

A Report By Pepper Interactive Communications

The Tourism Revival Survey



Report Commissioned By



Report Prepared By



Introduction

The impact of Covid-19 on the Travel & Tourism industry has been unimaginable and a set-back like no other. In light of the current situation, the Maharashtra Tour Organisers' Association (MTOA), the Tour Operators and Travel Agents Association of Gujarat (TAG) commissioned Pepper Interactive Communications, a national communications firm, to understand the pain points of a travel agents business, what lies ahead and help prepare for a faster recovery post Covid-19.

According to a recent report by Federation of Associations in Indian Tourism and Hospitality (FAITH), the pandemic will result in 30-50 million job losses. This includes almost the entire tourism value chain, right from hotels, airlines and allied businesses. The tourism and hospitality industry are the worst affected due to the pandemic with a recovery period much longer compared to other industry segments.

The online survey was conducted across members of both associations accounting to 442 members - with a base of around 218 respondents. The results of which will be shared with respective ministries and tourism authorities to bring to light the current situation and chart a way ahead.

The Big Apprehension

Travel across the world will be limping back to normalcy once the Covid-19 fear subsides. In light of the situation, the Indian Tourism



Ministry has launched a webinar that offers virtual travel to travellers aptly titled 'Dekho Apna Desh'. The webinar provides an in-depth knowledge of Indian destinations, along with a better understanding of Indian heritage. Despite staggered marketing efforts by tourism authorities across the world as well as in India, a majority of our respondents (74.20%) felt that travel outside of India will take a while to resume.

The next most strong view (51.2%) was that domestic travel will be low as well and travellers will now look for proper sanitisation at every tourist spot. Once the work atmosphere resumes, it is feared by respondents



(54.40%) that client will seek a refund for previously booked trips, thereby creating a bigger hole in the existing bad situation of an agency. However, the possibility of new destination emerging will be a bleak is the opinion of most respondents (27.20%).

The respondents also highlighted some points to ponder - booking a holiday will be a wait-and-watch game for both travellers and agencies alike, agencies will face severe losses once the Covid-19 fear subsides, domestic tourism will be the new mantra, travel to Europe may witness a decline considering a post Covid-19 world and finally, our country will certainly enhance its standards of hygiene and sanitation.



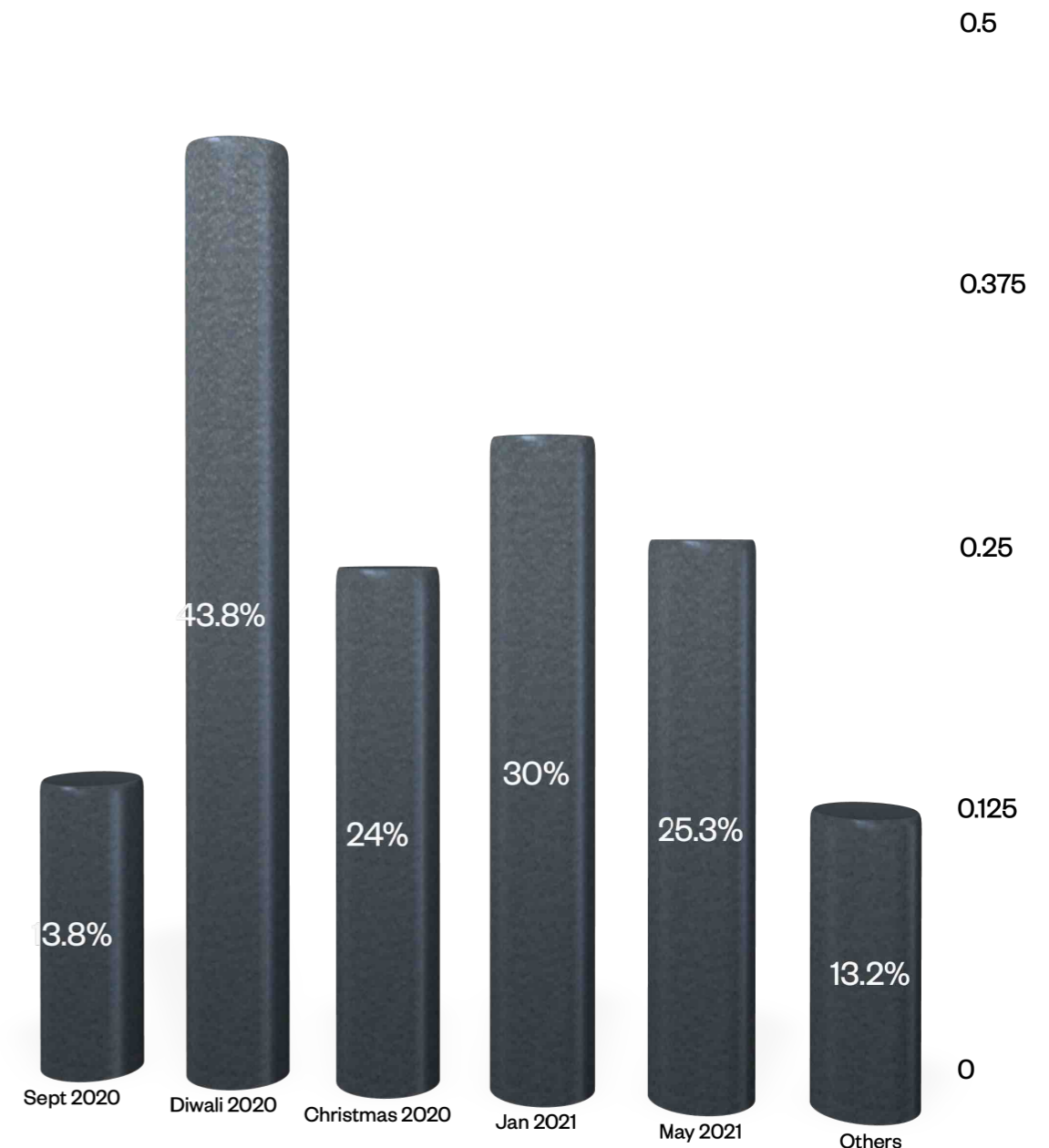
The Rise of Travel

The majority of the respondents believe normal travel patterns will resume between Diwali 2020 and Jan 2021

This is one difficult question for every person associated with the tourism industry. While flights may take off and hotels reopen, there is a fear psychosis created in people's mind with the current pandemic. While this might fade eventually, the pertinent question currently is 'when will people start travelling again'. A majority of our respondents (43.80%) firmly believed that people will begin to travel around Diwali 2020, while a (cumulative) 54% believe that it would begin to resume by Christmas 2020 or January 2021.

A very small percentage of our respondents (13.20%) have differing views such as travel may take off once a vaccine is found and distributed, travel may not take off until mid-2021, destinations with higher hygiene standards will be a preference and finally, closer destinations within a shorter duration of travel will be the best options.

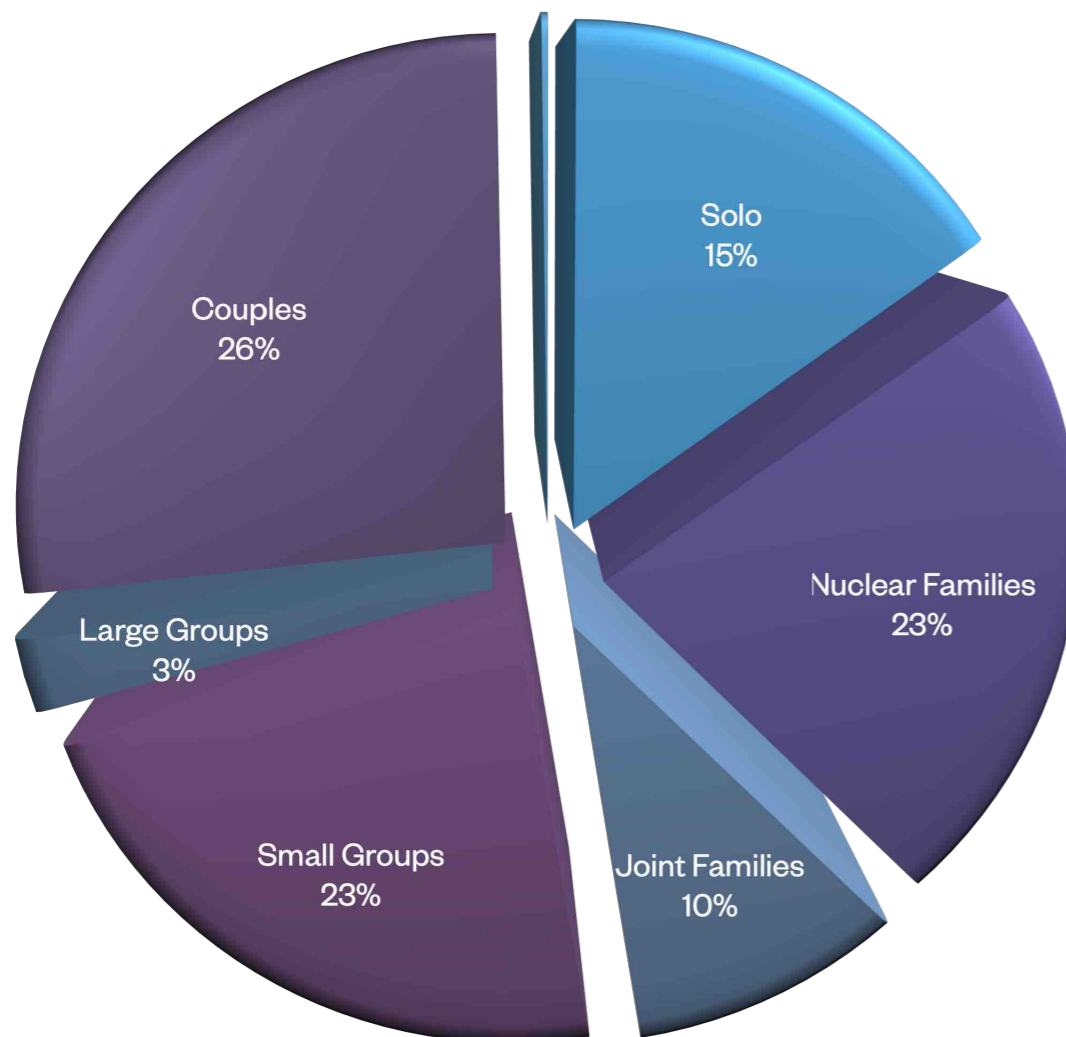
In our view, road travel will also witness a boost as people may prefer to travel in their safety and sanitation rather than exposing themselves to commercial travel.



The Travelling Preference

The Unlikeliest Traveller: Large Groups

- Solo
- Nuclear Families
- Joint Families
- Small Groups
- Large Groups
- Couples
- Others



Many people would find the idea of booking a holiday de-stressing - be it individuals or families.

Majority of our respondents (65%) believe that couples will start traveling first, followed by small groups (57.1%).

However, nearly 55% of our respondents believe that nuclear families will begin to travel first.

Very few respondents believe that travelling in groups (6.5%) will be on the cards anytime soon, as 'social distancing' becomes an important part of our daily lives.

The Choice of Destination

Traveling within the country - regardless of the type of destination - will gain favour in the short term

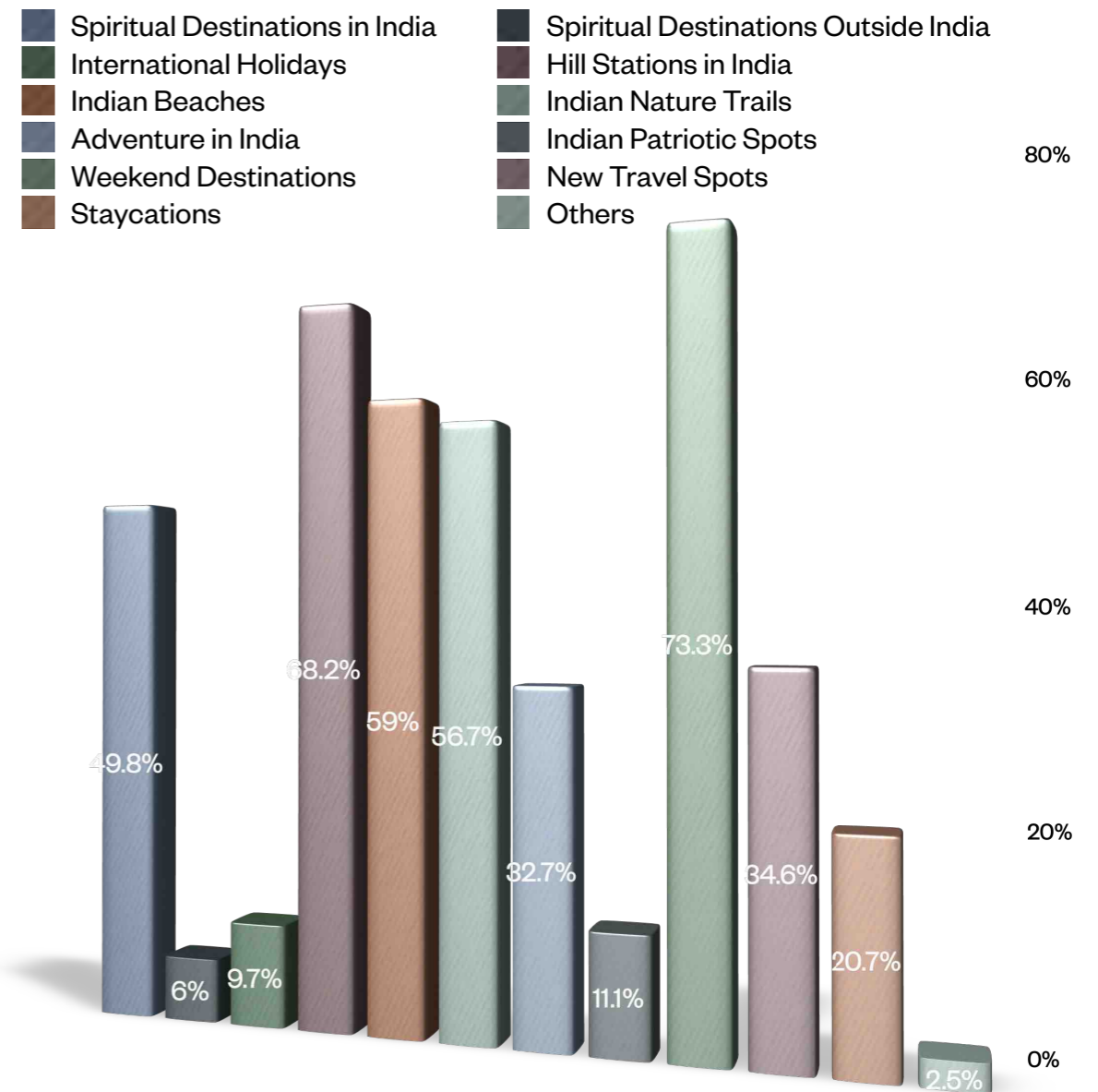
We know that some people are bound to start traveling. But the question is where?

A majority of our respondents (73%) felt that weekend destination will be a preferred choice followed by hill stations within the country (68.20%). The next best option was the beach destinations in India at 59% followed by the fascinating eco-trends and nature trails (56.70%).

The pandemic has spared no one and no place and religion has certainly been one of them. While devotees are missing their day walks to their religious places, our respondents surely feel that religious tourism (49.80%) will take off soon.

The other preferred options would be adventure holidays (32.70%), exploring new travel spots within the country (34.60%) and the concept of staycations (20.70%) will take off.

The one ray of hope that has emerged from the Pandemic is that Indians will get a chance to explore their own country as international holidays lose favour with the audience. This could be new and unexplored territories, Indian patriotic spots, offbeat destination, intra-tourism travel or even just road trips.



The 'Axe' Factor

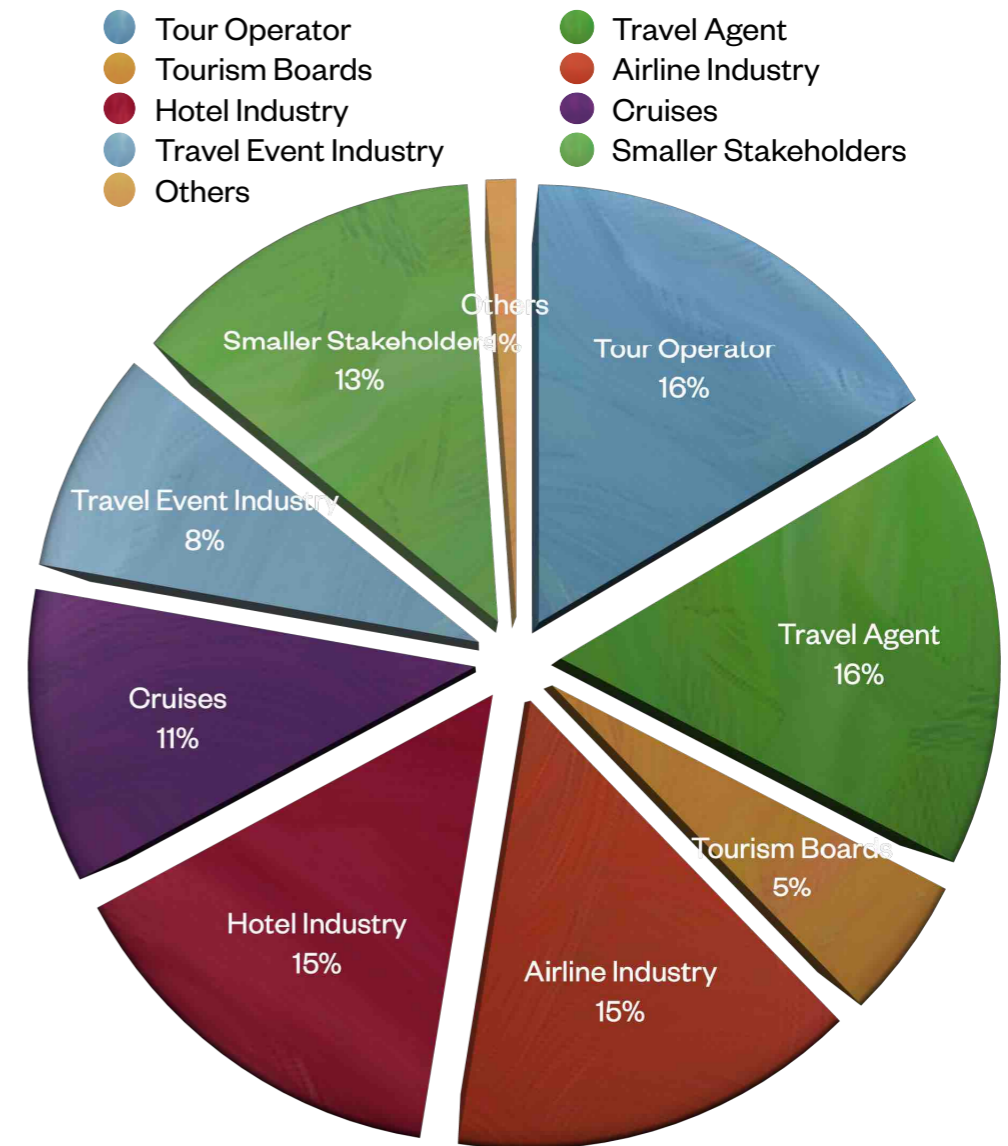
Every sector, every single stakeholder has been adversely affected by COVID-19, albeit in different proportions and expectations of recovery

The impact of Covid-19 on the tourism and hospitality industry is unprecedented. While the losses are yet to be felt once the lock-down is lifted, the industry nearly unanimously believes that the tour operators are the worst affected (82%).

The next worst-affected group are the travel agents (80.20%), followed by the hospitality and aviation industry at (73.70% and 72.40%).

These sectors have witnessed massive layoffs even as they grapple with uncertainty of resuming normal operations. The impact of the pandemic has not spared even the smaller players (65.40%) such as guides, taxi driver, shikara owners etc followed by the cruises industry (53%).

The glamour in the tourism industry is well-known which now has impacted even event management companies (40.10%) dealing with the tourism industry. Every segment within the tourism, hospitality and aviation industry has been affected in different proportions including travel media houses and destination management companies. However, national tourism boards (25.80%) have felt a lighter blow among the others listed.



The Destination Experts

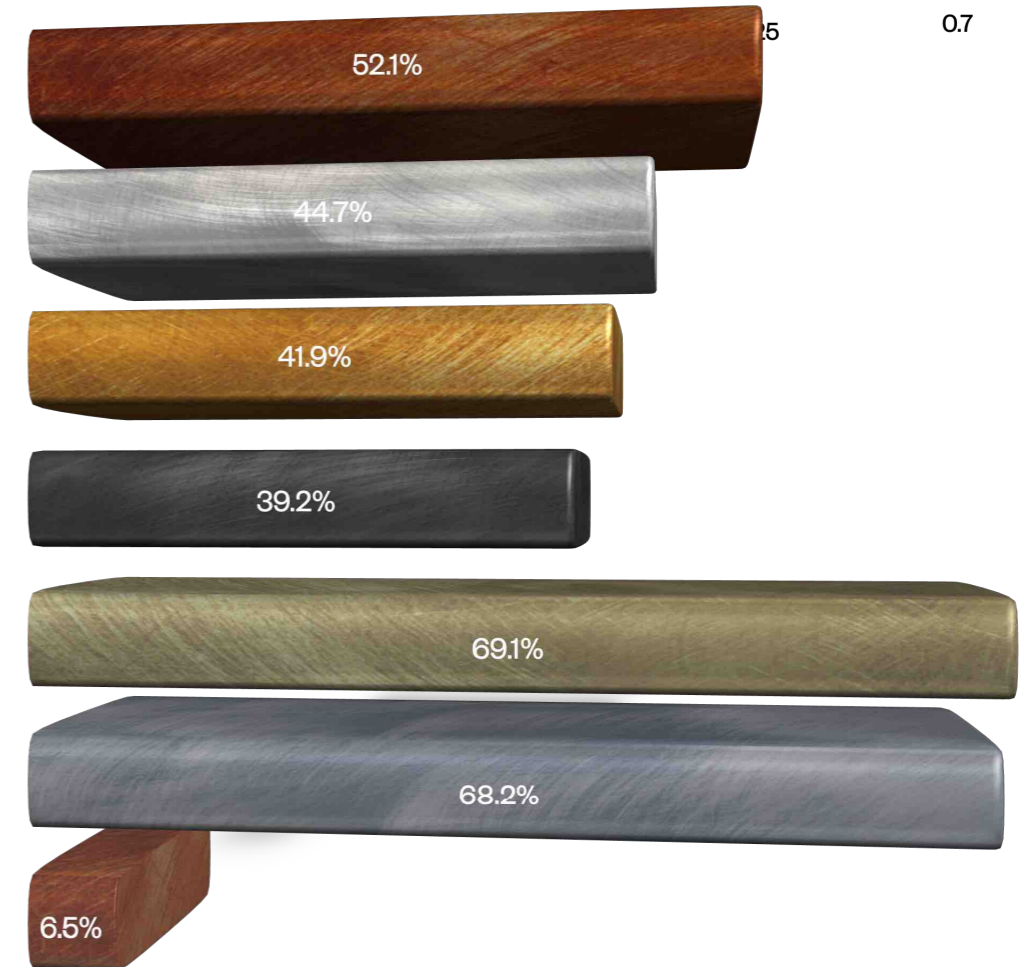
Events that drive traffic to various local destinations, promote local food & culture should be planned around the year by tourism authorities

The overall tourism scenario is a wait-and-watch situation for both international and national tourism authorities. While our Indian counterparts seem to be on the gaining edge with the focus on domestic tourism; international tourism will focus on less populated locales.

Nearly 70% of our respondents believe total sanitation will be required at every tourist spot. Many respondents (68.20%) also state all stakeholders associated with the industry should be certified to be Covid-19 free. Both these require the cooperation of local civic authorities.

The industry respondents (52.10%) are of the view that tourism authorities need to support them in terms of advertising revenues, support in nodal officer for correct information (44.70%). Support in force majeure refunds from stakeholders (41.90%) has also been given a lot of thought.

Our stakeholders also believe tourism authorities should launch some value-added opportunities at major destinations such as fairs, local folk programmes, food festivals through the year. This will also provide employment to local artisans and encourage local products. It would also be important for the government to roll out bail-out packages during this lean period, especially post lock-down, ensure limitations on the number of tourist at tourist spots, reduction in the taxation and implementation of incentives, encourage people to travel domestically by making it tax free and finally, sanitation is of utmost importance.

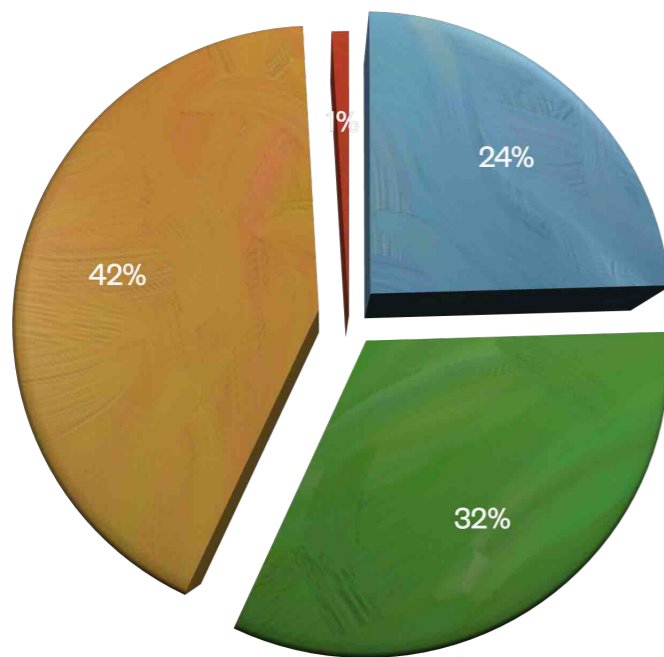


- Support in Advertising
- Support in Nodal Office for Correct Information
- Support in Force Majeure Refunds from Stakeholders
- Support in FAM Trips
- Enforce Total Sanitisation in Tourist Spots
- Certify Stakeholders to be COVID-19 Free
- Others

Refund Demands

Airline: The travel agents who are one of the badly hit segments are up in one voice against airlines.

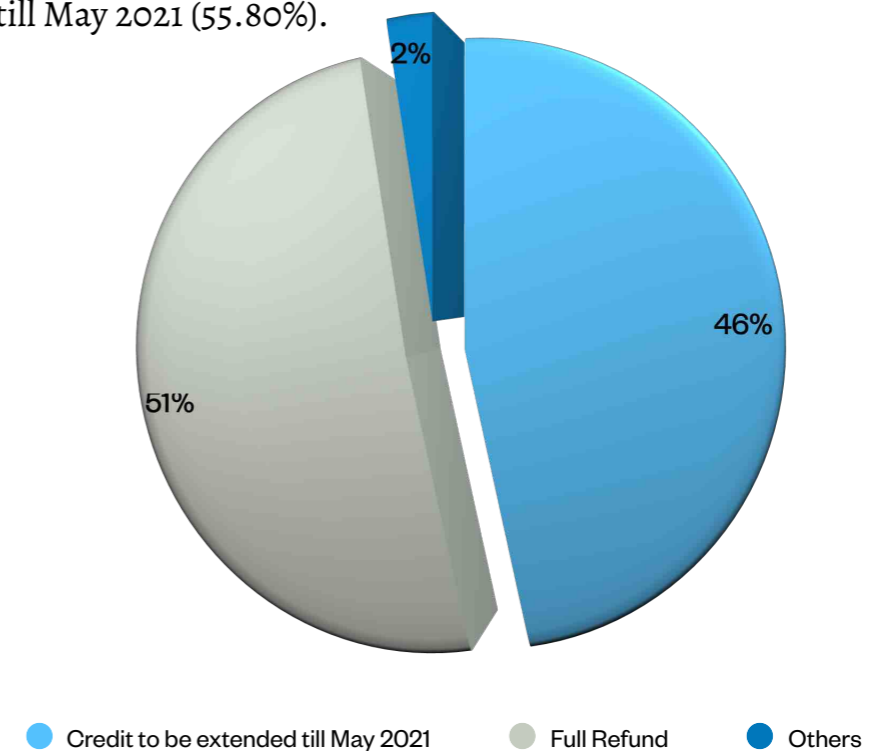
They are of the opinion that full refunds in cash (66.8%) should be the norm going forward for both travel agents as well as travellers. This is followed by the next strong view that cash credits (51.2%) need to be extended till May 2021. Finally, re-issuance of tickets (38.7%) should be adopted for the same passenger on the same price and sector until May 2021. The other issues highlighted were wallet amounts to be added.



- Tickets to be reissued for same pax, same sector, same price till May 2021
- Cash Credit to be extended till May 2021 (implying name & sector change allowed)
- Full refund to be given in cash (to travel agent or tourist directly)
- Others

Hospitality: A recent report by JLL states that the COVID-19 pandemic has adversely impacted occupancy levels at hotels across 11 major cities, resulting in a decline of up to 29% in revenue per available room (RevPAR) during January-March 2020. RevPAR was down 13-29% across 11 cities namely Ahmedabad, Bengaluru, Chennai, Delhi, Goa, Gurugram, Hyderabad, Jaipur, Mumbai, Pune and Kolkata. However, occupancy levels declined in a range of 5-17% points.

With a gloomy scenario, our respondents were of the view that hotels should offer a full refund (61.30%), and extend credit notes till May 2021 (55.80%).



- Credit to be extended till May 2021
- Full Refund
- Others

Hospitality Factor: Sanitisation

Gloves and masks become the new accessories for guests and staff alike

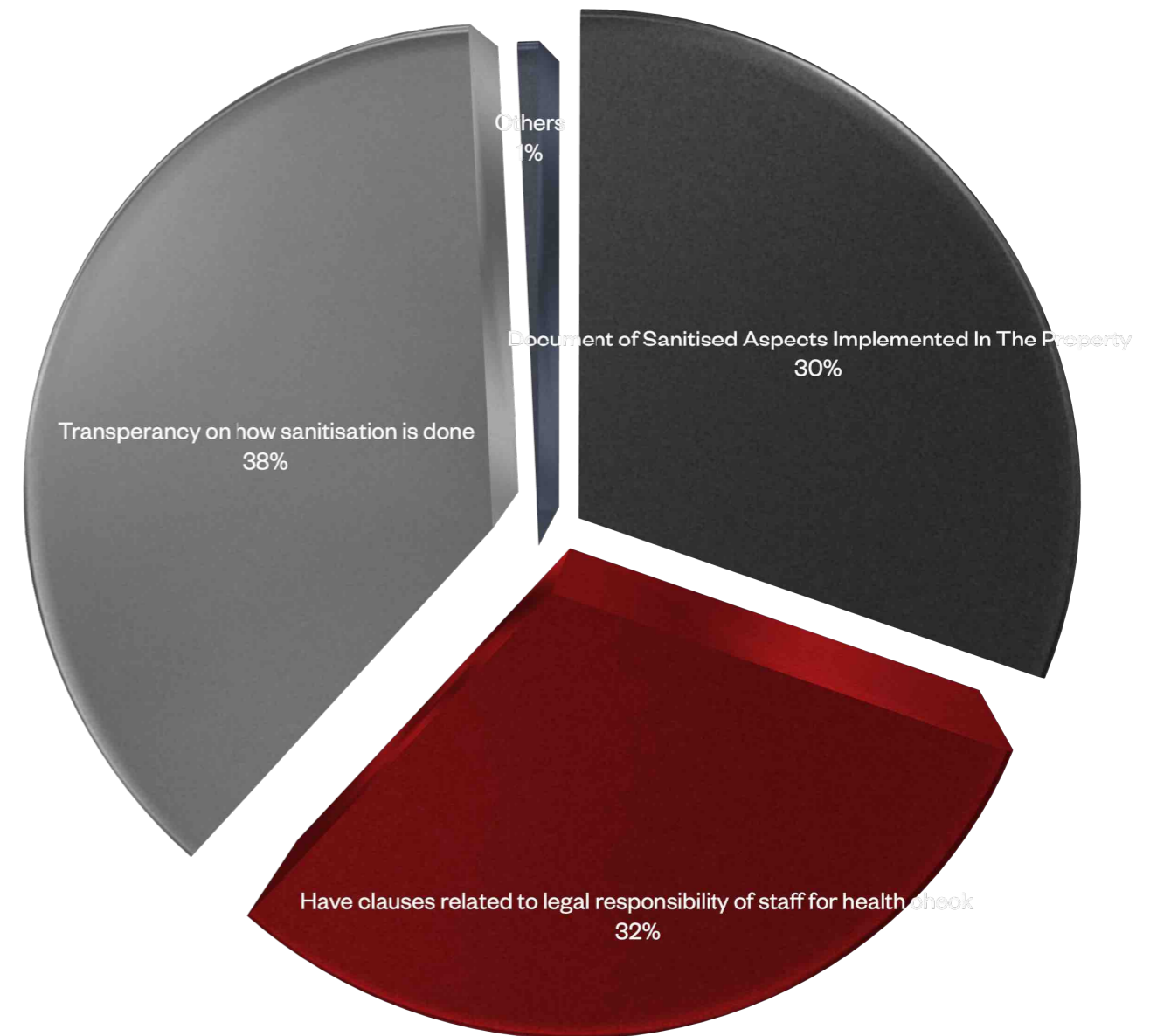
The hospitality industry is adopting every possible measure to ensure their guests feel safe to return.

Nonetheless, our respondents feel that transparency in sanitisation (85.30%) should be their first and foremost duty towards guests.

Additional aspects like regular health checks for staff (71.40%) and a transparency in how sanitisation is practiced (68.20%) would also be critical to get the guests back.

Suggestions on other factors included government authorities taking responsibility of hotels in every state and ensuring hygiene and sanitisation, compulsory gloves and masks to be used by guests and staff, and a gap between check-in time of pre-booked guests along with thermal screening of guests, if possible.

Expectations



Social Distancing: The Tourism Way

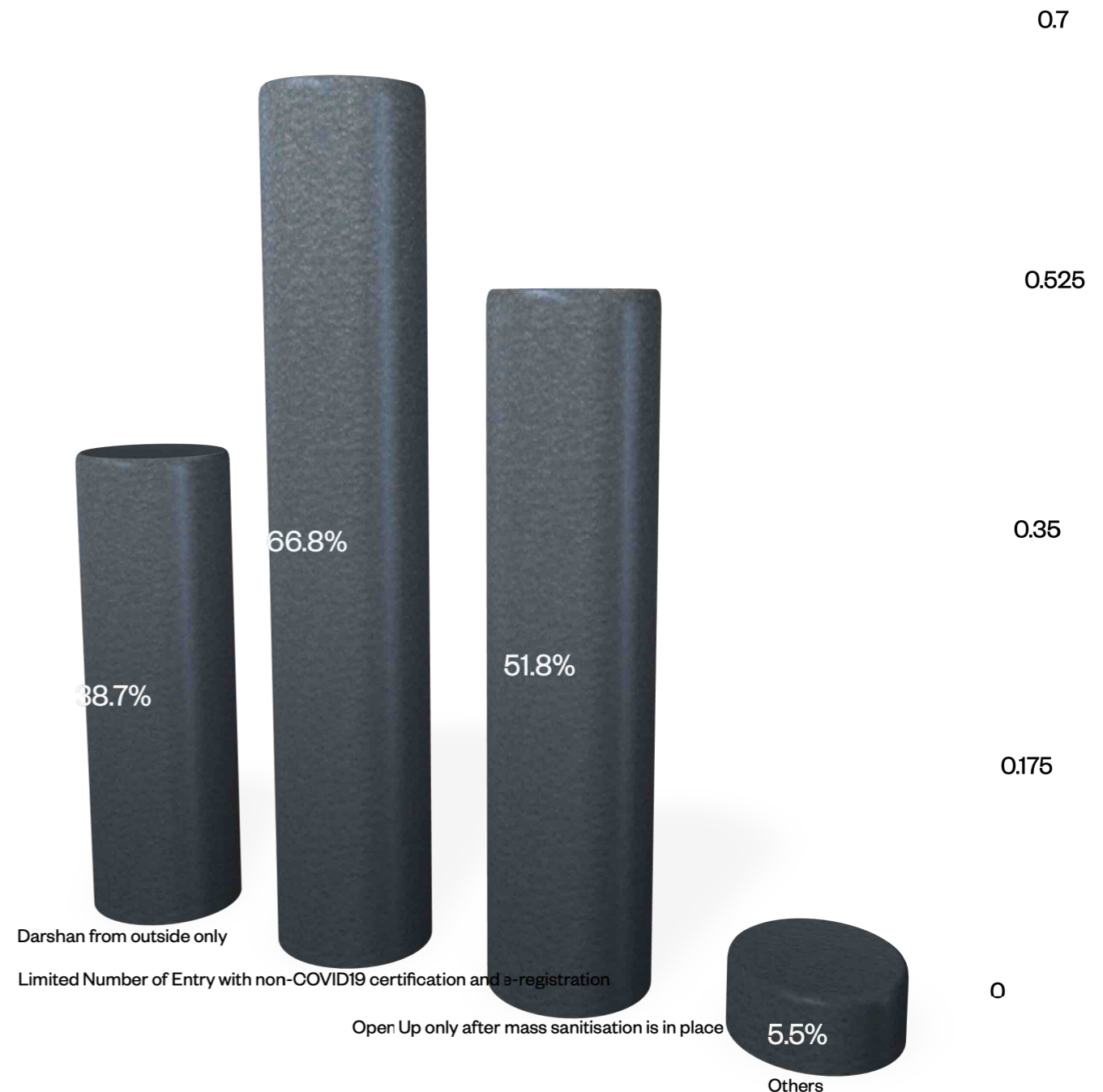
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Social distancing is the new normal. But for tourism boards, the biggest question will be on ways to enforce these norms at tourist spots.

This is particularly critical at religious destinations, where devotees want to get as close as possible.

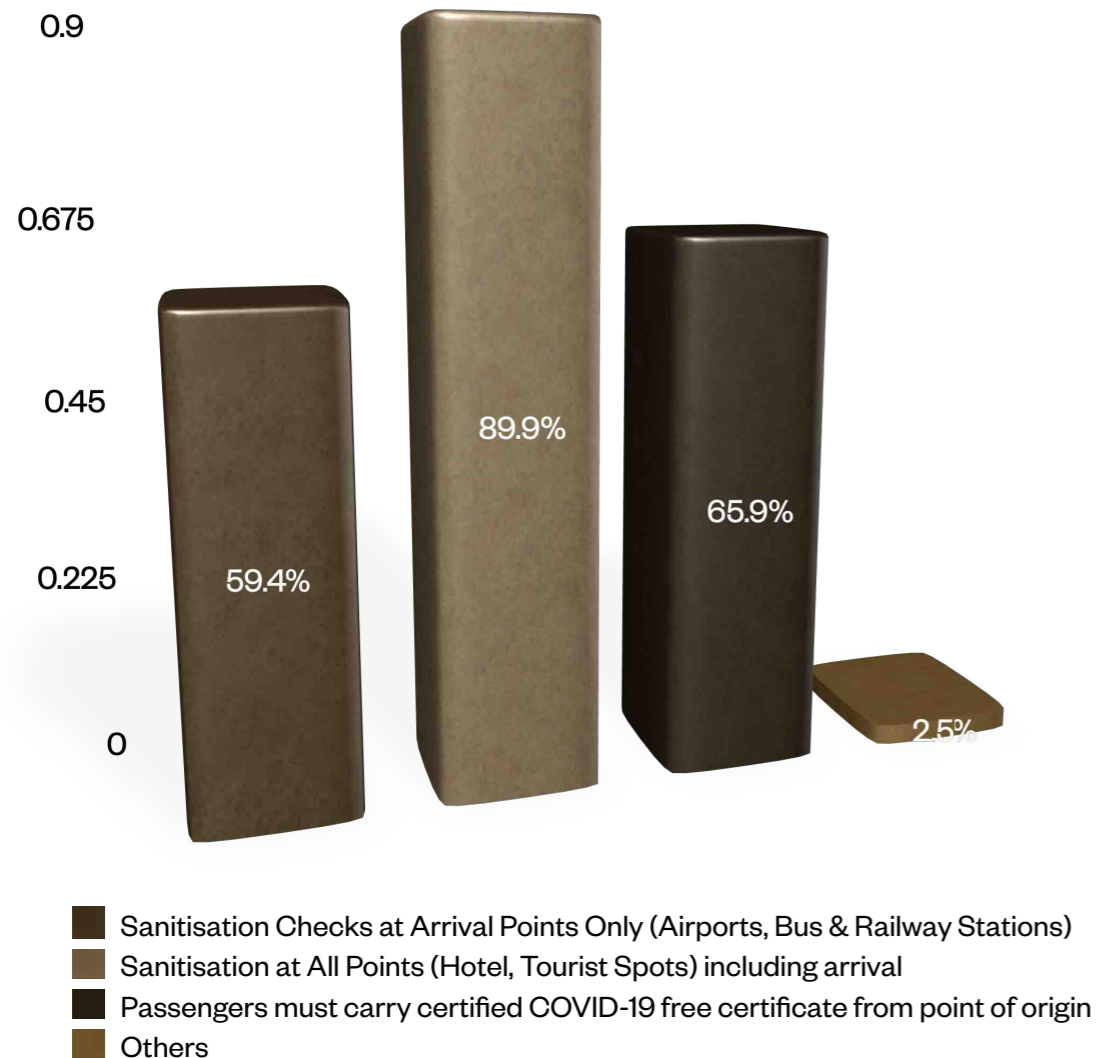
Our respondents believe (66.80%) limiting entry of tourists to tourist spots, make non-Covid-19 certification and e-registration mandatory.

This is followed by opening up of tourist spots (51.60%) only after mass sanitisation of the spot while many others felt that in religious spots (38.70%), worship should be done from afar. The additional options (5.50%) provided were temperature screening of tourists, limiting numbers to a slot system of not more than 10 tourists per allotted time. This would have to be done via an e-registration system along with implementation of compulsory gloves and masks.



The Precaution Factor

World over, there is a race to find the right vaccine. Until that happy day, the only system that will work is sanitisation of all points (89.90%) of entry and exit at airports, hotels, tourist spots. Respondents also believe carrying Covid-19 certificates by travellers (65.90%) from their point of origin and sanitation checks (59.40%) at arrival points at airports, railway and bus stations will help.



The Government Intervention



The New Leaf for Travel Insurance

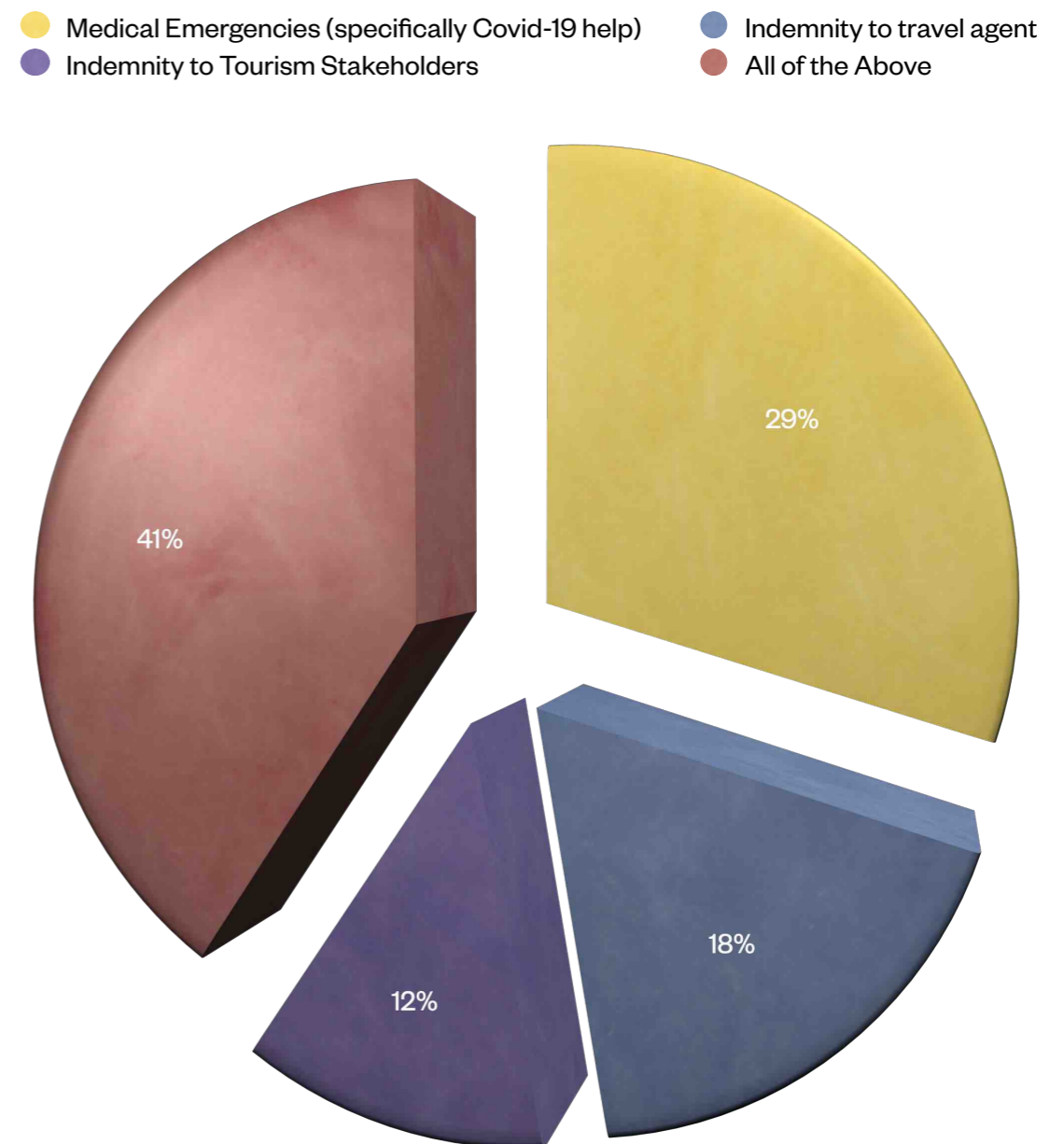
Over 60% of respondents believe that more customers will choose known 'brands' in the future, impacting other businesses.

Travel Insurance, though a necessity, has always been as just an option by most travellers.

However, the post Covid-19, this should situation needs to be examined. Companies are now looking at how Travel Insurance companies are adapting themselves to such situations.

Our respondents feel that all factors (65.90%) such as medical emergencies, indemnity to travel agents and tourism stakeholders should be of prime importance with insurance. Medical insurance should also cover Covid-19 going ahead (47.90%).

With the tourism industry being the worst affected in this current pandemic, indemnity to travel agents (29%) is of concern followed by indemnity to tourism stakeholders (19.80%).



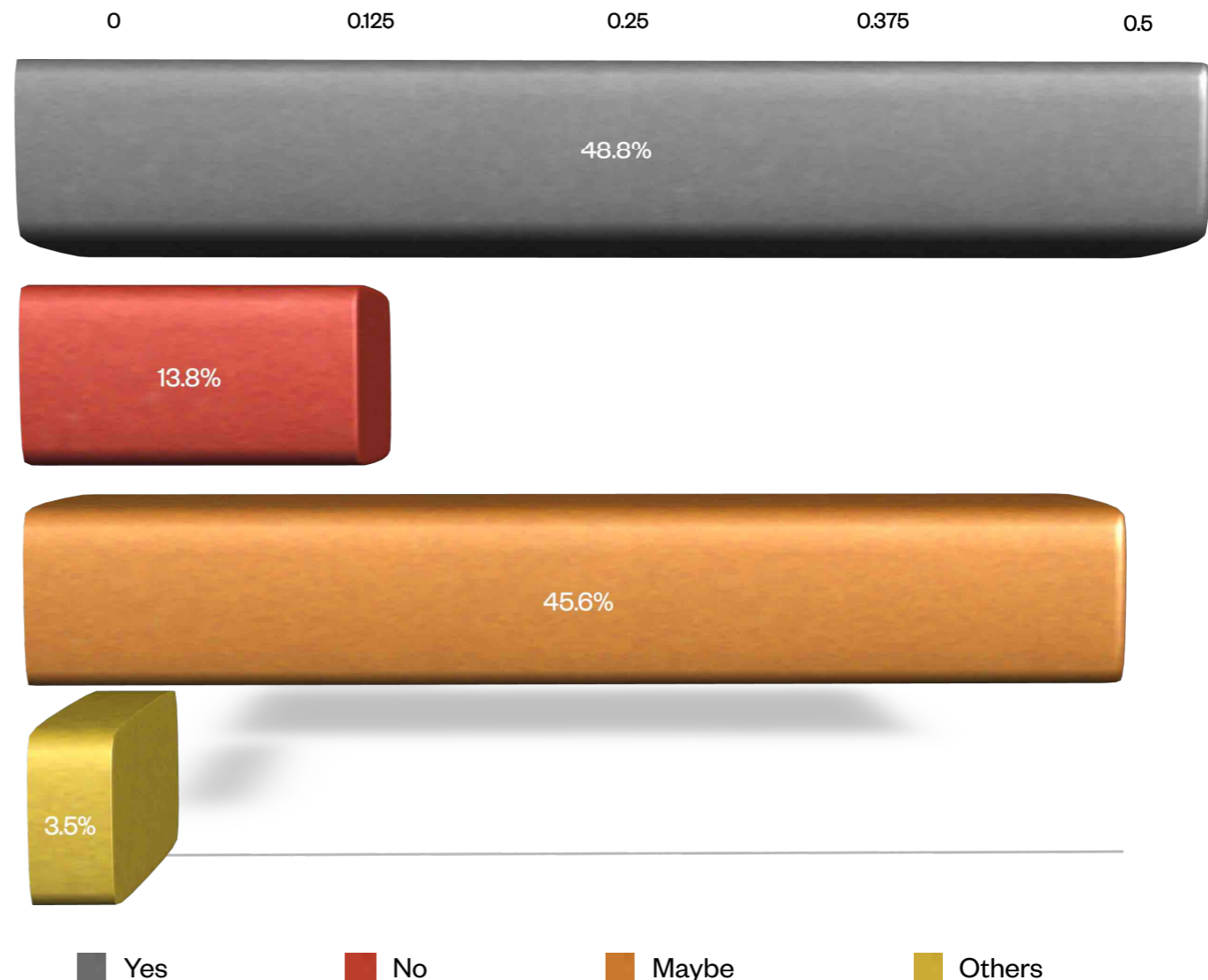
Travel Agent 'Destination' Resurgence

A familiarisation trip might help in creating more awareness about hygiene factors on potential destinations

The 'experience' factor is very important in understanding a destination especially for a travel agent.

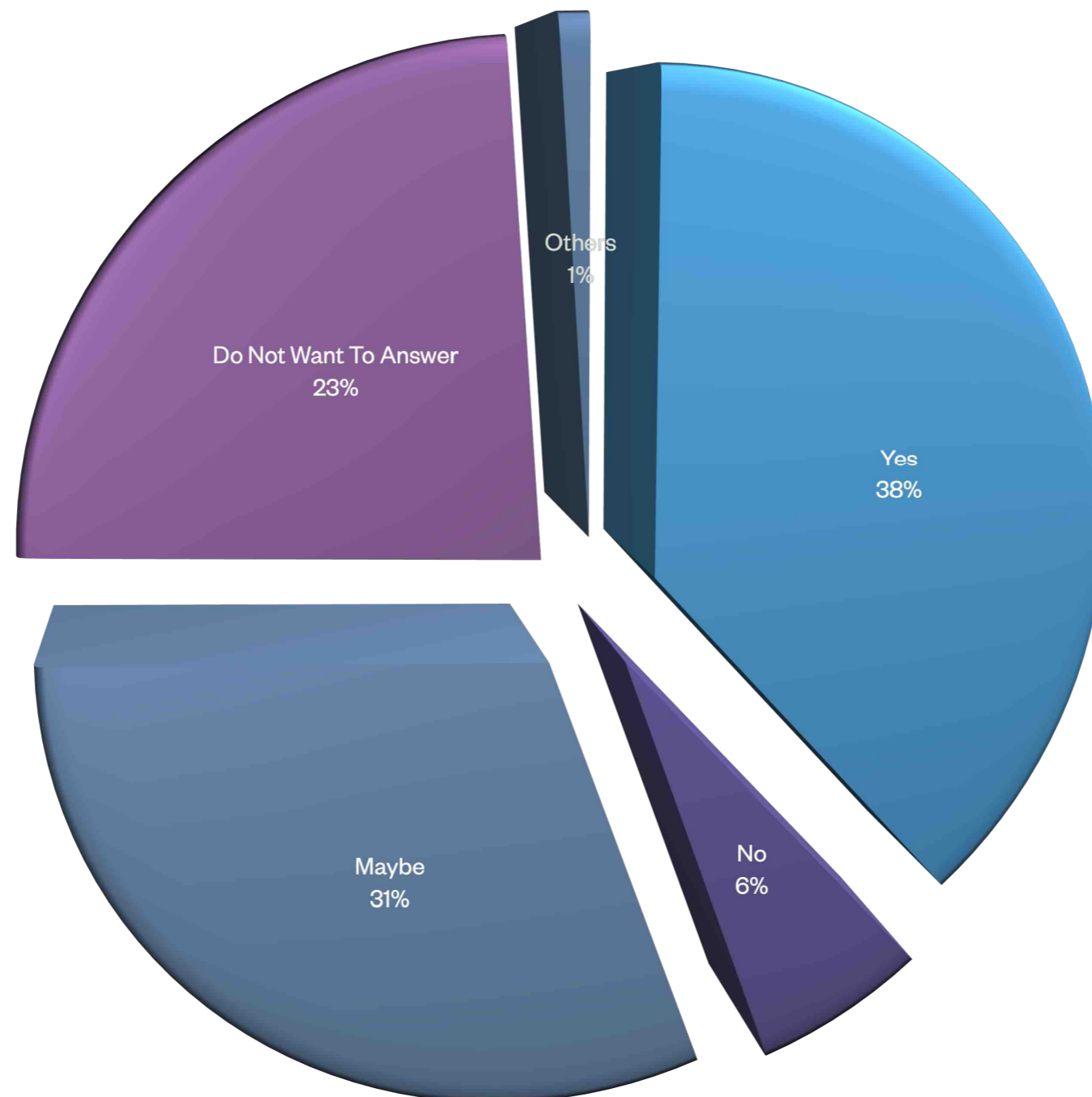
In the current scenario, a travel agent should be well-versed with the sanitisation and hygiene factors of a destination. So a familiarisation trip (48.80%) would be the best option as per our respondents.

A substantial percentage of our respondents (45.60%) feel that this would help but not entirely sufficient, while a limited few (13.80%) feel that a familiarisation trip will do no good to a travel agents business.



Opting For The LTA Scheme

Respondent Feedback: The option for government, semi-government, quasi-government employees going for the LTA scheme as compulsory





THANK YOU!

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