

Catch flights, not virus

The new 'Travel Persona' in a post COVID world

2021



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Catch flights, not virus:

The new 'Travel Persona' in a post COVID world

1. Methodology

On March 11, 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak a global pandemic, prompting governments in a series of lockdowns, travel bans and close-open borders. Fast forward to March 2021, many research studies show the progress of traveler sentiment where a majority of consumers believe that the time has come for travel once again. Some are a bit more cautious and monitoring the infection rates domestically and around the world, waiting for vaccines to be distributed and administered. It can be safely said that personal risk assessment is the top most concern of most governments

This paper is a compendium and analysis of recent surveys and research studies undertaken for travel industry. The scope of this document is to combine IGT's on ground experience with some of the new trends that have emerged Post-Covid in order to provide enough information on the 'Travelers of the new normal'

2 Traveler's outlook during the thick of the Pandemic

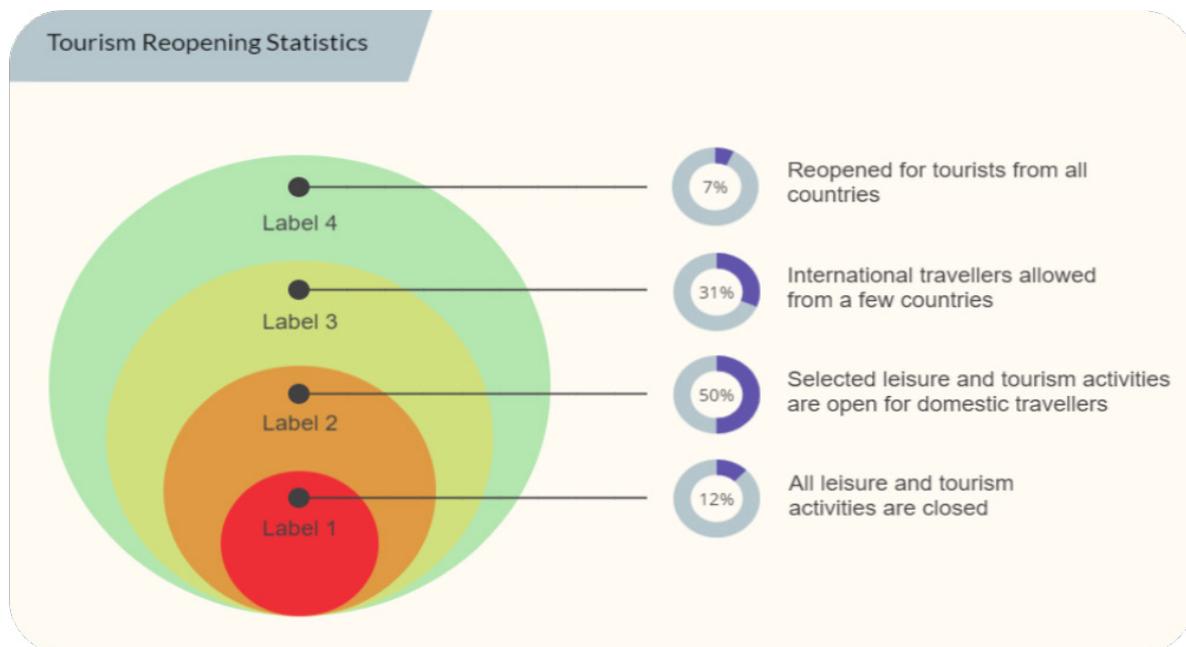
Travelling is back on the 2021 agenda for an increasing number of consumers worldwide, although many might do so for pleasure rather than business for the first period. According to Expedia group's report, around 44% of the interviewed people will take more trips in 2021 compared to 2020 . While it is easy to imagine that travel sector will show good come back compared to 2020, there are a number of researches that show the will and wish of travelers to go back on the road even more than they did during the pre-Covid times.

Almost half of all the countries in the world have allowed tourism activities for domestic consumers and around 31% of these countries are already accepting foreign travelers as well from select countries² .



¹Expedia groups, "2021 Travel Trends Report"

²Headout, "The Future of Travel: Emerging Travel Trends in the Post-COVID Era"



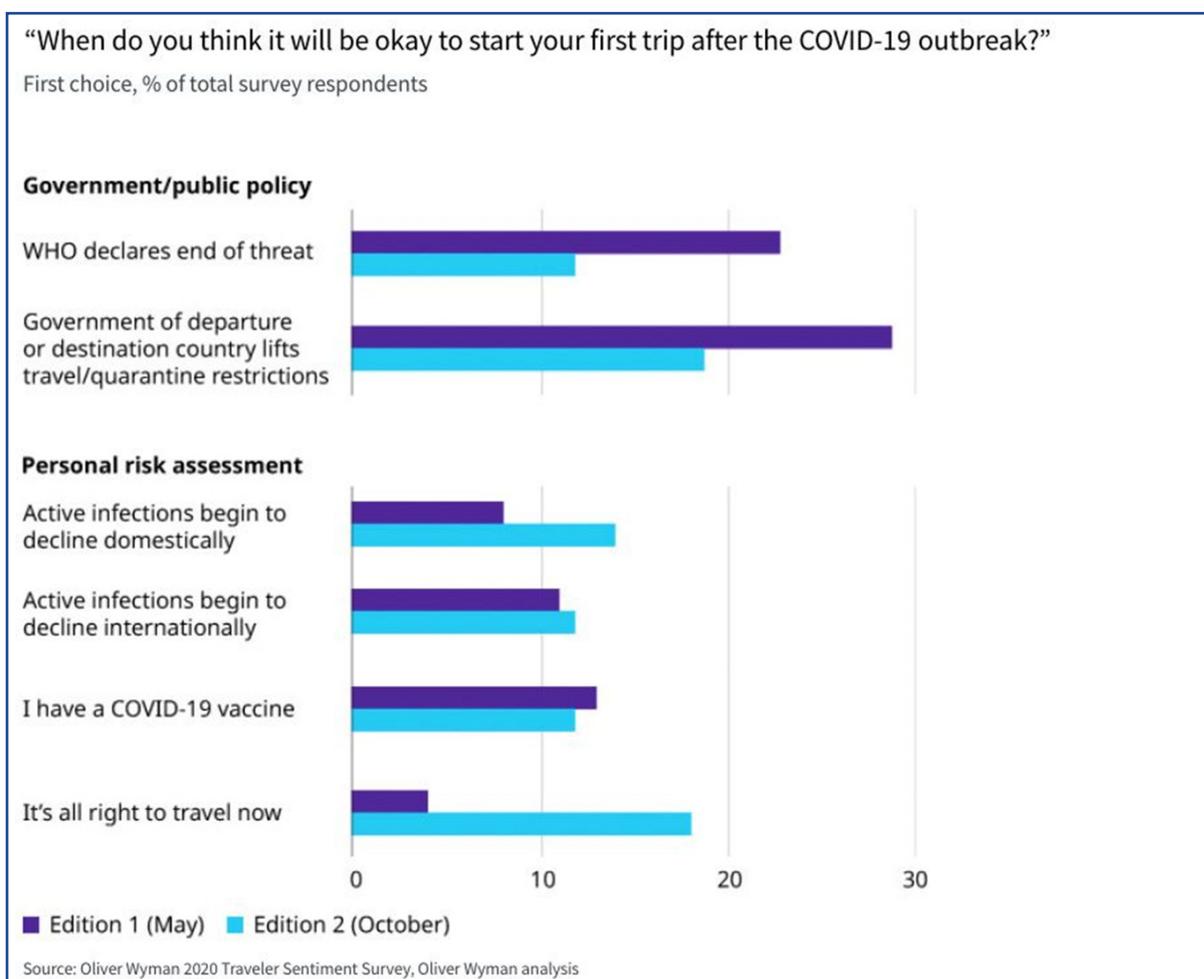
2.1 The travel itch

According to a survey by Airbnb, 54% of the American people that were interviewed, are planning to travel in 2021³, clearly indicating that they are missing travelling. Not a long time back, when the Pandemic was at its peak and lockdowns were imposed, another survey was conducted by Oliver Wyman, in which more than 4,600 people across US, UK, Canada, France, Spain, Germany, Italy, Australia and China participated. The goal of this survey as the company stated was to “capture how the pandemic was affecting attitudes and opinions on travel”⁴.

At the time, Oliver Wyman observed that travelers were having a cautious outlook on travel. Despite being excited about travelling again, most people looked towards World Health Organisation (WHO) to give an “all clear” sign before doing so., While they waited for travel restrictions to relax for international travel, they planned their domestic trips. All in all, consumers were speculative, and put their faith in the authorities.

³Airbnb, “From Isolation To Connection— Travel in 2021”

⁴Oliver Wyman, “Glimpses of Recovery”



In October, 2020, Oliver Wyman conducted another survey with same sample size across the same markets, to see evolution of travel sentiments during the pandemic. There seemed to be a significant change as people had lost trust in WHO and were rather taking decisions based on their own judgement.

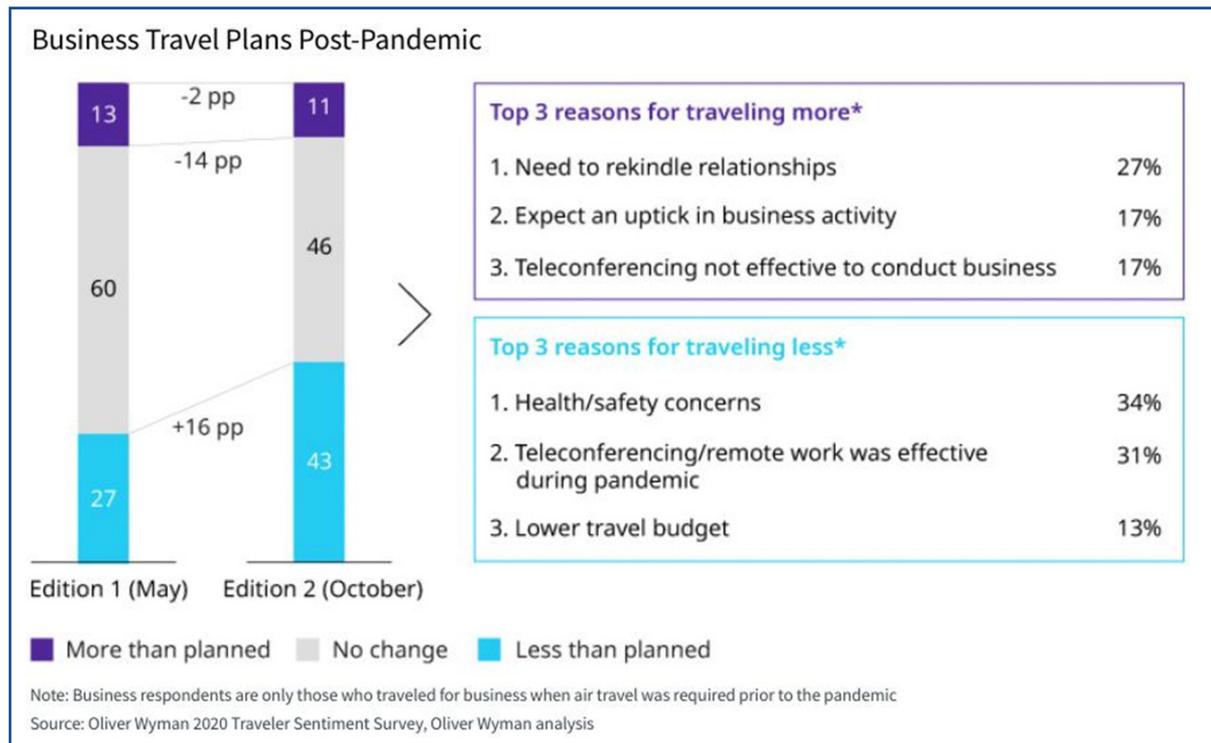
A majority of consumers believed that the time has come for travel. Other's being a bit more cautious were taking a speculative approach by monitoring infection rates domestically and around the world to take an educated decision. Many were also waiting for the vaccines to be available before they took a trip. Therefore, it could be deduced that the personal risk assessment had taken over government advisories in most cases.

According to Vrbo 'Trend Report 2021', a survey conducted on 8,000 families in 8 countries, around 82% of the families are planning to travel in 2021 with around 22% of respondents claiming to do it to improve mental health and as an act of self-care⁵. Around 61% of those families had cancelled their travel plans during the Covid19 period. However, there is good news for the industry, as 65% of the respondents are planning to travel more now compared to pre-Covid times, with around 33% planning to spend more than the usual budget.

⁵Vrbo, "Trend Report 2021"

2.2 The business traveler, the leisure traveler and everyone in between

A key development that the pandemic has brought out among businesses is the replacement of traditional processes with technology aided virtual work environment that is turning out to be more than adequate for communication, both internally and externally. With many businesses moving towards virtual collaboration, they are either targeting “zero emissions” or a vast reduction in their carbon footprint.



According to Oliver Wyman, over 40% of all business travelers plan to minimize their movements in the future. Surprisingly, this number has seen a sharp spike after the restrictions have been eased. It was observed that almost 30% people were planning to reduce business travel back in May, 2020.

With many businesses targeting “zero emissions” in the near future, virtual collaboration has presented them with a suitable way to reduce huge chunks of their carbon footprint. All indications seem to be pointing towards the acceptance of virtual working technologies, which also appear to be taking over the business travel segment.

However, looking at the bigger picture, a significant number of consumers, almost 45% of them plan to resume business travel post - pandemic, with almost 10% of them planning to increase it. The sentiment of in-person meetings being the best way to establish new relationships and broadening networks is still deep-rooted within some businesses.



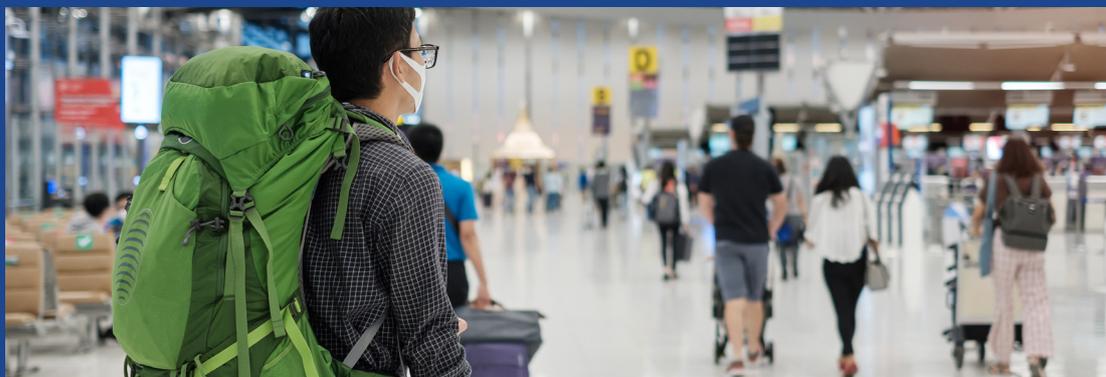
Business travel is the least missed according to an Airbnb study, with only 5% of respondents missing this activity versus 37% missing leisure travels. When it comes to leisure travel, travel companies need to learn and adapt to the post-pandemic changes and in due course of time, they will become much more resilient. After all, the travel industry has seen a pandemic before and has bounced back fast.

Many are willing to go back on vacation as soon as the worst of the pandemic has passed, with more than 60% willing to travel as much if not more as they did before the outbreak of the pandemic. An interesting development from the last survey was: Overseas travel is now clearly on the table, at least for over half of the consumers in Canada, the UK, France and Germany.

Travel is not just confined to leisure or business, for many, it is a necessity. In fact, during the height of the pandemic, 'essential' travelers were defined across all borders. Restriction and travel policies were specifically adjusted to those deemed as essential travelers:

- Emergency Travelers
- Long term Immigrants, students, expatriates, government officials
- Travelers for Imperative gatherings & events (Wedding, funerals, Family reconnection)

Although these travelers did not happen to have a direct impact on hotel reservations and tourism industry, some of them might have been subjected to specific hotel quarantine regulations.



2.3 'Safe Travels!' ...no longer a generic colloquialism

Safety has become top priority for any kind of travel. Studies have indicated that travelers are cautious about close or prolonged exposure to others, which is common in long-distance train journey, public transport or a shared ride. Most travelers will be comfortable taking a flight when they travel, while car rental may also be a suitable option.

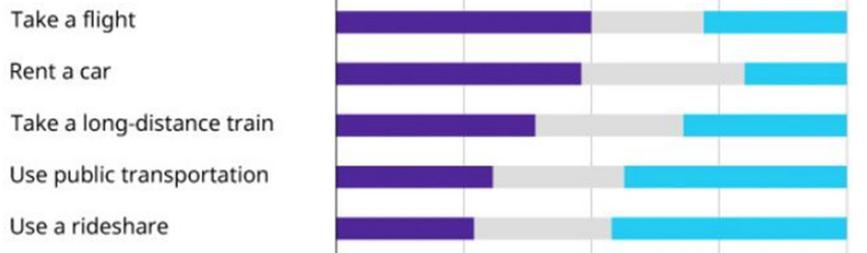
Similarly, hotel rooms and restaurants are going to be the first to attract consumers as the pandemic loses steam, while crowded places such as concerts, sports events and cruises might remain out of luck. Therefore, it's safe to conclude that people will travel but will treat safety as their first priority.

Additionally, a survey conducted by NerdWallet showed over 45% of U.S. travelers now will likely purchase travel insurance as compared to almost 20% before the pandemic. Travelers also have a sense of realization about not just the importance of travel insurance but also the importance of choosing the right insurance policy. Which means, unlike before, a majority of consumers will be reading the fine print.

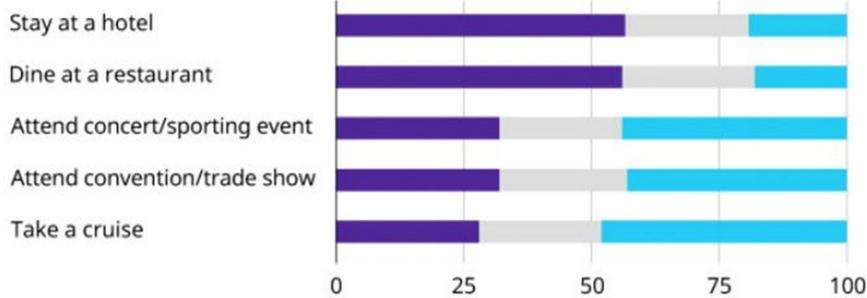
“After the COVID-19 outbreak ends and travel restrictions are lifted, how comfortable will you feel doing each of these activities?”

% of respondents

Transportation modes



Activities



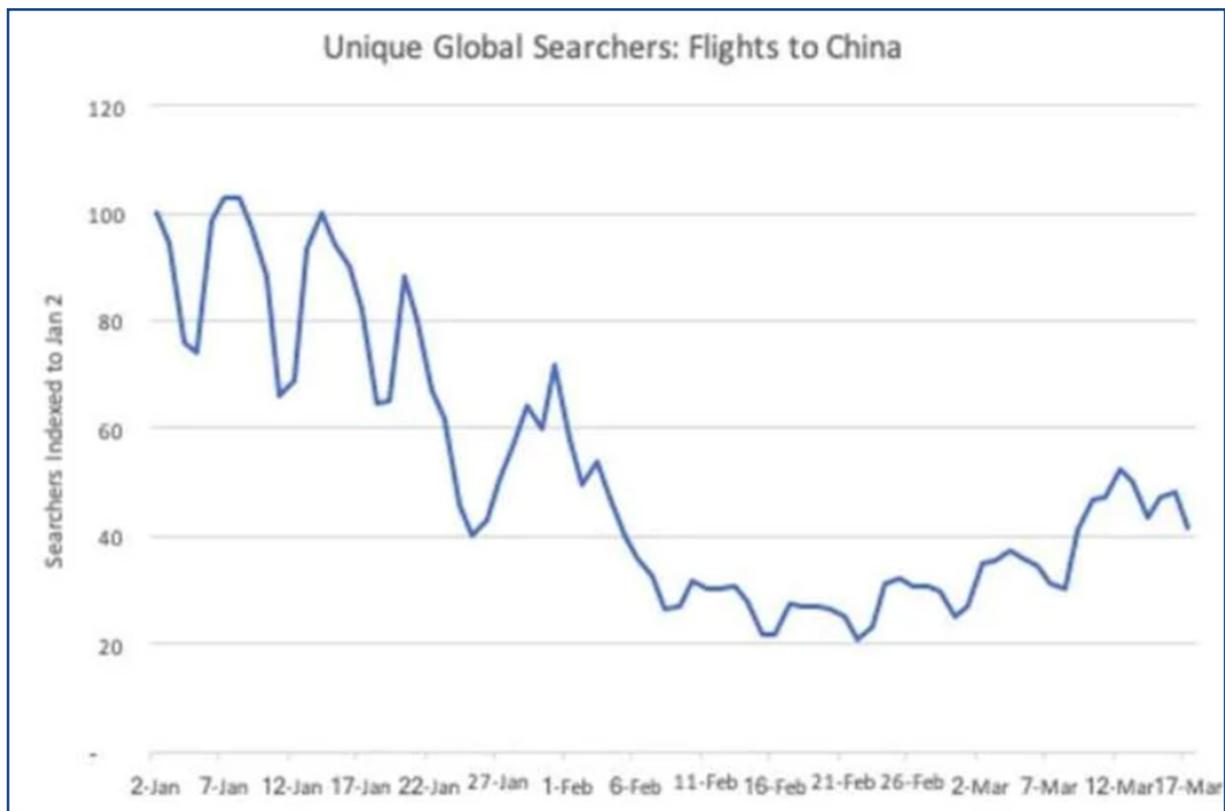
■ Comfortable
 ■ Neutral
 ■ Uncomfortable

Note: Uncomfortable = “Very uncomfortable” or “Somewhat uncomfortable”; Comfortable = “Very comfortable” or “Somewhat comfortable”

Source: Oliver Wyman 2020 Traveler Sentiment Survey, Oliver Wyman analysis

According to the same survey, around 83% of ‘Post-Covid’ travelers would prefer to stay in large hotels instead of accommodation rentals.

While the hospitality industry is preparing for the initial rebound of travel, it is equally important to observe how travel demand spiked in various markets when the pandemic started to grow. As per some statistics collected by ADARA, domestic and inbound international flight searches for China saw a rise of over 29% during the week of March 8th, as soon as China lifted the restrictions.



According to a survey of 2,330 consumers conducted by Tripadvisor between December 2020 and January 2021 across six countries - U.S., U.K., Australia, Italy, Singapore and Japan, around 77% of respondents will travel internationally and 86% domestically as soon as they are vaccinated⁶. This data gives the degree of expectations for the future of travel.

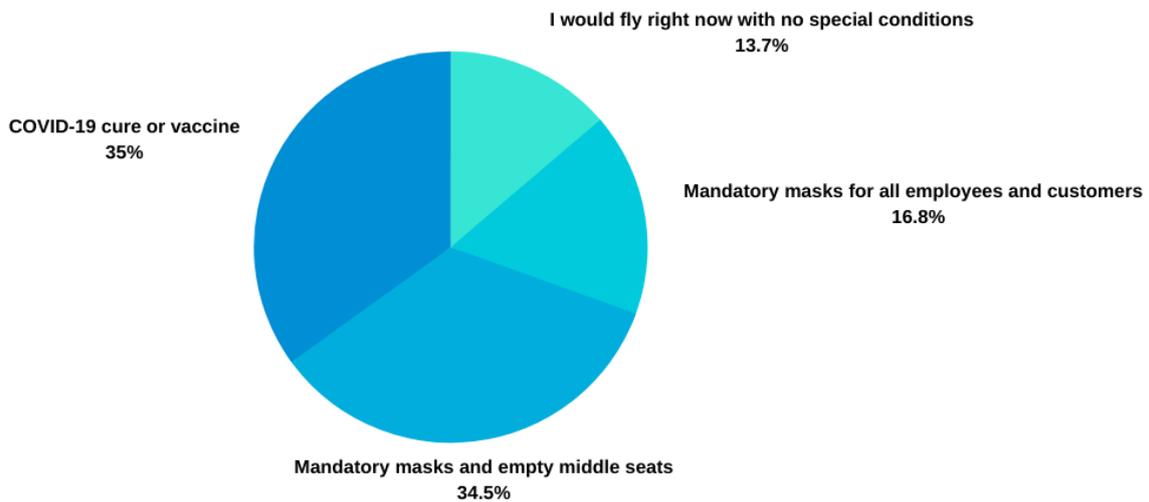
Booking.com defines 'Wanderlust' as the "innate human desire to travel" in a research involving 20,000 travelers across 28 countries⁷. In the study of one of the biggest hospitality providers worldwide, around 65% of the customers are excited to travel again after the lockdowns end and 38% are planning a trip of celebration for the time lost in 2020.

As per the image below, "A study conducted by The Vacationer, found that while 13.72% of Americans were willing to fly immediately, 51.29% felt comfortable traveling only if there was proper implementation of safety gear".

⁶ Tripadvisor, "The year of travel Rebound?"

⁷ Booking.com, "smarter, kinder, safer:"

Other than increased cleaning, under which conditions would you feel comfortable flying again?



Brief about survey: 583 U.S. citizens were surveyed by The Vacationer on 17 May, 2020 using SurveyMoney's interface

2.4 IATA: Looking down on travellers since 1945

When the International Air Transport Association (IATA) talks, the industry listens. The organization has conducted a study to explore passenger attitudes towards future travels with the objective of understanding the true voice of the passengers. The study explored the perception of 4,700 panel members from eleven countries (Australia, Canada, Chile, France, Germany, India, Japan, Singapore, UAE, UK and USA) who have traveled since July 2019.

 <p>The impatient innovator 10.7% Just open the borders and I will fly immediately.</p>	 <p>The young early majority 19.2% It will soon be all over. Tell me about the safety measures you have implemented so that I can feel reassured when flying.</p>
 <p>The untroubled 55+ 15.8% I am aware that I am in a group that has an increased risk of catching the virus. Still, I will travel, no matter the safety measures implemented.</p>	 <p>The wait-and-see X and Y generation 20.4% To be on the safe side, I will wait a month or two before flying.</p>
 <p>The late business trip 15.9% I will not risk it. I will definitely postpone my business air travel.</p>	 <p>The late leisure trip 18.1% I will not risk it. I will definitely postpone my leisure air travel.</p>



The two-step cluster analysis is a tool designed to reveal the natural groupings within a data set. The clusters defined are; “wait before traveling again”, “reason for travel” against 5 factors: perception of implemented actions onboard the aircraft (airline), perception of implemented actions by airline personal (masks), contraction risk, information transfer and risk reduction.

The study concluded:

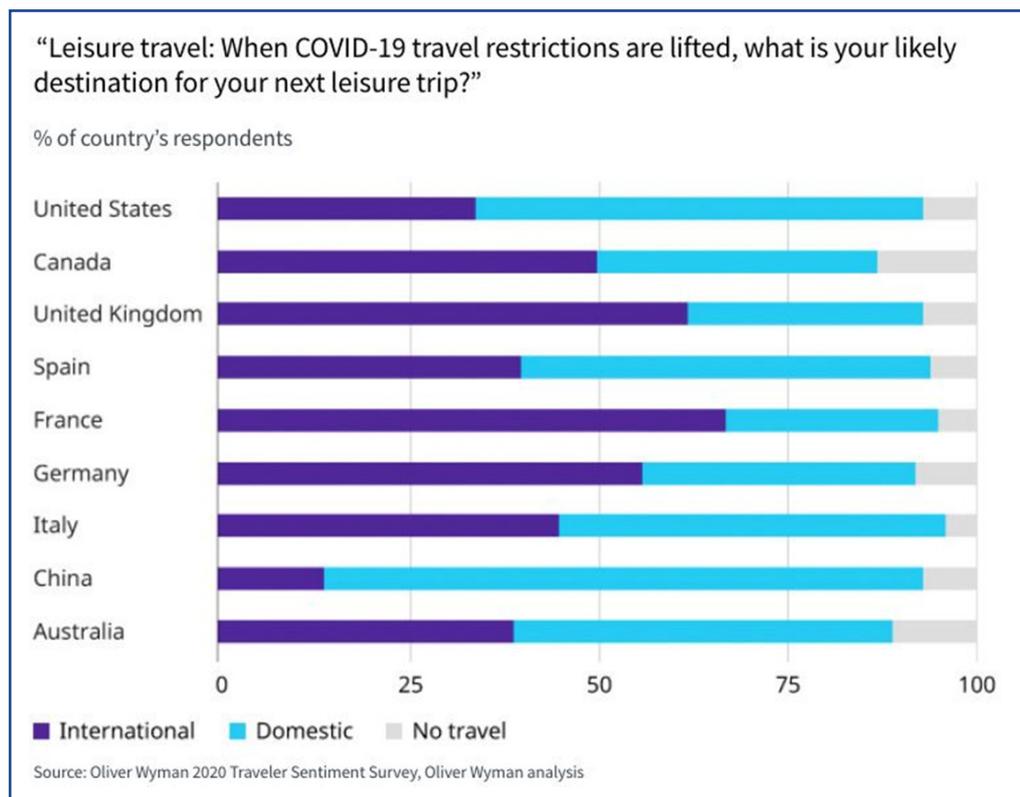
WHEN TO TRAVEL	WHO WILL TRAVEL		SOCIAL DEMOGRAPHICS	GENERAL CONCERNS	RISK REDUCTION	TRAVEL NOTES
1-3 months	The impatient innovator	10.70%	18-54 yrs old Rather Male Rather business than leisure Canada, France, Germany, UAE	Slightly less concerned contracting the virus	Keeping them informed on safety measures will have high impact on their feeling of safety when traveling Particular, wants to be reassured that transmissions are low	Potential return-to-travel ambassadors
Within 6 months	The young early majority	19.20%	18-34 yrs old As male and female As business and leisure travel India, UAE	Concerned more than average about contracting the virus	Being informed about safety measures has the highest impact on their feeling of safety to travel among all other personas Particular, information on how aircraft disinfected and passengers screening contributes mores to their feeling of safety	The safety measure will be effective, then, potential return-to-travel ambassadors
More than 6 months	The untroubled 55+	70.20%	18-55+ yrs old Rather Male (except the late leisure trip shown as Rather Female) As business and leisure travel Australia, Canada, Japan, UK, USA, France, Germany	Slightly less concerned contracting the virus	Knowing different safety measures will not make them feel safe when traveling Insurance products will not convince them to travel	Safety measures or informative campaign may not be effective as expected
	The wait-and-see X and Y generation			Slightly less concerned contracting the virus but more concerned about quarantined when traveling	Knowing different safety measures will make them feel safe when traveling	
	The late business trip			Concerned more than average about contracting the virus	Knowing about safety measures implemented will make them feel safer when traveling	Informative campaign may be effective
	The late leisure trip			Concerned about being quarantined when traveling Will avoid internationa meetings and will reduce travel in general Concerned more than average about contracting the virus	Particular, does not believe in Covid-19 immunity certification Knowing about safety measures implemented will not make them feel safer when traveling	



3. The traits of the new Travel Personas

3.1 Looking for a comfortable, short distance and on the road experiences

Around 70% of hotel clickers would book something in their own country between May and August 2021, according to Expedia's report. The desire is high with 74% of the interviewed planning at least 1 domestic trip in 2021.



In a survey conducted by Zapwater Communications, it has been observed that almost 83% of Americans will prefer to travel domestically for their first trip post-COVID-19. Brief about the Survey: 1,280 participants from The US were surveyed by Zapwater Communications from 26th April to 6th May 2020⁸. Domestic tourism will more likely gain popularity rather than international travel as a majority of travelers are refraining from stepping out of their country. In the short-term, travelers are increasingly turning their focus towards local destinations and are planning more domestic trips.

Similarly, The Vacationer has stated that while only 12.52% felt comfortable with immediate overseas travel, almost 56% of Americans plan to wait for at least one year before taking an international trip.

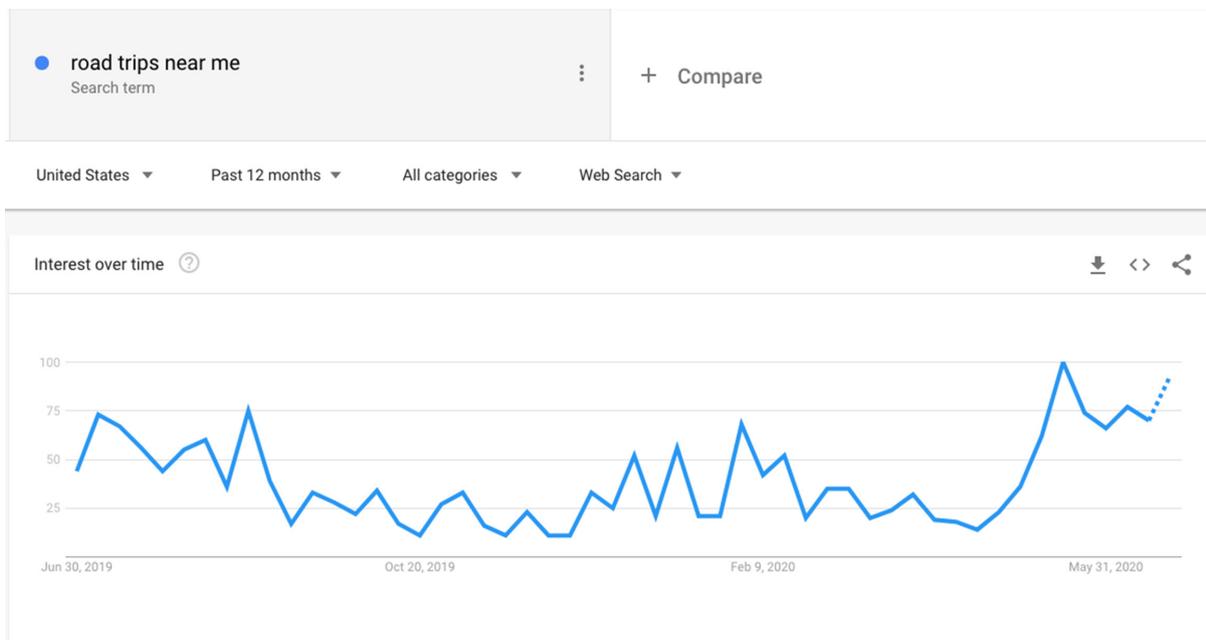
⁸Zapwater Communications, “Post-covid-19 travel survey reveals that US travelers are ready to explore”



Eventually, an increasing number of people will start venturing internationally again. By then, most consumers would have become aware of the gems that lie within their borders ensuring further domestic trips to follow. This trend, unwittingly, will create a balance in domestic and international travels.

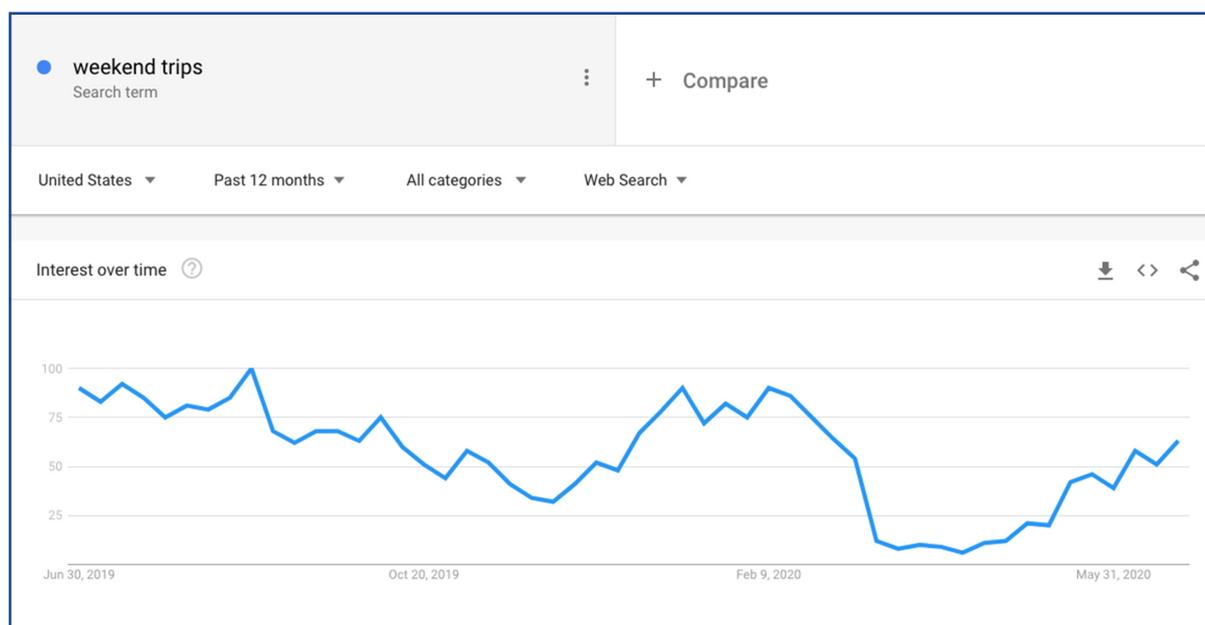
In Oliver Wayman's report we can see a similar preference between domestic and overseas travels.

With a majority of travelers refraining from stepping out of their country given the recent coronavirus crisis, domestic tourism has gained popularity. In fact, as per some reports, it has already begun, as shown in the Google Trends charts below. In the short-term, travellers are increasingly turning their focus towards local destinations and are planning more domestic trips.



Above chart: Increasing interest of general public towards 'roadtrips near me' over a period of 11 months - from 30 June, 2019 to 31 May, 2020.

Below chart: The chart shows the increasing interest of the general public regarding 'weekend trips' over a period of 11 months - from 30 June, 2019 to 31 May, 2020.



With travel getting increasingly localized, travelers who would have earlier flown overseas will now have to choose to travel domestically, resulting in countries who are deemed net Travel exporters seeing a spike in domestic and local tourism, as compared to the previous years. Travelling domestic or short distances also means road trips. According to the Vrbo survey, around 59% of the travelers responded that they will more likely drive instead of flying and most of them are looking for some cozy family vacations.

Airbnb study reveals that 56% of Americans prefer domestic destinations, it also appears that 1 in 5 Americans would like to travel within driving distance beating air travel by 17 percentage points. Similarly, interest towards alternative travel ideas such as RVs and road trips has gone up too. As per headout.com, a "study conducted by GasBuddy shows that a significant number of people chose road trips and RVs as more preferable compared to flights".

However, it must be noted that as the world recovers from COVID-19, the sudden increase of domestic travelers will eventually level out. Eventually, an increasing number of people will start venturing out internationally again, somewhat restoring the equilibrium. In Expedia's survey, nearly 47% of the respondents have shown an inclination in international travel in 2021.

However, by then, most consumers would have become aware of the wonders that lie within their borders ensuring that more domestic trips follow. This will enhance the development of domestic destinations.

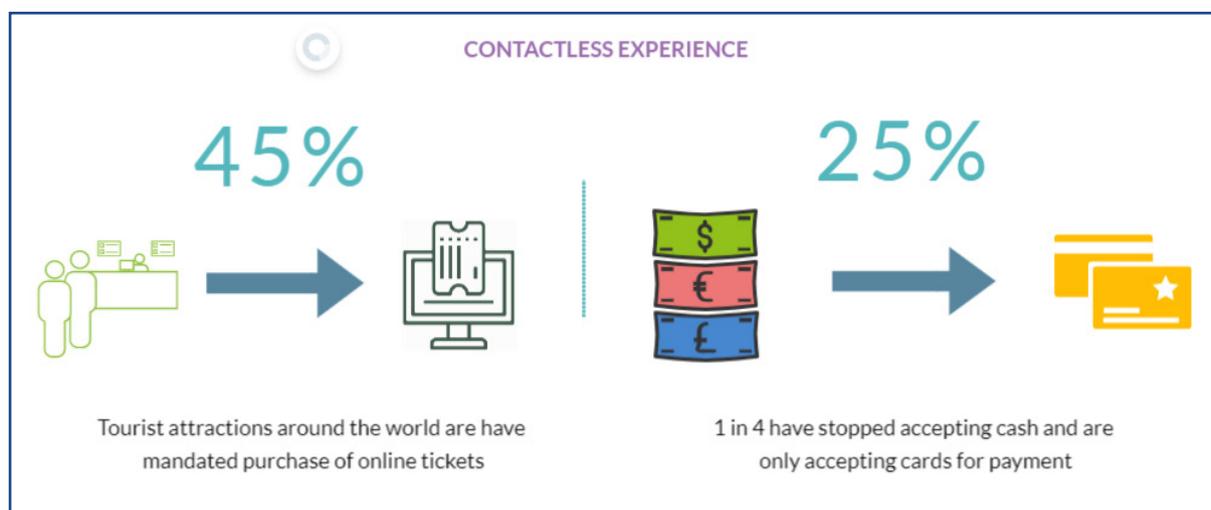


3.2 The thirst for an outdoor escape

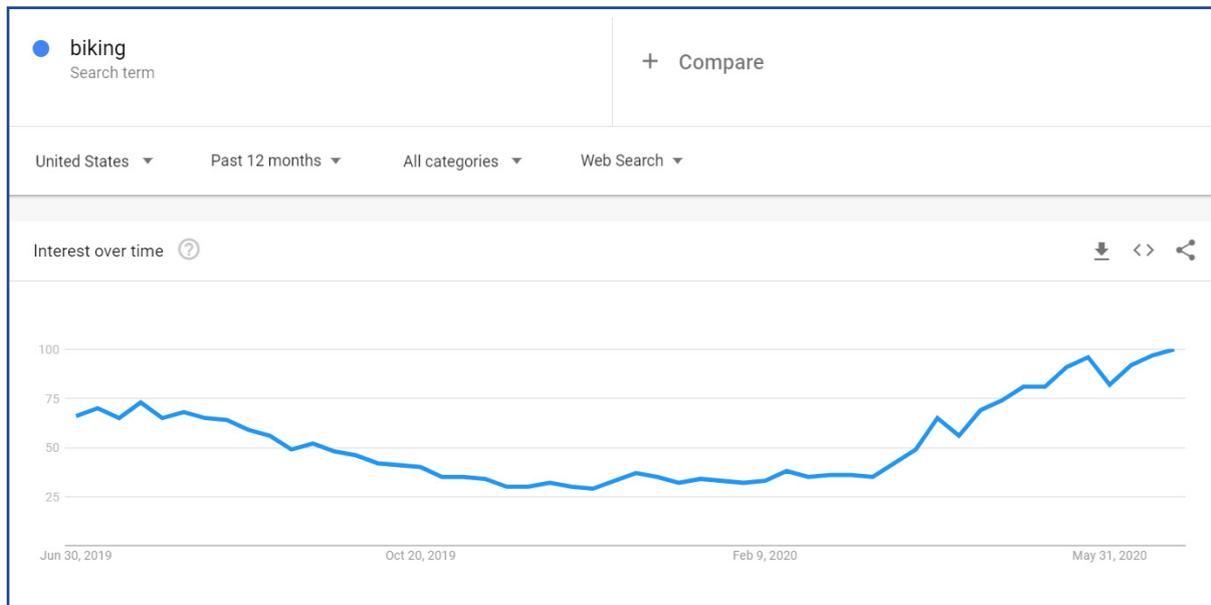
The germ and virus phobia is changing people's habits with less crowded activities during the day. Travelers are mimicking those habits looking for open-air activities. According to Expedia, around 46 % of travelers prefer "outdoorsy" destinations to urban settings, while 50 % clearly prefer outdoor instead of indoor activities.

The same is reinforced by Vrbo where around 61% of US families will choose outdoorsy places for their next trip with 54% preferring a national park than an amusement park. Following social distancing protocols, most attractions are capping the number of visitors and enforcing time entry. As a result, traveling will be more efficient with online reservations on top of the list. 45% of tourist attractions have reopened and are only allowing online purchase of tickets and advance reservations. Last-minute bookings, waiting in queues, would most likely be a thing of the past as well as the time for paper tickets is long gone and the pandemic will push for earlier adoption of 100% digital ticketing.

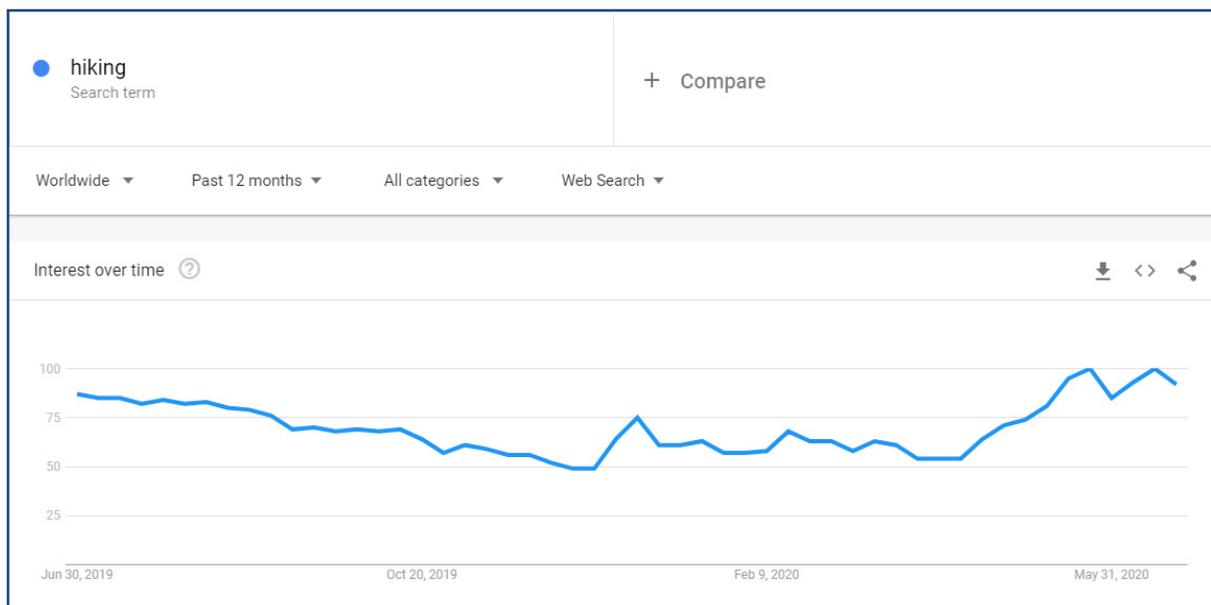
Before COVID-19, Museo Nacional del Prado, the most popular museum in Spain, welcomed around 7000 to 8000 visitors annually. However, the remaining were kept shut for nearly 3 months during the pandemic, they reopened their doors with only 1,800 people allowed to enter daily. Outdoor activities like hiking, camping and trekking are expected to gain a significant level of popularity in the post-pandemic world, as shown in the Google Trends charts below. Fishing, cycling and sailing are some of the other favourites.



Below chart: Increasing interest of general public regarding “biking” can be seen over a period of 11 months - from 30 June, 2019 to 31 May, 2020



Below chart: Increasing interest of general public regarding “hiking” can be seen.



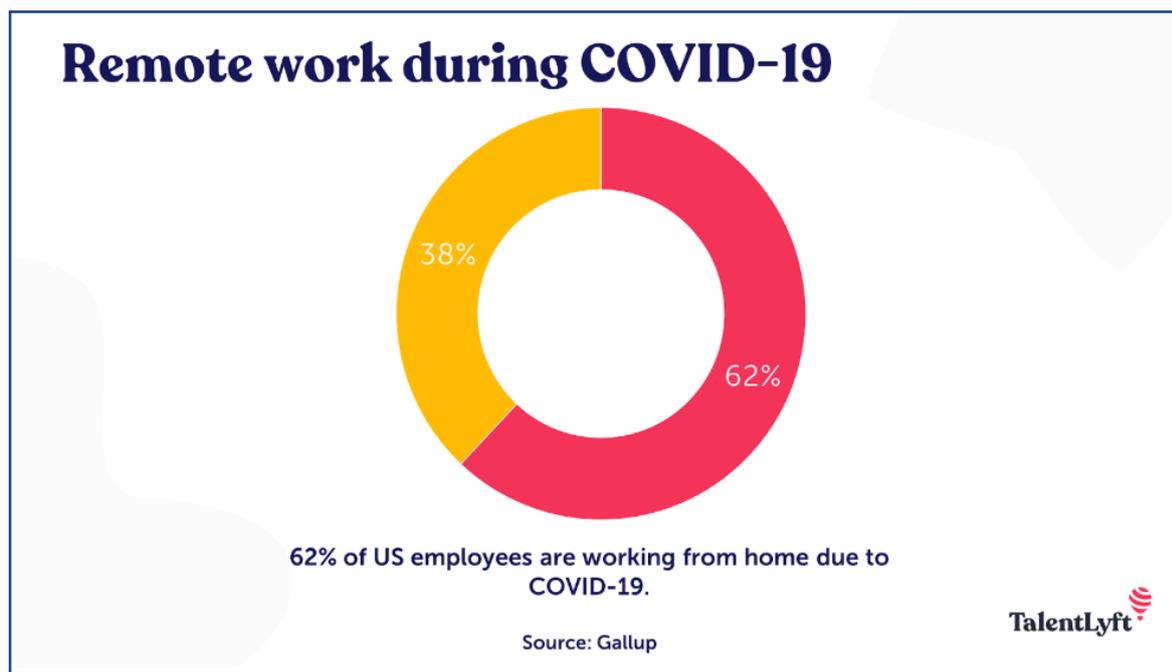
Open wide spaces, such as the jungles in Africa or the deserts in the Middle East will be considered as great alternatives to museums and other touristy destinations.

Over 53% of all locations that have opened their gates to the public, allow only a fixed headcount of visitors every day enabling them to manage the crowd in a better way. Similarly, many attractions have implemented a timed entry system enabling visitors a fixed timeslot for their visit which in turn saves their time that otherwise would have been spent in long queues.



3.3 The rise of the Workation and Staycation as lifestyle

According to headout.com, a study conducted by Pew Research Centre shows that work from home for Americans grew from 7% to 62% amidst the pandemic. With the model of remote work proving to be successful, this trend is likely to continue even after Covid-19.



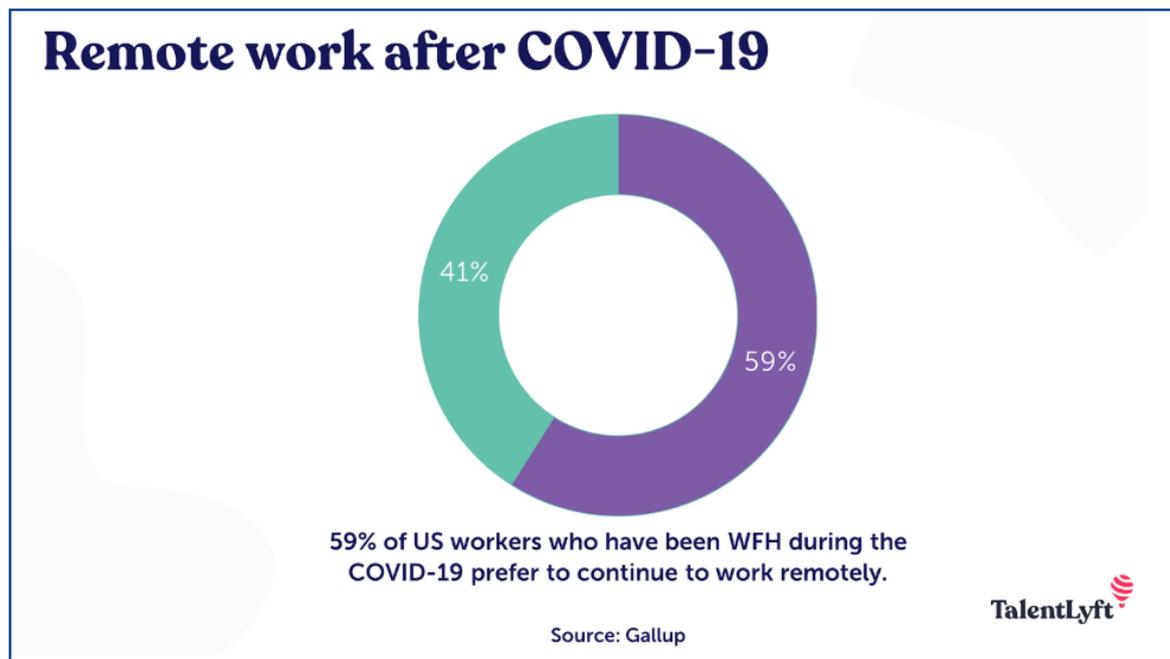
According to an American Express survey done in January 2021, 54% of the interviewed admitted to having more autonomy and flexibility to live and work while traveling⁹ raising the numbers of the so-called “Digital Nomads”.

A majority of young travelers, between 20 to 40, are looking for long-term getaways where they can combine working and traveling simultaneously. Corporations have been made to realign their structure to make remote work productive; and study shows, it is working. Many researchers have suggested that productivity hasn't dropped since people started working remotely, in fact, in most cases, productivity has gone up significantly.

Staying in Bali while working in a London office is no longer a dream, but a reality. According to booking.com, 37% of travelers have already considered booking an accommodation at another destination away from the home town for working purposes. The data says that companies which are able to provide a seamless getaway with every amenity a person needs, win. That means long-term pricing as longer but fewer travel is likely going to be the trend compared to shorter and more travels.

⁹American Express, “Global Travel Report trend”

When looked at carefully, it can be said that this trend will stay for a while as almost all employees are opting for remote work even after the pandemic gets over.



With the model of remote work proving to be successful, workations are becoming increasingly popular. The majority of young travelers aged between 20 to 40 are looking for long-term getaways where they can spend quality time while working simultaneously. Similarly, others are simply looking for a change after spending much of their time under enforced lockdowns. Staycations too have gained momentum recently. Responding to these pressing needs, various hospitality chains have come up with long-term stays for consumers eyeing a safe and unique place to work from. Most of these properties are hardly a few hours' drive away from major metropolitans and tend to offer all-inclusive stays for a duration of one to two months and more depending on the traveller's needs. Equipped with high-speed connectivity for uninterrupted work, workations soon will extend and gain major market share within the industry.

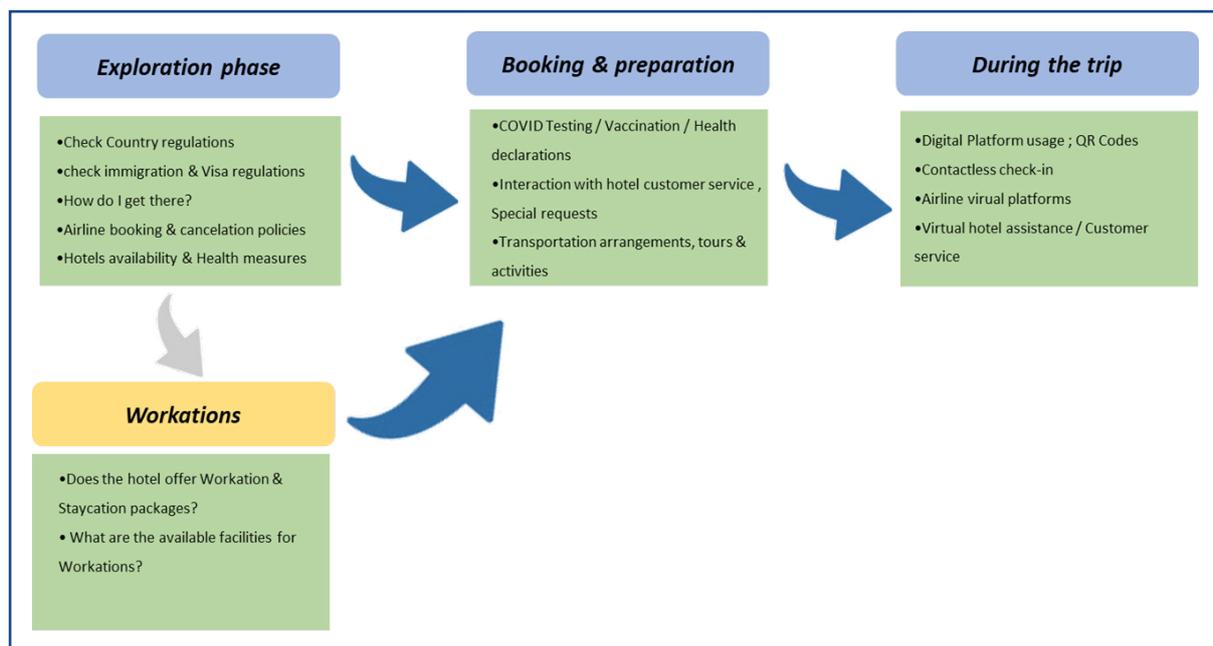
A big change has happened; the world will not be the same as it used to be pre-COVID. Social distancing being the new normal, has encouraged remote work, and now it has become a part of the work routine for many. Corporations too have been made to reshape and realign their structures to make remote work productive. Many researchers have suggested that productivity hasn't dropped since people started working remotely, in fact, in most cases, productivity has gone up significantly. If inferred to, anyone staying in Bali for a few months and working for a New York based Corporation, until a few months back would have sounded like a dream, but today the thought of it isn't so crazy anymore.



3.4 The conscious travel

As the travel landscape continues to shift, travelers are becoming more conscious and alert when it comes to trip planning. More time and effort is needed to decide on the ideal destination and this can mean stepping out of one's comfort zone; using new airlines, booking with new hotels, reading additional reviews and embracing the new digital platforms.

The exploration & planning phase is taking an increasing space in the travel journey as we observe a decrease in last -minute & spontaneous trips.



Hopping and backpacking is no longer a feasible option with the ever- increasing need for safety measures like social distancing. According to a TripAdvisor study, most of the new travelers will spend more time researching for their destinations with 66% reading online reviews, 70% searching for things to do and 72% spending time in scrutinizing and selecting accommodation.

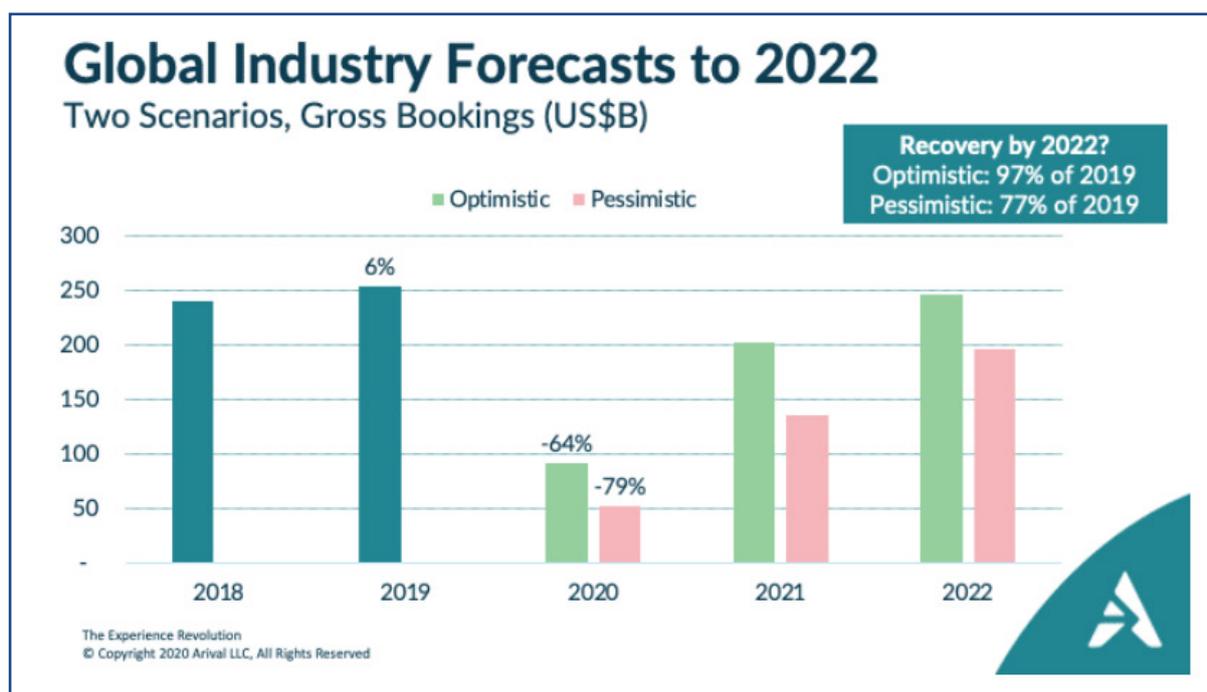
The offline travel industry too has been forced to innovate due to COVID-19. Popular tourist attractions like the Vatican Museums have opened with only online tickets, unlike a year back when the lion's share of tickets sold for these attractions was offline. Looking at all the reopened attractions, it's quite evident that most of them are only selling digital tickets. This signals a mass adoption of online ticket sales, both in the short and long term.

Buying tickets online before COVID-19, constituted only 15% of all ticket sales. However, in a post COVID world, the shift to the digital realm is inevitable. Avoiding paper tickets and capping the footfall is a basic and simple way to maintain social distancing. So who wins here? Of course the online marketplaces in the tours and experiences space.

Flexible terms are offered in every travel sector boosting the booking activities even during uncertain times. Around 56% of people interviewed in an American Express survey are willing to book a trip knowing that they might have to reschedule it or cancel it later.

With the world recovering, people have started to travel again. OTAs and some other startups in the sector are already seeing a surge in their share of the ticketing market which will only grow going ahead. It should be known that studies suggest that by the end of 2020, online bookings will account for a major chunk of overall bookings made.

In the years to come, after the pandemic is over, this trend is expected to continue. With an industrial scale paradigm shift happening, the online travel industry will continue to grow. While the offline travel industry will eventually gain back its lost momentum, a return to pre-COVID stage where 85% of all tickets were sold were offline might not be possible. Moreover, three to five years down the line, it would not be surprising if offline paper tickets become a thing of the past.





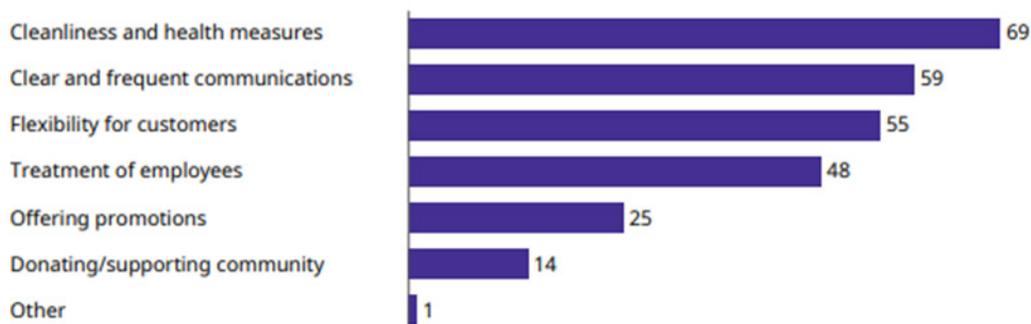
3.5 Looking for a germ and virus free experience

With a lot more destinations ready to welcome people in the coming months, it is imperative to identify and implement certain safety measures like social distancing with the utmost efficiency. Following the Zapwater study, the health and safety protocols are considered first priority. The hospitality protocols account for 75% of the factors for an immediate travel decision.

While capping the footfall and implementing timed entry is indeed effective, popular locations and destinations will have to innovate further to ensure the implementation of safety measures accurately. For example, Indoor attractions like museums can implement 'special hour' system to accommodate travelers from high- risk categories like the elderly and children. This will further limit the footfall at that time and will ensure the safety of these travelers.

Exhibit 9. "Thinking about the travel brands that have responded the best in this crisis, what have been the most important components of their response?"

Percent of survey respondents, ranking top three



Source: Oliver Wyman Traveler Sentiment Survey, Edition 1

Long queues would certainly be a thing of the past, at least in most major destinations. In areas where it might be unavoidable, large markers would be put similar to what we have at airports today to ensure people know where to stand.

For most indoor attractions like museums, the shift to small-group tours and self-guided tours would be implemented as it's easy to practice social distancing indoors with a smaller group. Also, it's much easier to manage the risk of exposure in a smaller group.

Once the pandemic is a thing of the past, travellers will have more concerns before they travel. To start with, safety would be of major essence. However, various other concerns like affordability would move up the ladder gradually. With the global economy struggling, travelers might not take a flight just yet. To counter that, airlines would need to innovate to address the concerns of the safety of customers.

Recently American Airlines has come up with a revolutionary solution that is poised to change the way we experience our movement at Airports. It has launched a trial for its touch-less bag drop facility at the Dallas Fort Worth International airport. It is now planning to expand this technology further at its Admiral Club lounges. They are already providing digital magazines which can simply be accessed by scanning a QR code after connecting to Admiral Club's free wifi. Coming spring, it plans to introduce mobile ordering at select Admiral Club locations. In the coming future, they plan to digitize the entire Airport check-in experience.

Similarly, Fort Lauderdale International Airport has announced the completion of CLEAR's touchless technology at its terminal 4. With this technology, the security lanes will be expedited and unnecessary interaction between passengers and airport staff will be minimized. By using advanced biometric technology like Iris and facial scans, CLEAR plans to eliminate the traditional document verification process. Most airports now have adapted technology in a way which about a decade ago would have sounded like fiction. With robots equipped with UV-C technology cleaning the premises to adapting facial recognition technology to verifying a traveler, the airports have leaped forward.

Airlines too in a similar way have begun to adapt in an ever-increasing way to build confidence in travelers. Some Airlines have already moved their entire check-in process to completely contactless with the help of digital check-in via apps and touchless baggage handling. In fact, the crew has a new uniform too – masks, face shields and PPE kits. To ensure the social distancing norms, the middle seat is kept vacant, however, this could change once the pandemic passes.

The touchless trend will continue to grow in the near future. Advancement in technology combined with recommended safety measures like social distancing and wearing mask, air travel is on its way to being transformed completely. For example: Delta has already started operations in the US's first biometric terminal in Atlanta.

3.6 Take off without taking off

Remote tourism or virtual travel is another trend gaining popularity during Covid-19. One of Globetrender's recent reports is Faroe Island's initiative, gaining 7,000 tourists. Around 36% of respondents to the booking.com survey claimed they would feel more comfortable booking an unknown destination after scouting the place through VR.

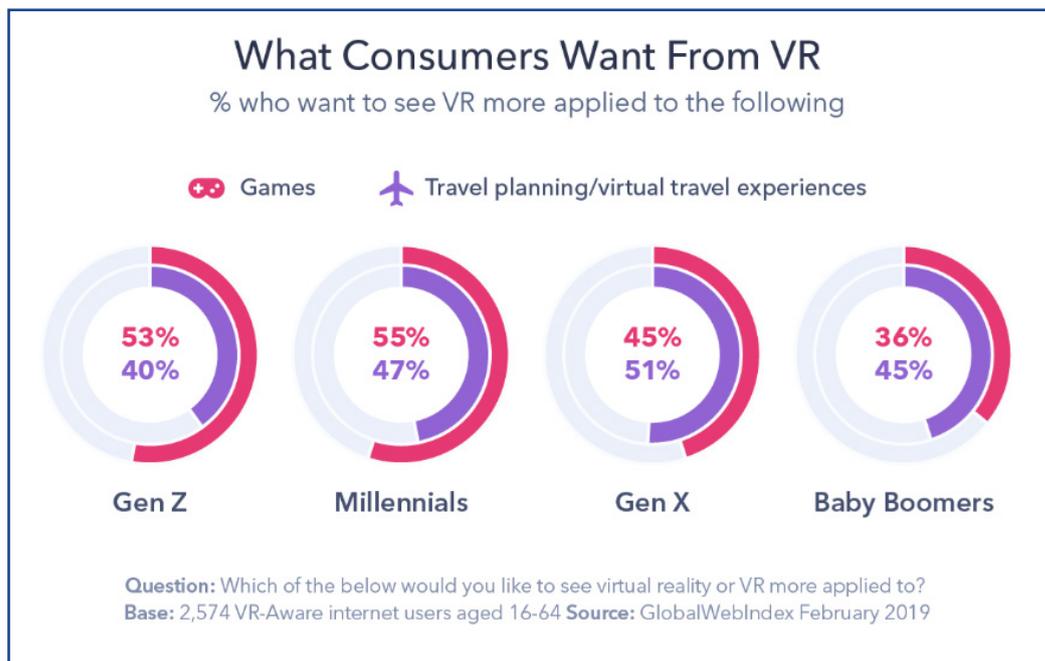
The first of maybe many virtual travels was done in the Faroe Islands. Impacted by borders shutting down, the locals created a virtual tour of sorts. This enabled travelers to explore the Islands from the comfort and safety of their homes. The locals showed the place around virtually with the viewers being able to even control their movements.

Airbnb launched a new platform similar to this, reportedly becoming the fastest-growing product of the company and was received with great enthusiasm by users.



By providing an immersive experience without consumer shelling big bucks and immediate availability of virtual tours, traditional travel is evolving digitally as well. With its accessibility from all over the world and ready-to-consume experiences, eliminating long queues, all this at a fraction of the price from traditional tours, digital tours are one of the options focused on sustainable travels.

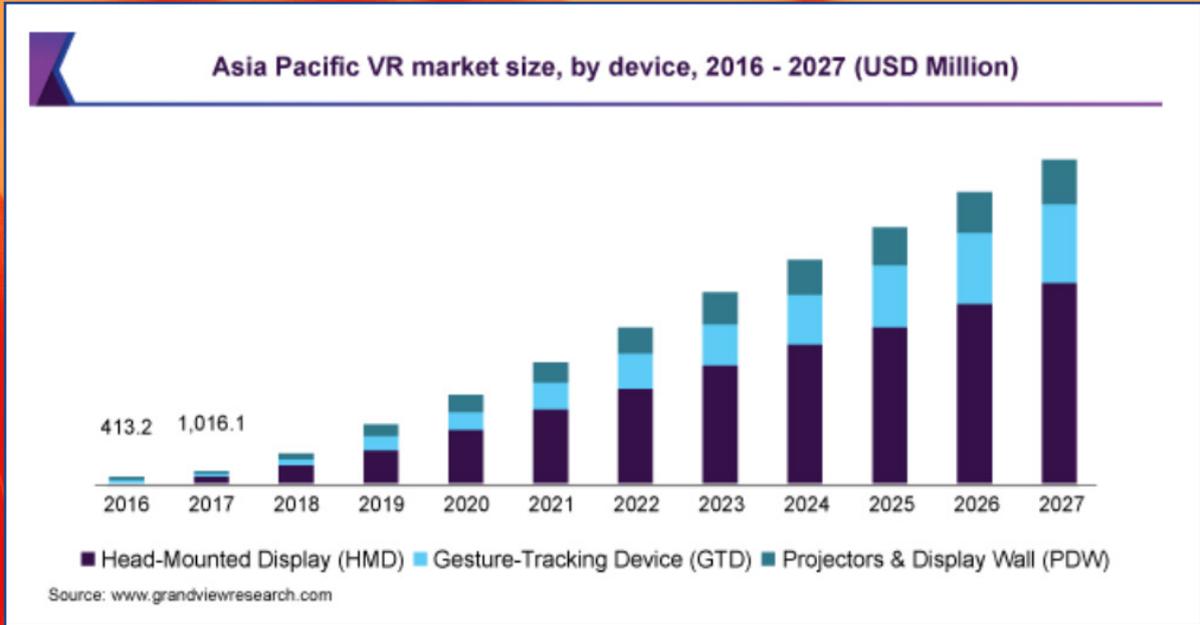
As depicted below, a study done by GlobalWebIndex has found that “over 51% of Gen X and 45% of VR-aware Baby Boomers want to see more travel applications in VR technology”.



In the post-pandemic era, virtual experiences are becoming more relevant to fill the void created by restrictions. However, it is incorrect to assume that virtual travel will replace traditional travel.

Brief about the survey: The stats were derived basis a survey conducted by GlobalWebIndex on 2,574 VR-aware internet users.

In the post-pandemic era, virtual experiences are tending to become more relevant as traditional travel will come with many restrictions. Since the virtual market has been filling the void created due to restrictions, it is going to grow furthermore going forward. A new marketplace will soon be born with both startups and big players offering virtual travel (As shown in the graph below).



It will be incorrect to assume that Virtual travel will ever replace traditional travel, however, the pandemic has definitely been a catalyst in its accelerating growth. It is safe to say that while the world slowly recovers from the pandemic and returns to traditional travel, these virtual and digital experiences will continue to grow.



4. Recommendations: How to get ready for the new 'Travel Persona' needs.

It's almost a year now and every day without a miss, we hear information on coronavirus and how it has shaken the global economy. Coronavirus has affected all industries, including travel and tourism. However, what the history of hospitality tourism has shown is that it bounces back from strong blows, bounces back fast and brings in a new era of travel. For example, in 2003, when the SARS virus hit, there was a 50% decline in hotel reservations leading to a drop of nearly 9.4 million foreign travelers, with an estimated loss of between \$30 billion to 50 billion. Despite these challenges, the industry recovered fast, registering immense growth by 2006, with almost \$5,160 billion of contribution towards global GDP.

COVID is temporary and will eventually pass. Thus, it's of utmost importance that we continue to plan to ensure long-term damage can be minimized and the rate of recovery can be maximized. In order to navigate efficiently out of the pandemic, industry forecast should be looked at carefully. This should shape your strategy for a fast and sustainable recovery. Align your revenue management strategy on rate strategy and parity across channels, as most travelers tend to explore with the times. With the growth of workations and staycations, hotels can easily benefit from this. The need to travel has been there since 17th century, but it has continually changed over time. It's organic, it grows and evolves and is now going digital. By putting in place the necessary digital infrastructure and pricing solutions, hospitality can easily benefit from this. As per the studies and forecasts from STR and Tourism Economics, the hotel industry will witness a significant decline in areas like occupancy, demand and RevPAR in the year 2020 due to the COVID-19 outbreak, which it did.

Based on research from CBRE, in January 2020, when the outbreak was reported in the US, it was said that it would take at least 6-10 months for the recovery in US hotel demand, and further 12-16 months for ADR and RevPAR to recover. Therefore, it's important for hotels to take the necessary steps to adequately prepare for recovery, while also setting proper expectations and KPI targets.

As per Margaret Mastrogiacomo, EVP for Strategy at NextGuest¹⁰ a three- phased approach can be considered:

- **With Travel paused:** With travel on halt, most hotels are closed. However, it's important for them to remain connected with past and future guests through social media and emails.
- **With the initial rise:** Marketing should be ramped up, focused around brand awareness and encouraging new guests to book with affordable CPCs and CPMs. It's quite an efficient way to reach out to people who are already dreaming about rebooking and planning vacations. A flexible cancellation policy must be implemented along with sensitive messaging relevant to the situation.
- **With the demand Going Strong:** Don't let your marketing campaign run out of steam. Put further efforts by shifting focus gradually to lower-funnel intent as well as targeting the right demographics with the right messaging and packages.

¹⁰NextGuest, "COVID-19 Hotel Recovery Strategy: Top 10 Digital Strategies to Thrive in the "New Normal" when Travel Demand Strengthens"

4.1 Move to a touchless and contactless experience

In an industry that majorly relies on in-person touch like hospitality, it is of great essence to ensure appropriate health and safety policies are in place. Also, regular health check-ups of employees must be done by hoteliers followed by adequate steps to isolate an unwell employee to contain the spread.

Therefore, amending, updating and adopting a new set of protocols to ensure the staff is not contributing to the spread of infection is important. The same reconsideration should be taken towards health policies with regularly disinfecting common areas.

Moreover, we have entered into an era of remote working. Thanks to the recent advances made in innovations and technology, even a people-centric industry like hospitality is seeing fast growth in telecommuting. With cloud-based Property Management Systems and solutions readily available in the market, some hoteliers are able to manage their properties without even being there and are able to control almost all operations at any time from anywhere.

Going digital is undoubtedly not new to travel industries; however, more significant benefits can be achieved in times like these. For example, if the software is integrated with a mobile app, which can enable hoteliers, airlines even car services to engage with the guests without personal contact. Some of its applications could be:

- Self-service and payment.
- Ordering via an app.
- Contactless service.
- Hand sanitizers stationed at entries and gates.
- Avoiding unnecessary gathering at the workplace.
- Being prepared to reduce staff.

Apple, looking to have a slice of the pie, has recently launched its App Clips, which is finding great success in the travel industry. With a growing number of travelers opting for a contactless travel experience, it provided the users the option to experience a small part of a brand's app without having to download the app in total, enabling the user to complete an entire task in seconds.

Tour operators like KKday have already adapted Apple's App Clips. With over 50% of its users using mobile apps, App Clips has given a big boost to the company's sales. The users simply make a purchase with App Clips and receive a QR code that they have to scan at the venue entrance.

Also, major hospitality companies like Caesars Entertainment have adopted this solution. App Clips enable their on-site users to locate their rooms and make restaurant reservations. For non-app users, App Clips has also encouraged the users to explore more features of the Caesars rewards mobile app, hence motivating the users to download the full app later.

OTA giant Expedia group is in the process of implementing the App Clip solution for its platforms. Hotwire.com, an Expedia Group company, has already launched App Clips. As per Hotwire.com, App Clips combined with their deals widget will help users save almost 52% on last-minute accommodations. Although Expedia Group is in an early stage of the launch, they see considerable growth potential in using app clips. Early signs have shown Hotwire customers re-engaging a lot more with increased loyalty by app users.



4.2 Go green ...oh the millennials!

Millennials are a perfect set of consumers when we talk about leisure travels and outdoor enthusiasts. As per the New York Post, "Millennials are most eager to get back out and explore the world after the coronavirus ends. Sure, they are worried about the outcome of the COVID-19 pandemic. Yet, they are more fearless and more desiring of unique experiences right here right now".

Additionally, it is expected that millennials would be the first to travel once the restrictions are eased. Thus, hoteliers should consider new ways to attract them and consider them as an essential part of their recovery strategy.

The green sensitivity of the millennials is mostly not compatible with the airline industry's impact on the environment, contributing to 2.4% of carbon emissions globally. Airlines have geared towards less carbon footprint even before the pandemic. From using more efficient aircrafts, to the use of new technologies to set more efficient flight paths and reduce delays to the use of sustainable lower-carbon alternative fuels; airlines ahead of the curve are running campaigns in the promotion to going green. Remember, the era of conscious travel is in.

Also, millennials are the ones who drive mobility and social media growth. Apart from regular communications, hoteliers must adapt to new technology. Most of the millennials are Tech-savvy and look for a mobile-first guest experience with the 24/7 service. Social media has become a vital driving force in influencing consumer behavior. This provides a variety of channels of communication directly to consumers. Studies after studies alluded to the fact that social media innovation will not only endure, but thrive in the decades ahead.

4.3 Realign offers to new lifestyles

Align your revenue management strategy on rate strategy and parity across channels as most travelers tend to explore better solutions to better enjoy their remote work capability. And with people finally getting a chance to step out of their houses, Staycations and workations have seen enormous growth. By putting in place the necessary digital, infrastructure, and pricing solutions, Hotels can easily be the beneficiaries of these trends.

The future of booking will be nothing like the past. Therefore, re-inventing through customized packages can increase your reach to potential stacationers and workationers while satisfying new customer demand.

A recent study done by Discover Rewards has shown that loyalty programs have transformed recently by offering its members not just points but also experiences and free room nights. However, traditionally, most loyalty programs have been centered around business travelers, but in current times, they are no longer lucrative. The industry is greatly moving towards hybrid travelers – A combination of Leisure and Business.

4.4 Allow in-advance-booking planning

Whenever more information is needed, every consumer will visit your website. Therefore, it's of utmost importance that your website serves as a source of truth for potential guests. Ensure that the website contains all the information a guest might need and is user-friendly at the same time. We recommend the following:

- Ensure that the information on your website is correct and updated regularly.
- If your property is unavailable, give other nearby recommendations with the same amenities.
- Let the user see what's it like to stay there by sharing guest experiences and stories.
- Promote nearby experiences and in-house services.
- Relax the cancellation policies.
- Offer tailor -made workations and staycation packages.



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