Business as Usual
Despite the Unusual
How to Survive and Thrive through COVID-19 Chaos

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Travel and Tourism Industry

10.4% Of global GDP

It is responsible for 320 million jobs

Creating 1 in 5 New jobs for eight successive years, has outpaced the growth of the global economy
How Coronavirus Could Affect the Travel and Tourism Industry

50M
Travel and Tourism Jobs Worldwide

Asia
worst affected country
How Coronavirus Could Affect the Travel and Tourism Industry

Post outbreak ~ 10 months industry recovery

<table>
<thead>
<tr>
<th>24B</th>
<th>7x</th>
<th>8.2M</th>
<th>7%</th>
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<tbody>
<tr>
<td>Industry loss in foreign spending</td>
<td>More than the 2003 SARS outbreak</td>
<td>Lost visitors</td>
<td>U.S. foreign travel spending</td>
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Latest Prognostications for Societal Advances/Changes Post-Pandemic

- Brick and mortars vs. e-commerce options
- Shift from real to virtual
- Potential boom to VR
- More cooking at home and less dining out
- Resurgence for love of parks
"Travel globally is incredibly resilient. People's desire and need to travel outweigh their concerns fairly quickly."

– Adam Sacks, President of Tourism Economics
Life or Societal Changes Post-Pandemic?
WHAT DO YOU THINK?

“It’s sort of nice that the world has slowed down.”

“Find moments of joy in your new routine.”

“Be of service, not of sales”
Life or Societal Changes Post-Pandemic?
WHAT DO YOU THINK?

- Staring contest
- Baking together (daily)
- Gardening together
- Eating every meal outside
- Swimming in the afternoon
- Having our best friends' kids play with my kids in Minecraft while they talk via zoom and they too becoming best friends
- Hide n Seek
- Eating dinner together
- Playing video games with my kids (they were so stoked they almost fainted)
- Enjoying my home / garden / our hard work
- Reconnecting with friends / heal relationships
- Becoming an even better cook through master class / the chef show / and practice

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Top 5 Implications for Travel Destinations

1. Travel will come back stronger than ever
   - More local travel and small trips to state destinations

2. Travel options will shrink
   - Fewer flights for another 10 years

3. Big cities will likely see fewer and smaller groups for a few years

4. Video calls and virtual meetings will reduce the need to meet

5. "Home sentencing" will induce over-indexing for corporate and group travel over the mid- and long-term

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Top 5 Implications for Restaurants

1. 47% Decrease in sales Nationwide March 1–March 22
2. 54% of restaurant operators switched to off-premises service only
3. 70% lay off employees, reduce work hours
4. 50% of them anticipate more layoffs and hourly reductions in April
5. 60% reduce operating hours
Looking Back

International, publicly traded company
155 restaurants Convert from Fine-Dining to Takeout

- Incident management
- Exposure issue
- Vulnerability audit
- Research
- Strategic analysis and planning
- Messaging
- Media training
- Holding statements
- Relationships established for additional resources: monitoring, research, crisis management, media relations, social media
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/4/2020</td>
<td>DEVENEY recommended coronavirus as exposure issue to Ruth’s Chris</td>
</tr>
<tr>
<td>2/25/2020</td>
<td>Mardi Gras</td>
</tr>
<tr>
<td>3/5/2020</td>
<td>RCSH engages DEVENEY for preparation for closings</td>
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<tr>
<td>3/5/2020</td>
<td>Research consultant says DEVENEY is first agency to inquire about COVID-19</td>
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<td>3/6/2020</td>
<td>Louisiana Travel Association puts out initial COVID-19 statement</td>
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<tr>
<td>3/6/2020</td>
<td>New Orleans city government does a crisis exercise</td>
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<tr>
<td>3/9/2020</td>
<td>First presumptive positive case of COVID-19 in Louisiana</td>
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<td>St. Patrick’s Day parades cancelled</td>
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<tr>
<td>3/10/2020</td>
<td>RCSH approves holding statements related to COVID-19</td>
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<tr>
<td>3/13/2020</td>
<td>Public and Catholic schools ordered closed until April 13, 2020</td>
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<tr>
<td>3/14/2020</td>
<td>First death from COVID-19 in Louisiana</td>
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<tr>
<td>3/16/2020</td>
<td>State orders bars, gyms, libraries, casinos, movie theaters, bowling alleys closed. Louisiana restaurants ordered to be takeout/delivery only</td>
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<tr>
<td>3/17/2020</td>
<td>RCSH begins transition to Takeout and Delivery operations</td>
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<tr>
<td>3/20/2020</td>
<td>RCSH updates staff about pay structure and options for assistance</td>
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<tr>
<td>3/22/2020</td>
<td>Louisiana governor issues stay-at-home order</td>
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<tr>
<td>3/25/2020</td>
<td>RCSH updates staff about pay structure again, and options for assistance</td>
</tr>
<tr>
<td>3/28/2020</td>
<td>Ruth’s Chris furloughs 80% of staff</td>
</tr>
<tr>
<td>3/30/2020</td>
<td>Ruth’s Hospitality Group updates status with Securities and Exchange Commission, outlines closures and furloughs. Media pickup of story is minimal.</td>
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<tr>
<td>4/2/2020</td>
<td>Stay-at-home/schools closure order extended until 4/30/2020</td>
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<tr>
<td>4/8/2020</td>
<td>Louisiana surpasses 10,000 COVID-19 cases</td>
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Bad Behavior
Tulane NOEW Idea Village
Top 5 Implications for Hotels

1. More severe economic impact than Sept. 11

2. Early “local” occupancy to start the recovery, followed by leisure in the economy and luxury/resort segments

3. Half of US hotels could close amid coronavirus crisis

4. Expect a pull-back in space demand

5. Bargain air fares are not enticing travel; reducing room rates will not necessarily stimulate demand
What You Should Be Doing Now

COVID-19 crisis and business continuity response strategy

Apply for stimulus and support programs

Gather/prepare information the SBA may need for loans

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Challenges for Businesses of All Industries

- COVID-19 Assistance Fund
- Local health authority
Sources and Tools for Your Use

- Presentation
- Disney and Starbucks messaging to close
- Research regarding Covid-19 and destinations, restaurants, hotels
- MDRG research
- SBA loan checklist/docs
Let DEVENEY Help!

Review your crisis response plan
And if you don’t have one, a quick call and we’ll send you a customized outline for your plan

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