



# Impact of COVID-19 on Local Economies

# Agenda

About Yelp Data

Key Findings and Observations

National Business Closures

Washington State Business Closures

Consumer Interest Changes in Washington State

How Businesses are Adapting

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# About Yelp Data

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# About Yelp Data



## Tens of Millions of Users

- 28 Million Monthly Active Mobile App Unique Users
- 37 Million Monthly Average Desktop Unique Visitors
- 44 Million Monthly Average Mobile Web Unique Visitors



## 214 Million Reviews

- Hundreds of millions of photos, check ins, and other community contributions
- 6 million reviews in Washington



## Millions of Businesses

- Virtually every local business in America is represented on Yelp

# Business Closure Data



## Date range

- **National business closures:** As of August 31, since March 1.
- **Washington business closures:** As of September 15, since March 1  
*Any business that opened after March 1 is not included in this analysis.*



## Closure data collection sources

- **Consumers:** Can indicate closures in app or on web (logged in or out)
- **Business Owners:** Can indicate their business is closed in the Yelp for Business App after claiming their page, as well as in the Yelp app or on web as logged out



## Data verification

- **Business closures are verified** by Yelp's user operations team before they're published to the platform
  - Data may lag actual closures because of time taken to report and verify closures

# Business Closure Data Continued



## Types of closures

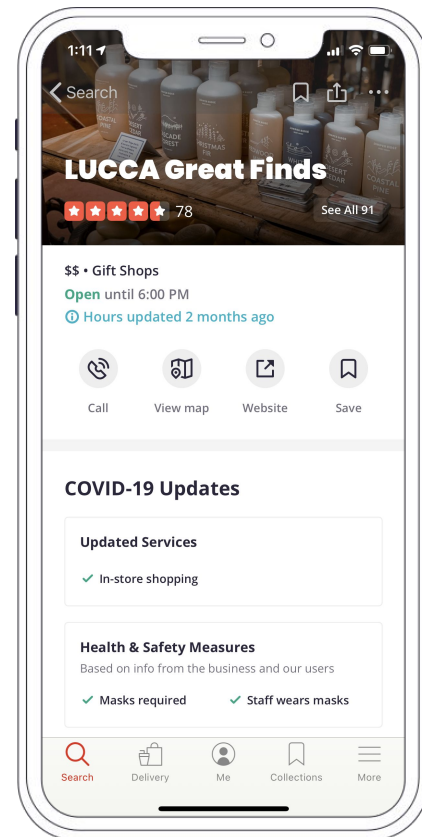
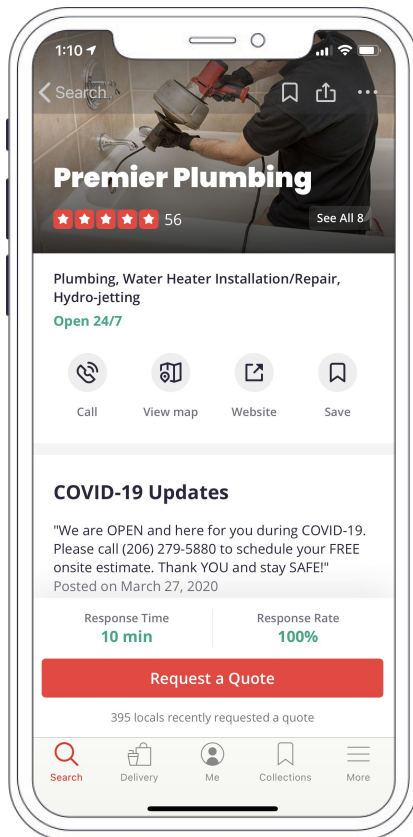
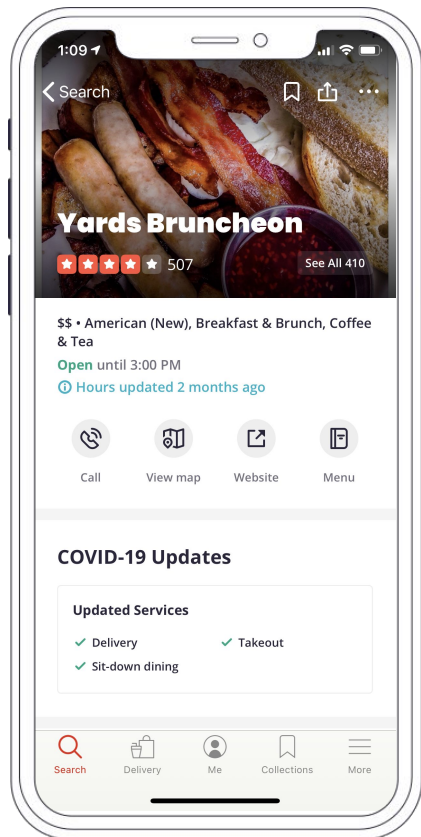
- **Temporary:** Three indicators
  1. Marked as temporarily closed
  2. Changed its hours to mark itself as closed for entire days
  3. Included the word “closed” in the COVID-19 business updates section of its Yelp page
- **Permanent:** One indicator
  1. Marked as permanently closed
- **Total closures:** permanent and temporary closures combined



## Business types

- **Businesses on Yelp range in size and category**
  - Everything from the mom and pop breakfast spot, the solo plumber and the chain retail business are all on Yelp and included in business closure data
  - All types of businesses are on Yelp, for example, home, local and professional services, restaurants, bars, entertainment, beauty, retail and shopping, education, health and medical, pet services, etc.

# Business Type Examples



# Consumer Interest Data

## **Based on viewing a business page, posting photos and posting reviews**

- A few of the many actions people take to connect with businesses on Yelp
- We measure consumer interest in a specific category and location by adding all consumer actions that were associated with businesses in the given category and location

## **Date range**

- March 1 through August 31



# **Key Findings and Observations**

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## Key Closure Data

**97,966**

**Permanently  
closed businesses  
in the U.S**

*As of August 31, Since  
March 1*

**Washington  
has the**

**5<sup>th</sup>**

**Highest Closure  
Rate in the U.S.**

*Behind Arizona (4th),  
Hawaii (3rd),  
California (2nd) and  
Nevada (1st)*

*As of September 15,  
Since March 1*

**Nightlife and  
Restaurants**

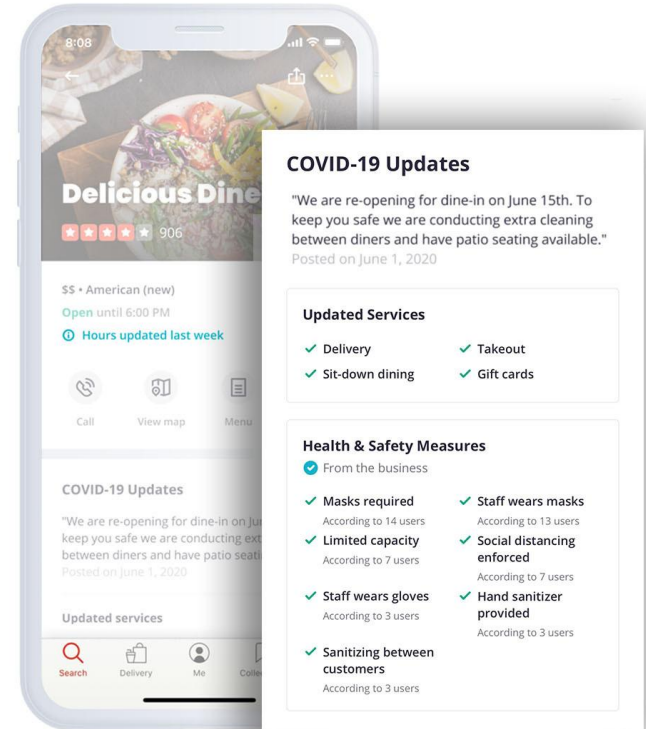
**are most  
impacted in  
Washington**

*As of September 15,  
Since March 1*

# Key Observations

## Communication is Key

With changing regulations and operating models it's important that businesses have various channels and methods to communicate directly with their customers



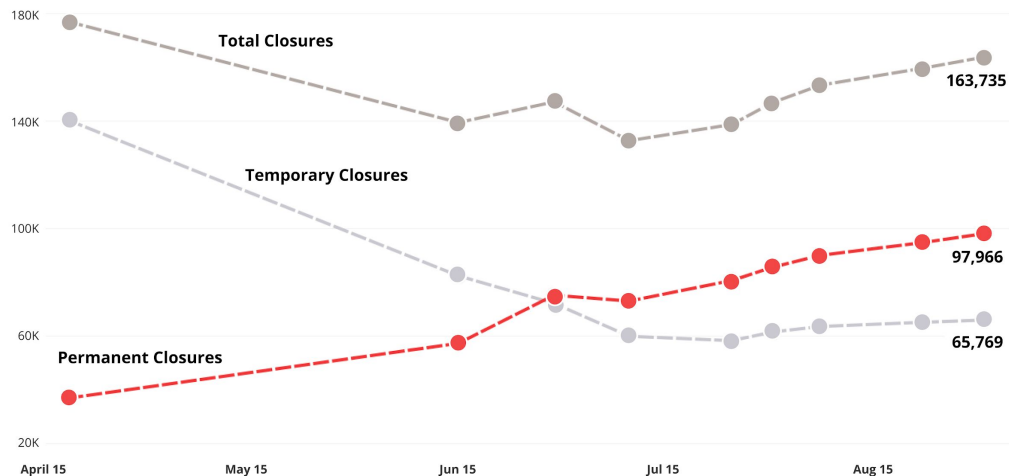
# Key Observations

## Businesses Still Need Financial Support

While we're in the reopening phase and are beginning the recovery, businesses are still struggling, operating at reduced capacity and hours

### Business Closures Continue to Increase Nationally

Number of businesses marked closed on Yelp that were open March 1

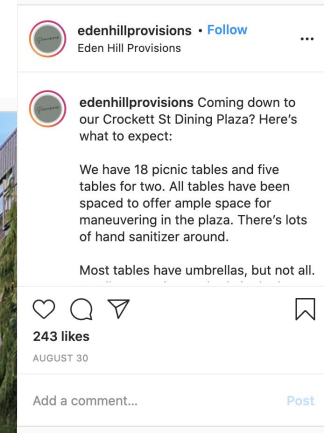


Source: Yelp  
Chart: The DataFace

# Key Observations

## Adapting will be Critical to Business Survival

- Municipal innovation and adjusted rules are important to help businesses innovate (ex. slow streets)
- Continued tech adoption will be important for businesses owners to reach new customers and address the needs of existing customers (virtual services, video consultations, reservation systems, etc.)



# **National Business Closures**

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# National Business Closures



## **Business closures are increasing**

- Permanent closures have been consistently climbing
- Temporary closures declined, but have gradually begun increasing again



## **Some sectors are doing better than others**

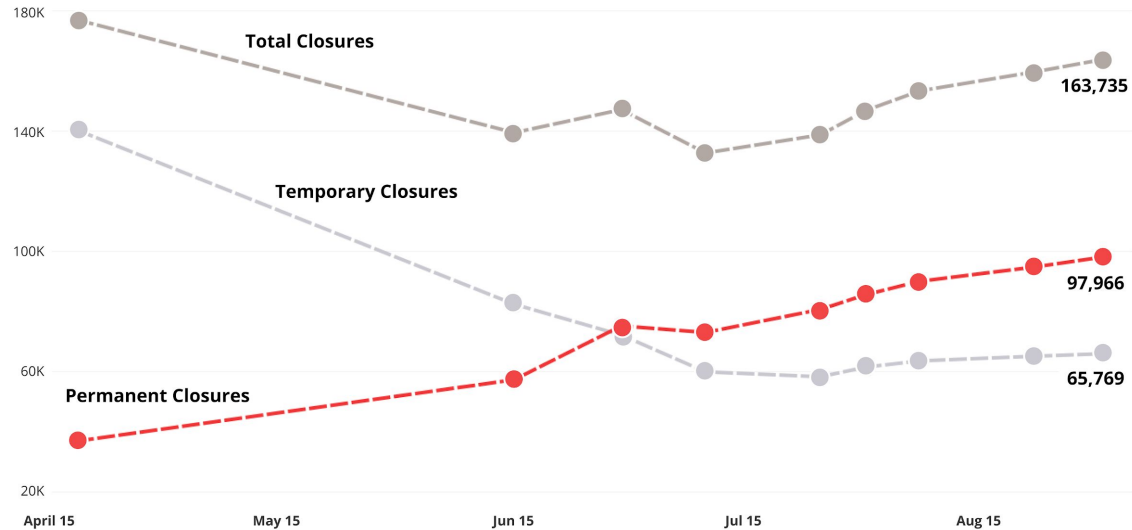
- Home, local, professional and automotive sectors are maintaining a relatively low closure rate
- Restaurants, bars & nightlife, retail & shopping, fitness and beauty businesses are undergoing a high closure rate

\* All National business closures are as of August 31, since March 1.

# National Business Closures

## Business Closures Continue to Increase Nationally

Number of businesses marked closed on Yelp that were open March 1



Source: Yelp  
Chart: The DataFace

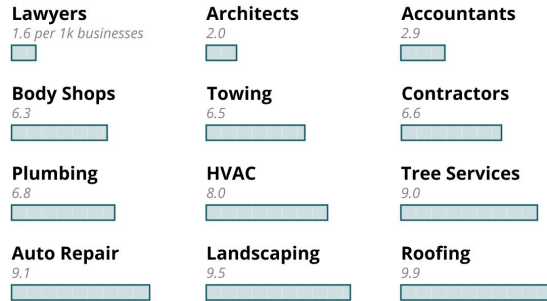


# National Business Closures

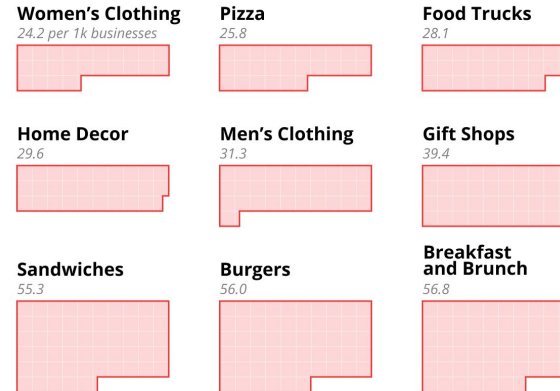
## Home, Local, Professional, and Auto Services Prove Their Strength Amid the Pandemic

= 1 business closed per 1,000 businesses since March 1

### Home, local, professional, and auto services businesses have been staying afloat



### Restaurants and retail businesses have been struggling

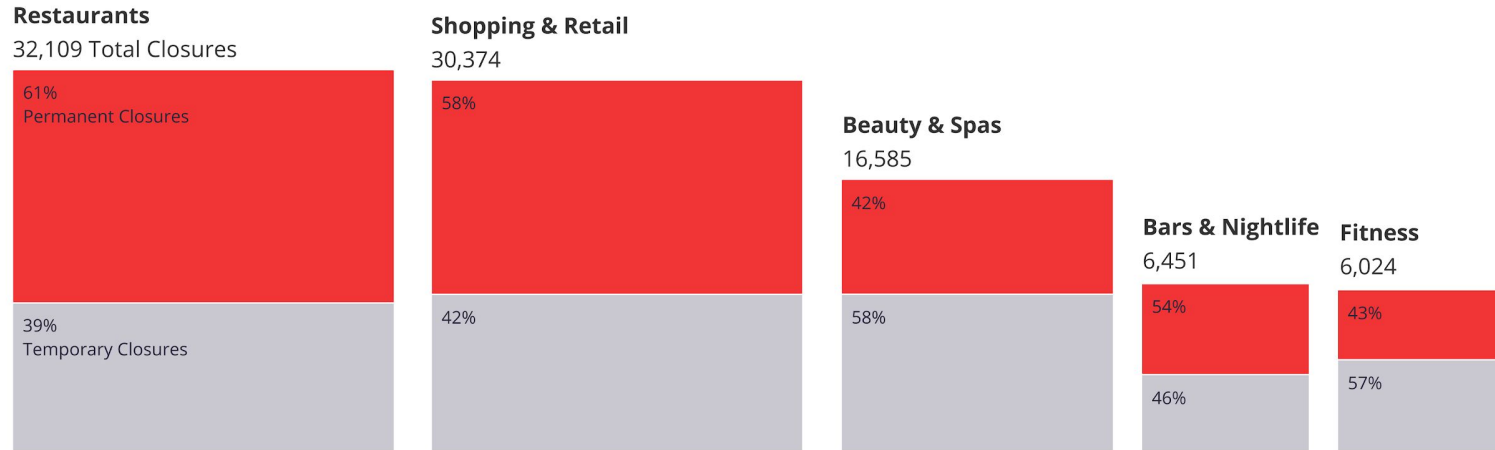


Source: Yelp  
Chart: The DataFace

# National Business Closures

## Restaurants and Retail Continue to Struggle

Number of businesses marked closed on Yelp that were open March 1



Source: Yelp  
Chart: The DataFace

# **Washington State Business Closures**

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# Washington State Business Closures

**5<sup>th</sup>**

**Highest Closure  
Rate in the U.S.**

*Behind Arizona (4th),  
Hawaii (3rd),  
California (2nd) and  
Nevada (1st)*

**4,975**

**Total closed  
businesses in the  
state**

*As of September 15,  
Since March 1*

**3,062**

**Permanently  
closed  
businesses in the  
state**

*62% of closed  
businesses are closed  
permanently*

# Most Impacted Business Categories in Washington

The number of businesses permanently closed out of 1,000 in each category

**35**

**Nightlife**

**31**

**Restaurants**

**23**

**Food**

**22**

**Fitness**

**21**

**Shopping**

**16**

**Beauty  
and Spa**

**14**

**Event Planning  
and Services**

**13**

**Hotels and  
Travel**

# Most Resilient Business Categories in Washington

The number of businesses permanently closed out of 1,000 in each category

**5**

**Real Estate**

**6**

**Professional  
Services**

**6**

**Education**

**6**

**Health and  
Medical**

**8**

**Home Services**

**9**

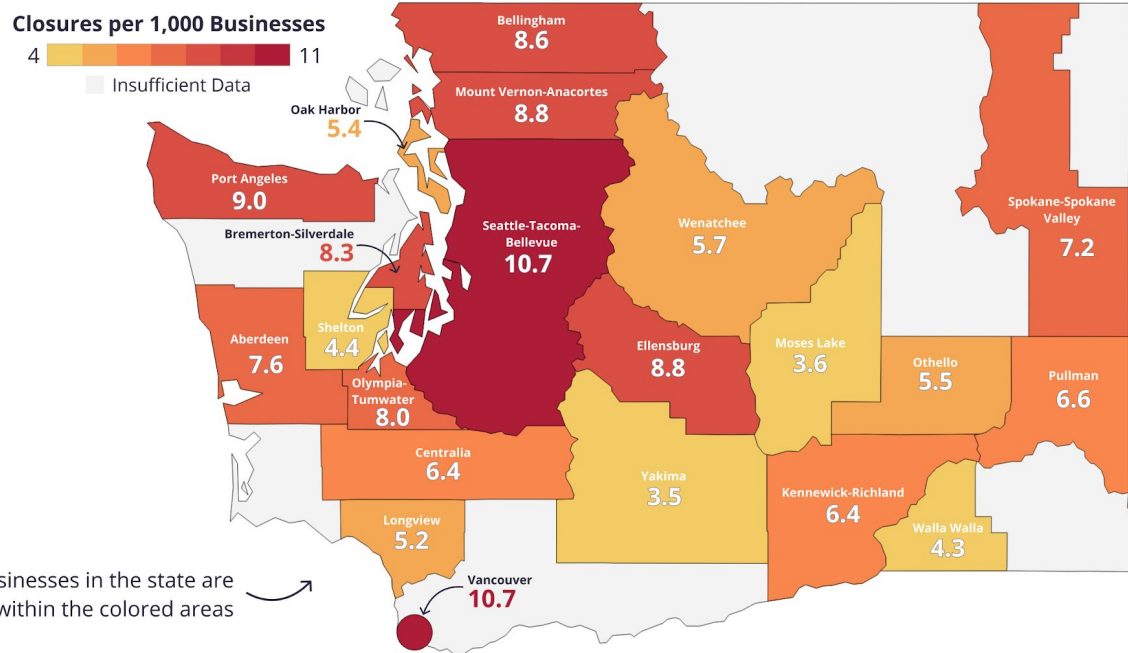
**Pet Services**

**10**

**Local Services**

# Washington State Business Closures By Metro

Permanent closures per 1,000 businesses since March 1



Source: Yelp  
Chart: The DataFace

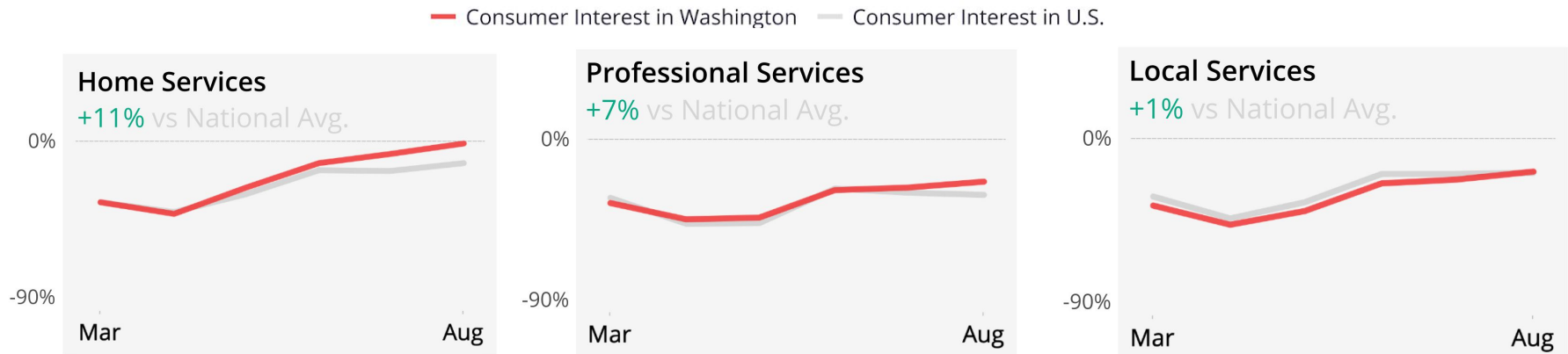
# **Consumer Interest Changes During COVID-19 in Washington State**

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# Consumer Interest Changes in Washington State

**While consumer interest is still down across most industries, some businesses are recovering faster in Washington State compared to the national average**



*Consumer Interest is up 11% points for home services in Washington compared to the national average*

*Consumer Interest is up 7% points for professional services in Washington compared to the national average*

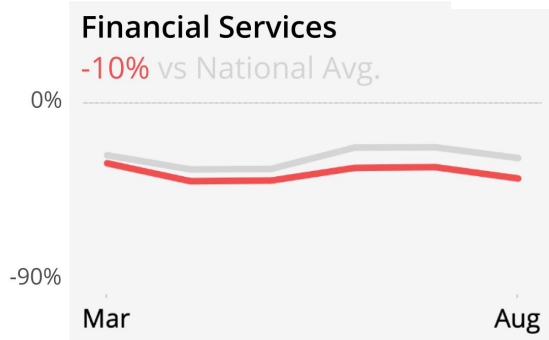
*Consumer Interest is up 1% point for local services in Washington compared to the national average*

*Shows year-over-year change in monthly consumer actions (page views, reviews, photos), by root category, for March-August 2020, for U.S. and Washington state.*

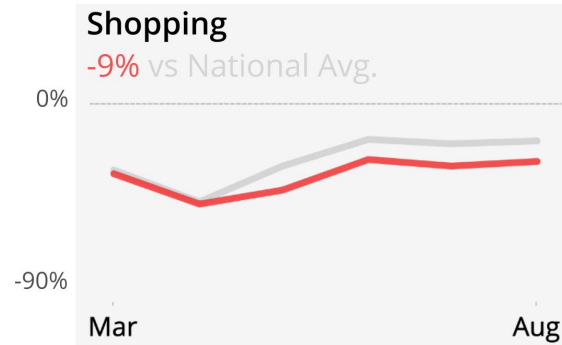
# Consumer Interest Changes in Washington State

**Meanwhile some industries are recovering slower in Washington State compared to the national average**

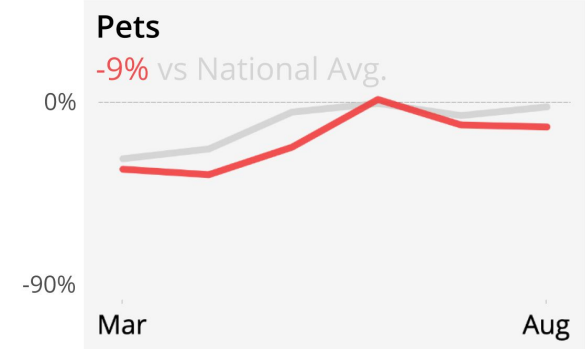
— Consumer Interest in Washington — Consumer Interest in U.S.



*Consumer Interest is down 10% points for financial services in Washington compared to the national average*



*Consumer Interest is down 9% points for shopping in Washington compared to the national average*

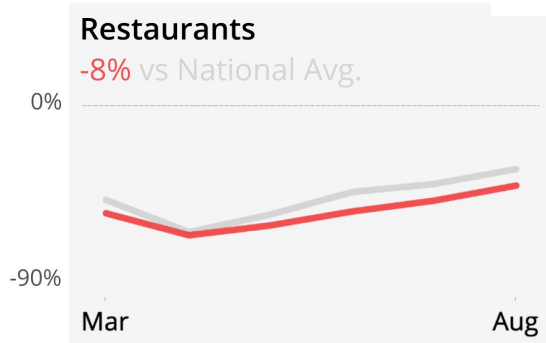


*Consumer Interest is down 9% points for pet services in Washington compared to the national average*

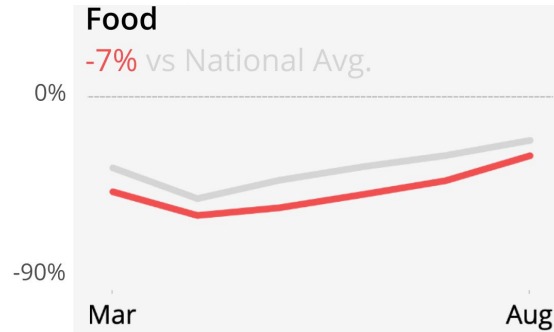
# Consumer Interest Changes in Washington State

Industries are recovering slower in Washington State compared to the national average  
continued...

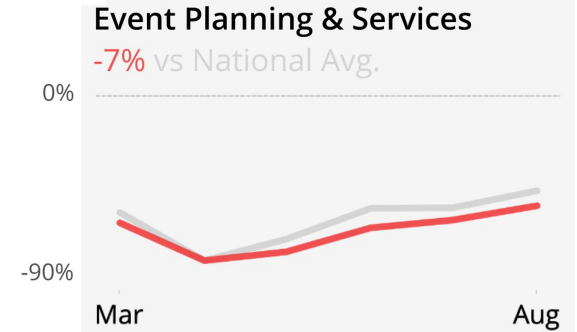
— Consumer Interest in Washington — Consumer Interest in U.S.



Consumer Interest is down 8% points for restaurants in Washington compared to the national average



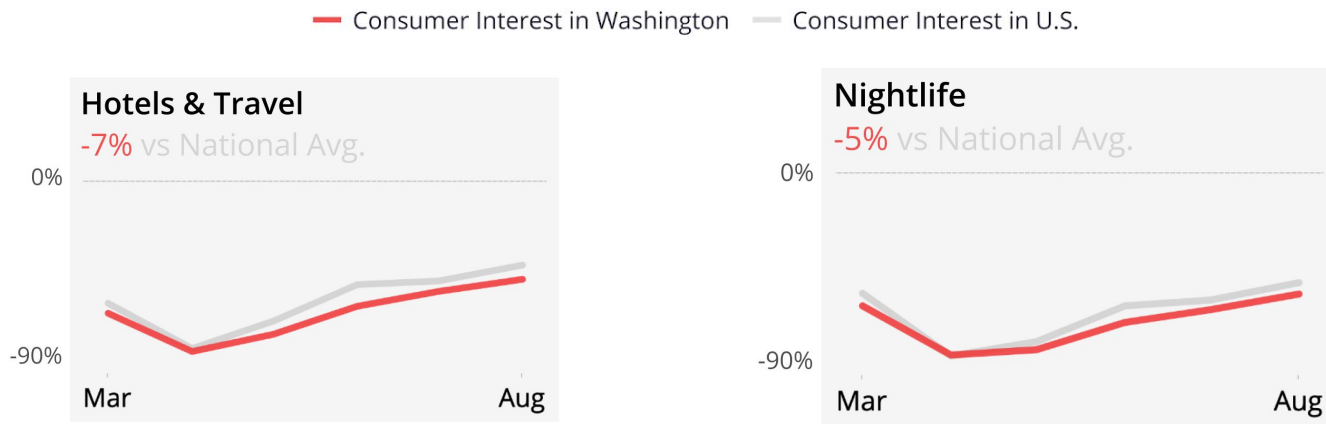
Consumer Interest is down 7% points for food in Washington compared to the national average



Consumer Interest is down 7% points for event planning and services in Washington compared to the national average

# Consumer Interest Changes in Washington State

Industries are recovering slower in Washington State compared to the national average  
continued...



*Consumer Interest is down 7% points or hotels and travel in Washington compared to the national average*

*Consumer Interest is down 5% points for nightlife in Washington compared to the national average*

# How Businesses are Adapting

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# Customer Communication in Uncertain Times

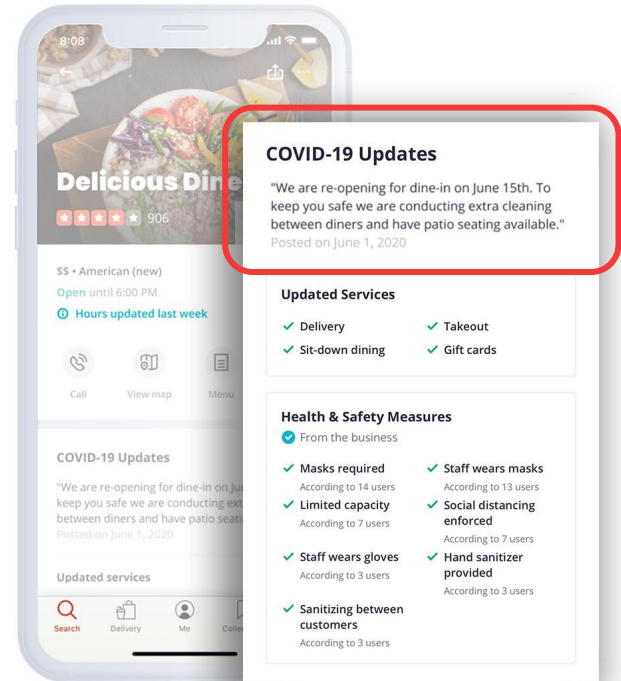


## Personalized Message

- Includes a posted date, demonstrating recency of information

# 11,979

Businesses in Washington have activated the free banner to communicate a personalized message to their customers



# Washington Businesses are Updating their Services



## Updated Services

- Brings a business's existing and new operating model front and center for consumers

Businesses in Washington offer

More than

**19K**

Takeout

More than

**10K**

Delivery

More than

**7K**

Outdoor Dining

More than

**14K**

Virtual Service Offering

(consultations, tours, classes, performances)

More than

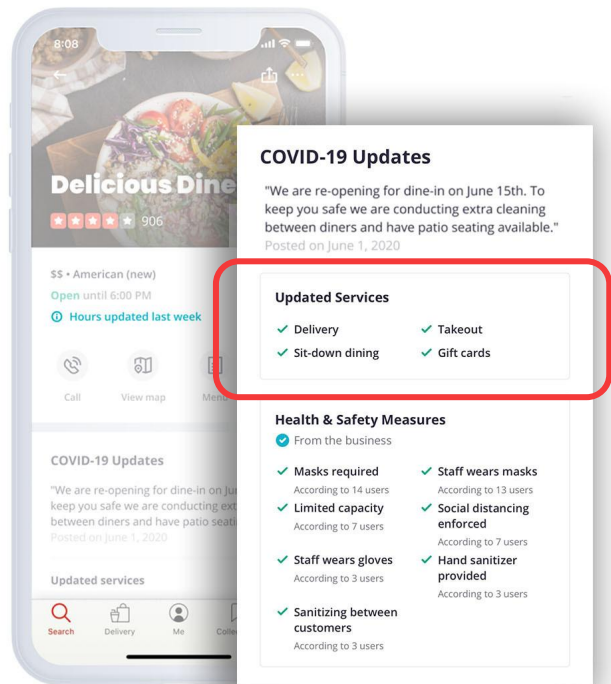
**3K**

Contactless Delivery

More than

**6K**

Curbside Pickup



Data as of September 24, 2020.

# Washington Businesses are Prioritizing Health & Safety During Reopening

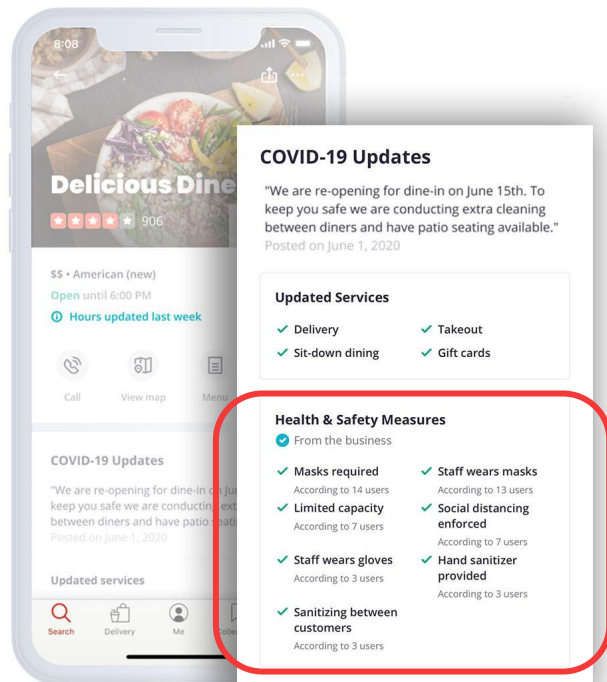


## Health & Safety Measures

- Allows business owners to effectively communicate the health & safety precautions they're taking during the reopening phase
- Enables consumers to verify the health & safety measures for the community

# 17,425

**Businesses in Washington state  
have selected at least one business  
feature on Yelp specifically related  
to COVID-19 health & safety**



Data as of September 24, 2020.



# Most Popular Health and Safety Precautions in Washington

Nearly

**10K**

Businesses have indicated they **require staff to wear masks**

More than

**9.5K**

Businesses have indicated they **require customers to wear masks**

More than

**9.5K**

Businesses have indicated they **enforce social distancing**

Nearly

**8K**

Businesses have indicated they **sanitize between customers**

More than

**7K**

Businesses have indicated they offer **outdoor seating**

# Least Popular Health and Safety Precautions in Washington

More than

**6K**

Businesses have indicated they offer **contactless payments**

Nearly

**4.5K**

Businesses have indicated that **employees wear gloves**

More than

**3K**

Businesses have indicated they offer **contactless delivery**

More than

**3K**

Businesses have indicated they conduct **temperature checks upon entry**

More than

**2.5K**

Businesses have indicated they have **limited capacity**



**Thank you**

# Questions?