitors safe."

PREPARING FOR RESILIENCE

Fostering the diversity of the resort economy, working to support local businesses, keeping visitors informed and safe, and evolving into a complete destination are long-term evolutionary trends in mountain communities. In the current COVID environment, communities that work together, think creatively, and react quickly will have greater resilience and a better chance for continued success.

Destinations | 7-day Average of New Cases Per 100K People



New COVID cases across western mountain resort destinations.

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THE ROAD AHEAD: NEW REALITIES IN A PANDEMIC ECONOMY

Decline of long-lead bookings makes season ahead harder to predict



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Majority of revenue and occupancy for the industry occurs in January through March, dates which rely heavily on early bookings

By Tom Foley, Inntopia

Brought to you by The Aspen Times, the Insights Collective, and the Aspen Chamber Resort Association

As mountain destinations anticipate or begin ski operations for the 2020-21 winter season, all eyes — from state and local government to the liftie — are focused on what the season will look like not only operationally on the mountain, but downstream through the balance of the community. As tourism-dependent economies, most towns are anxious about how, when, or even if guests will travel this season, how long they'll stay and what they'll spend while here. But seeing that far ahead is proving to be a real problem at most mountain towns as booking lead times contract dramatically, making the "view" ahead murky at best. And it's not likely to change much in the months to come. Consumers adopted a "wait and see" attitude back in May, with most reservations booked at that time not scheduled to arrive until more than 180 days in the future; uncertainty created a very "long lead" booking window. But with reopening and the socialization of COVID-19 management policies in late May and June, pent-up demand was released, and lead times compressed from 180 days to about 30 — whiplash indeed, and visualized by the grey line on the accompanying chart.

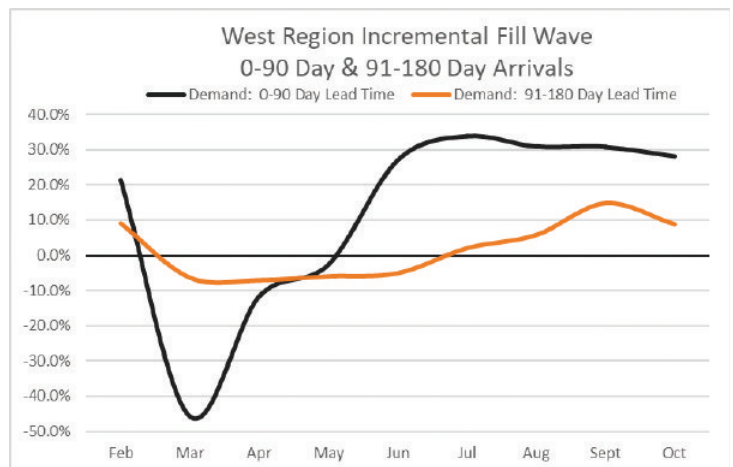
LONG-LEAD BOOKINGS FALL OFF

The release of winter operating plans by the major ski operators in August and

early September brought lead times back up as bookings for January through April increased dramatically (see the orange line on the chart), while the short-lead bookings remained constant. However, with that second wave of pent up demand that focused on winter bookings spent and increasing incidence of COVID-19, consumers have returned to a cautious stance, with long-lead bookings falling off dramatically over the past 45 days. Though there is still modest volume, they now make up a fraction of the total transactions and the majority of reservations taking place over the past 45 days has been for November and December arrivals, with little activity beyond Martin Luther King day in mid-January. Erik Austin, vice president of Reservations at Vail Resorts, which has lodging inventory across North American resorts, echoes this broader industry data, though perhaps not as dramatically, stating that "lead time for reservations continues to drop as we get closer to season start, down 11 days now, with growth to Christmas, and January through March all down (versus last year)."

PREDICTIONS BECOMING INCREASINGLY DIFFICULT

We expect that, as incidence of disease continues in both source and destination markets, those booking lead times will remain compressed for the foreseeable future. On the upside, lodging properties, activity providers and other suppliers are able to accurately anticipate the immediate future and plan staffing and supply chains accordingly, assuming there are no short-term disruptions. But booking activity is so focused on the short-term that even two months into the future is hard to anticipate, which creates angst and may make some suppliers reluctant to guarantee staffing beyond the immediate 45 days or force them into over- or under-ordering supplies such as food and liquor. On the downside, the crystal ball for the balance of the season is murky. While the period through Dec. 31 is important both in terms of setting the tone of the season and realizing those first critical revenue collections, the majority of revenue and occupancy for the industry occur in January through March, and those dates rely heavily on



The volume of short-lead (gray) and long-lead (orange) bookings at Western mountain resorts.

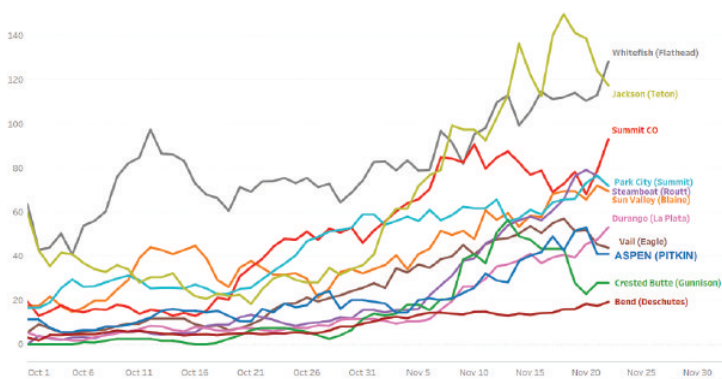
early bookings that are yet to substantially materialize. This makes long-term planning — from staffing and supplies to engineering, town operations, budgeting, and tax revenue collections — hard to anticipate. Complicating the issue, the resistance to booking long-lead reservations isn't mirrored in the prior year data set, meaning that while consumers wait, booking pace — the measurement of reservations made this year versus last year for a corresponding set of arrival dates — is creating occupancy and revenue deficits for January through March that will be harder to overcome.

SOME BRIGHT SPOTS IN SHORT-LEAD DATA

But despite the difficulty seeing long-term, there are bright spots in short-lead data that we can use, even if only to mitigate angst and build positive anticipation, both in the current lodging data and in the greater marketplace. First off, both October and November are reporting strong revenue gains at mountain resorts, with October revenue up 22 percent versus October 2019, and November (on the books as of Oct. 31) up 22.9 percent. In a bit of a mixed message, while these gains are being driven by extremely strong room rates, they're not being driven by strong

occupancy, which was all but flat for both months. This is information about the type of guest that's currently booking that lodgers can use to create the best possible revenue-generating scenario going forward. Secondly, the strong room rate for October and November is also showing up in longer lead reservations. Importantly, this means that lodging properties are not being forced to decline room rate at a time when occupancy is weak, a combination that the industry had to adopt coming out of 2008-09 and from which it took almost 72 months to recover. But it also means that price doesn't appear to be a significant barrier to occupancy, leading us to assume that health and wellness are, and making recent announcements of highly effective vaccine candidates from both Pfizer and Moderna that much more strategically important to the industry in the long-run, hopefully instilling renewed confidence in the consumer to return to longer lead bookings, and restoring the view of the runway ahead as the industry spools up for takeoff and recovery.

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