



Coronavirus Coverage Impact Report: March 2020

Information written and collated, March 2020

SLC have reached out to a variety of key operators regarding booking trends / impact during January / February peaks & into March.

Some key takeaways from the information below:

- Demand has obviously been massively impacted by the spread of Coronavirus but this is not across the board e.g. **Bali continues to perform well** for several key operators
- Destinations that as yet have no / minimal Coronavirus diagnoses are still selling well i.e. **Indian Ocean, South Africa, Canada, Mexico**
- **Thailand had a good January** for many so there is confidence that it will sell well towards the end of the year & have a great 2021
- Last minute bookings are minimal – most operators are now predicting that volume will start to slowly come back **July / August & that Sep – Dec** will be very strong with a lot of pent up travel demand: Christmas will be very strong for families
- Print & digital **marketing currently on hold** for many & Asia has been held back across the board to be re-launched July onwards
- The key message from many operators is that **offers need to be ready to go now** as the need for speed to market as soon as demand returns will be essential
- Offers need to focus on **Q4 / 2021** to gain any traction &, whilst it's thought that both Discounts & Value Adds will work, it's strongly suggested that Value Adds, Free Upgrades, etc will potentially have more impact because the market will be so saturated with discounting that many offers will just get lost – **the Value Adds will need to be really strong** to stand out to both Product Managers, customers & Marketing Teams alike
- We have had feedback from a number of key operators (eg. Trailfinders) that, due to how muted demand is, they are encouraging staff to take leave or consider Sabbaticals to do 'staff FAMILS' – to be able to promote to their customers on their Socials that there are still lots of places safe to travel to. A lot of encouragement from operators to **get any Staff Deals to them** to try and entice their staff to take time off & educate themselves

Austravel

- For the first time ever, the company wiped consultant targets (Feb) as staff were advised to focus on re-bookings / supporting customers rather than bringing in new sales. All marketing currently paused.

Travelport

- A dramatic drop in Asia bookings whilst USA to date remains robust. Things changing rapidly e.g. Italy has now dropped off a cliff in terms of bookings. Australia is down for Travelport – impacted by double whammy of Bush Fires & Coronavirus: customers don't seem overly concerned by COVID-19 in Oz but getting there without contracting it / having your flights cancelled due to outbreaks / running the risk of being quarantined all seem to be factors deterring pax from booking.

Trailfinders

- Significant drop in sales to Asia-Pacific region.
- Consumers continuing to book flights/holidays are choosing to fly with Middle Eastern carriers and largely avoiding the Asian carriers
- No Asian carriers are offering discounted flights as yet as they feel this would be in vain considering the current circumstances
- Most SLC Thailand properties are up YoY (some well into double digits) – great Jan /early February but demand has declined since Coronavirus started to get airtime
- The start of year demand for Thailand and Bali has been so strong that Trailfinders believe they will make up a lot of lost ground due to pent up demand in Qs 3 & 4

- Italy has impacted them significantly since mainland Europe began to see cases
- As a destination Thailand is now 50% down
- Bali is up 30% - still performing well even now
- They are now looking for 2021 – 2022 contracts – ideally with exclusive offers for when things pick up again (discount and standard value-adds such as spa and dinner)
- Running a few last minute offers but primarily focused on driving some volume September & then having a massive Q4
- They are planning a number of Asia campaigns which they will send through the details once they have finalised them

Tropical Sky

- Not marketing Asia at the moment
- Focusing on Indian Ocean which continues to perform OK
- Strongly advised all offers to be communicated to them **ASAP** – so that they are prepared when things pick up
- Either discounts or Value Adds are fine but they will need to be very strong as the market will be so crowded! Ultimately, price will be the key decider

Chic Locations

- February bookings ended much better than anticipated but virtually all departures were for July onwards – especially December
- A lot of customers very, very focused on Christmas bookings
- March has started slowly to all destinations
- February was doing OK until the School Holidays & then schools began to warn parents that they should reconsider Feb Half Term / Easter plans as travel to certain destinations would mean 14 days' isolation minimum for their kids – many parents conscious of important school exams coming up in a few months
- Feeling that we will see 'Virus Fatigue' in about 4 weeks and it will be pushed off the front pages of papers
- The 55 year old+ market (mainly couples) will have flexible travel windows so will potentially be attracted to Value Adds i.e. getting more for your money rather than just discounts
- UK as a destination is doing very well – huge domestic demand for the short term

Travelbag

- Was seeing positive growth to Australia but Coronavirus has now seen pax numbers decline by 30%
- Consumers choosing not travel via Asia
- South Africa, Caribbean & Canada remain largely unscathed holiday destinations for the UK market
- 7 – 10 bookings coming in a day for Asia which is OK but a big drop YoY

- 3,600 room nights to South East Asia in February – OK but bookings are now really only coming in for Q4
- Peaks marketing is on hold
- Asia marketing has been temporarily suspended – they are focusing on destinations that are still performing well like Dubai, Toronto, Cape Town
- Dnata is now focused on 2021 / 2022 rates and pushing Q4 / hopefully Q3 – as there is no demand whatsoever for last minute bookings
- Dnata want all properties' offers **now** to be able to get them to market the minute demand starts to pick up
- Offers need to be Q3 onwards & discounts will be most effective – Value Adds like spa / dinner won't pick up much traction & will just get lost

Hayes & Jarvis

- Business is slow but still getting decent demand for 2021 bookings – customers reluctant to pay in full though
- Interest is there but new bookings are slow to convert
- Africa & Indian Ocean doing well – but not quite at the levels they had hoped they would be YoY (but good considering the current climate!)
- Currently in discussion re. what marketing to focus on when demand returns
- Isla recommends having deals in place **now** – discount offers will work best & need to focus on Qs3 & 4 / Q1 2021

Flight Centre

- Currently tracking about -20% for all destinations
- Weak start to the year all round
- Canada, Mexico & New Zealand continuing to perform well – decent growth
- Pausing marketing activity for Asia
- Middle Eastern carriers are picking up Asian carriers' volume
- Lots of re-routing (not many cancellations) to avoid Asia
- Certain places in Europe doing really well – especially Greece

Abercrombie & Kent

- Currently about 20% down YoY but forecasting modest Q3 growth & a very strong Q4
- Clients postponing trips to Australia until the end of the year or, if they have to travel, seeking alternative routes to Oz / NZ
- Some cancellations but mainly date changes or customers planning but not looking to book until the Summer
- Lots of customers keen for itineraries, pricing, etc but just not prepared to lay out cash right now – so A&K's advice is that it is very important for discounts, Value Adds, deals to be locked in, communicated & ready to go
- Passengers are mainly being persuaded to date change to Q3 onwards rather than cancel
- A&K predicting a very strong second half of 2020 – lots of pent up demand particularly from families & for business travel

STA Travel

- Huge cancellations to China – G Adventures have pulled all March, April, May trips to China (their biggest departure months)
- The retail stores say they now feel much more confident around how to talk about the issue & now feel in a position where they can push pax to delay rather than cancel or are also becoming more effective at switch-selling destinations to less (perceived) impacted destinations
- Where pax are nervous to travel, it's tricky to deal with customer who don't understand why there are Cancellation / Amendment Fees in place for destinations with no 'No Travel' mandate in place by the FCO – a customer service issue that needs to be balanced between protecting the company's bottom line & managing customer service levels
- UK customers are very resilient so STA is confident that the volume will bounce back the minute the Media stops featuring Coronavirus across its front pages, etc
- Youth (Millennial) customers are even starting to look at ways to exploit the opportunity i.e. several enquiries have come in looking for any destinations or carriers that are featuring big discounts even if there are widespread COVID-19 cases there currently
- Round the World customers looking to travel soon as excluding Asia from their itineraries
- Round the World customers looking to include Asia on their itineraries are enquiring / paying nominal deposits for flights September onwards
- North & Latin America picking up a lot of traditional Asia traffic – but USA slightly slowing down now
- South Africa is up considerably – they've noticed a real increase to destinations with no / few reported cases

Southern World

- New bookings are down YoY but still quite a few new enquiries – mainly for the end of the year
- Some cancellations but mainly date changes
- Australia & New Zealand still in demand but much more planning stages than it would typically be

Lotus

- Large downturn in bookings for the Far East – some cancellations
- Most significant downturn has been for cruise bookings regardless of destination – the typical cruise customer demographic is the most fragile in terms of reacting to health scares, crises, etc
- COVID-19 proving a big barrier to conversion: still lots of enquiries but a significant reluctance to commit
- General consensus from sales staff is that customers are saying they will either pick up last minute bookings late July / August (School Summer Holidays) or start pay September onwards for Q4 / Q1 2021 bookings: pax are becoming increasingly frustrated by not being able to travel & are focused on 'getting away' as soon as health concerns recede

Travel Counsellors

- They cancelled all Asia marketing in March...
- ...BUT planning a luxury Thailand email in w/c 27 April in partnership with TAT so they will still be promoting Asia post-March
- Asia definitely currently challenging (SE Asia down roughly -22% in February) but...
- First week of March there was a marginal increase on W20/21 departures +5% & Long Haul sales were +7%
- The above shows people are still travelling but are looking at alternative destinations and departures further out – last minute bookings are non-existent, the opportunity is massive for second half of 20 / early 2021
- Australia still selling well (typically a long lead in)
- Huge growth for Indian Ocean, South Africa, the Maldives, Caribbean & Mexico
- Asia is TC's main focus as soon as the crisis passes

Premier Holidays

- Not too much impact...yet!
- February was up +10% but March is still too early to tell
- No cancellations – small number of amendments
- Think demand for 2021 bookings will be significantly up YoY in the next couple of months
- Having discussions re. marketing campaigns right now but still talking through options

Best at Travel

- Planning campaigns for the second half of the year – currently in discussions re. a big ‘Honeymoon & Families’ campaign for May
- Asia campaign being planned for June
- Laura is keen to do more Asia marketing – she advises that any Winter Offers that are ready should be sent out **now**
- Bookings for Q4 are currently picking up & Laura is hopeful Q3 will start to gain traction as Coronavirus moves away from Asia and more towards Europe
- They really need to know from hotels & partners – particularly in Asia – if they will have any marketing budget for later in the year so they know whether to approach them with opportunities
- Thailand has been badly hit in the last 3 weeks but they saw 6 web bookings over the weekend for Q4 2020 & Q1 2021 – so people are definitely still willing to book, just no demand for last minute travel
- Indian Ocean, Middle East & Caribbean all doing OK – not as strong as they would like but nowhere near as impacted as other destinations

UK Media

- COVID-19 continues to dominate front pages across the country
- Initial focus was on China, South Korea & Asia in general but this has now shifted to Europe
- Cruise coverage has been cut across the board

- Most travel editors not featuring anything on cruises, Italy, China, Category Two Asian countries – but are approaching on a fortnightly basis to reflect the changing picture
- Some Asian articles have been swapped for Latin America (Asia will now take the Latin America gaps scheduled for September)
- Press Trips are currently non-existent for affected areas – strong advice not to even discuss with journalists now (even for long lead ins) as the trips may just get lost in the fallout
- As soon as the ‘worst’ passed, you need to be ready – there will be deals everywhere!
- Reduced prices for affected areas will gain more coverage – and the angle that now is the opportunity to see places without the crowds is key!
- Publications are still commissioning holiday features on destinations that have been impacted
- The travel media industry is confident that the situation will improve rapidly once diagnoses peak

Travelopia

- Australia demand subdued but Western Australia performing well due to Perth direct flight from London
- The direct flight has seen increased demand since Coronavirus as pax look to get to Australia whilst avoiding any opportunities for quarantine / infection
- Some marketing activity has been paused for 2 weeks
- Social & email activity continuing but print / digital activity is on hold
- All marketing activity will be re-activated as soon as the feeling that the worst of the situation has passed in the media