

Record Setting Tourism Revenue in Greater Zion Through Q3 2020 Despite Impacts of COVID-19

St. George, Utah – January 14, 2020 – Today, Kevin Lewis, director of the Greater Zion Convention & Tourism Office (GZCTO), presented an update on the state of tourism in the region during the St. George Area Economic Summit and the results are strong. Despite the initial impacts of COVID-19 in the spring, the region has posted record-breaking revenues through October 2020, the most recent date when figures are available. And, initial data illustrates that economic impact from visitation to Greater Zion remained high through the end of 2020.

"The tourism economy is strong in Greater Zion despite the impacts of COVID-19," said Lewis. "While we did see major losses in the spring, we were able to quickly refocus marketing efforts on the regional drive market which helped offset the lack of groups, meetings and international visitors."

Lewis reports that increased visitation in the summer and fall has nearly made up for a \$35 million loss in lodging revenue when COVID-19 first impacted the region last spring. Visitors have spent nearly \$172 million for lodging in Greater Zion through October 2020, putting the year-over-year spend for lodging down less than 10% from 2019. The area received record-breaking transient room tax (TRT) collections from August through October.

Spring Impacts of COVID-19

Utah became a part of the national dialog surrounding the coronavirus when the NBA suspended its season after a player on the Utah Jazz tested positive. As COVID-19 started to hit home, the initial economic impacts were staggering.

"After the NBA cancelled its season, the world of sports, travel and entertainment came to a standstill," added Lewis. "The tourism value in our economic pipeline closed and for two months the regenerating source of our local economy dried up."

Visitation dropped the most dramatically in April when Zion National Park closed, international visitation ceased, and the meeting, convention and sports markets closed up. In the first month, passenger counts at the St. George Airport dropped by 90%. By April 7, 46 events were postponed or cancelled at the Dixie Convention Center and by the end of 2020, more than 83 events were gone. International visitations came to a halt displacing more than 425,000 visitors to the region.

In addition, the cancellation of events such as IRONMAN, the St. George Marathon, Huntsman World Senior Games and 40 others accounted for millions in lost revenue for the region. Impacts from the pandemic also led to cancellations in the entertainment sector, including 12 spring concert events and 150 summer shows at Tuacahn Center for the Arts.

Tourism is the top end of Greater Zion's economic funnel. A recent study identified \$600 million in direct spending from visitors to the area each year. That spending fuels 8,900 jobs, \$220 million in labor income for county residents and \$732 million in total output for area businesses.

The ripple effect of the pandemic dramatically impacted jobs throughout the region with more than 12,000 first time unemployment job claims last spring. First time unemployment claims were up 483% in Washington County compared to a 428% increase statewide. More than 2,000 of the lost jobs in the county were in lodging and food service with 350 in arts, entertainment and recreation.

Marketing Greater Zion

Lewis and his team at the GZCTO felt the impacts on the tourism community and the implications on the overall economy. The team shifted marketing efforts to the local community with its "Stay Greater" campaign designed to bring tourism businesses together through educational outreach, videos, social media and more. The "Stay Greater" effort also was designed to support tourism partners in the area by providing them with messages of reliance, determination and resilience.

The GZCTO also monitored travel sentiments to determine how and when to let visitors know that the region was open for business.

"We were very careful with our outreach efforts," said Lewis. "First, we suspended most of our marketing efforts, as it initially was not appropriate to talk about travel. Most travel brands took a hiatus for several weeks, if not months, until it was appropriate to talk travel again. We wanted to responsibly message to people who were receptive to travel messages."

The "Find Your Space" destination marketing campaign that resulted shifted focus to travelers from drive-market states that were allowed to travel as many regions were still under stay-athome orders. The team utilized digital and traditional advertising, as well as social media and public relations, to communicate the "Find Your Space" message. The campaign emphasized the idea that Greater Zion's wide open spaces offer a way to naturally socially distance from other travelers and encouraging them to find their own place throughout the region to explore and find respite during this uncertain time.

The GZCTO's sales team also acted quickly to attract 12 regional sports tournaments including programs with Utah High School Rodeo Association, Utah High School Cycling League, American Fastpitch Association and Senior Softball USA, to name a few.

Tourism Rebound

As the region rebounded in late May and early June, visitation at the national park and state parks grew significantly with some months posting record numbers. Zion National Park posted significant drops in visitation from March to August compared to 2019, but then experienced record-breaking visitation from September through then end of the year. After a 28% decrease in visitations in April, Greater Zion's state parks posted an increase in visitors from May through October with August and October posting record-setting visitations.

Hotel occupancy also started to rebound in May with numbers reaching seasonal norms in August. Hotel occupancy was down only slightly in September compared to 2019 and demand pushed average daily rates up by nearly \$8 per night over 2019.

Looking ahead, Lewis says early reports show strong results for the last quarter of 2020 as well. "All indications are that the momentum we felt in September continued through the end of the

year and will extend into early 2021," added Lewis. "Although year-end numbers are strong, we continue to monitor travel behaviors and respond accordingly."

Lewis cited a survey from Destination Analysts indicating that 57% of people won't travel until the virus blows over. Keeping travel sentiment in mind, the GZCTO continues to market the region appropriately.

"We are planning for the future while weighing the impacts of the coronavirus on travel right now," said Lewis. "It's definitely a sensitive balance as we want to feed the economic engine of our community while keeping the health and safety of our residents and visitors in mind. We continue to actively monitor the situation to identify any shifts we may need to make from a business perspective. We know we are well-suited in this region as people are seeking wide open spaces and an abundance of outdoor pursuits during this time."

Tourism plays a vital role in Greater Zion, bringing millions in economic impact to the area and relieving each local household more than \$1,200 in taxes annually. The tourism office is fully funded by area visitors who stay in hotels, vacation rentals, campsites, etc. through a lodging tax of 4.25%, which goes to the county for tourism marketing and infrastructure development.

About Greater Zion

Located in the southwest corner of Utah, Greater Zion is a destination that offers more than 2,400 square miles of adventure and inspiration. Zion National Park, the fourth most visited National Park in the United States, is the premier attraction, but Zion is only the beginning. Four state parks and a multitude of year-round recreational lands set the stage for a burgeoning mountain biking scene, some of the best off-highway vehicle riding in the country, scenic and challenging play at 13 top-rated golf courses, world-class cultural performances at Tuacahn Center for the Arts and so much more. The vibrant communities of St. George, Springdale, Hurricane, Ivins and towns in between offer a wide range of lodging options, dining experiences and access to outdoor pursuits through local outfitters and tour companies. Home to the 2021 IRONMAN 70.3 World Championships, Greater Zion also is a world-class destination for sporting events, conferences and meetings. The Greater Zion Convention and Tourism Office is a transient-room-tax-funded entity of Washington County, Utah.

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For a copy of Kevin Lewis' PowerPoint presentation including graphs and charts illustrating economic milestones, please click <u>HERE</u>. Visit the Greater Zion <u>media asset</u> portal for high resolution, downloadable images and video of the destination.

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