

Travel and Tourism At the Frontline of COVID-19

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Abstract The travel and tourism sector was hit more rapidly and deeply by COVID-19 than most other sectors. Recovery to pre-COVID-19 activity levels is likely to be prolonged, and questions are raised whether enforced change in consumer behaviour will have long-term effects. The travel and tourism sector has a history of reinventing itself, and previous predictions of decline following crises have often been short-lived. This chapter reviews historical precedents and theories of consumer behaviour to explore whether recovery will be different this time round, especially given the possible habit breaking effects of online substitutes, and political expediency of reducing causes of climate change.

Keywords Tourism. Travel. COVID-19. Festivals. Virtual tourism. Climate change.

Summary 1 COVID-19 - A Crisis for Travel and Tourism. – 2 Which Tourism Pioneers Will Lead the Return? – 3 Reality or Virtual Reality? – 4 Festivals Have Been a Growing Sector Within Tourism. – 5 Business Tourism. – 6 Green Dividends. – 7 Reinvention.

1 COVID-19 - A Crisis for Travel and Tourism

Tourism has suffered more than most sectors from the COVID-19 pandemic. The World Travel and Tourism Council (WTTC 2020) reported that in 2019, the last full year before the pandemic, the travel and tourism sector globally grew by 3.5%, outpacing overall economic growth of 2.5%. This pattern of tourism growth outpacing general economic growth had also occurred in the 9 preceding years. By 2020, WTTC estimated that the sector accounted for 10.3% of global GDP and 330 million jobs, or 1 in 10 jobs around the world.



The concept of a lockdown, brought on by COVID-19, caused instant harm to the sector, making its impact one of the most immediate and severe of any sector. Condé Nast reported that on 7 April 2020, the total number of U.S. air passengers recorded by the Transportation Security Administration (TSA) fell below 100,000 for the first time in the agency's history - a 95% drop compared to the passenger numbers on the same day one year earlier. Over half of the world's aircraft fleet was parked up, costing the world's airlines an estimated \$1.6 billion of lost revenue per day (Condé Nast Traveler 2020).

Inconvenient or annoying to those denied their holiday, lockdown was devastating to communities dependent on tourists' spending. Hotels worldwide closed and some tourist resorts resembled ghost towns, at a time when they should have been buzzing with tourists spending their money. Governments throughout the world intervened with measures to support the sector, especially to counter the social consequences of unemployment, and to preserve supply side flexibility for when the travel and tourism sector got back on its feet again.

But as we start thinking about the post-COVID-19 world, questions have been asked about what the recovery would look like for the tourism sector. A crisis invariably creates opportunities as well as challenges. New forms of virtual substitutes for tourism have appeared. Climate change protesters have celebrated the temporary banishing of aircraft from the skies and saw COVID-19 as a timely opportunity to fix the causes of global warming. Questions were being asked about the process of recovery in the sector. It was easy to impose a lockdown, but much more difficult to manage a return to normal. Indeed what would be the new normal? There has been a lot of crystal ball gazing, but if we draw on fundamental research about consumer behaviour, and reflect on historical precedents, we might get a better picture.

2 Which Tourism Pioneers Will Lead the Return?

Tourism will not one day suddenly be switched back on. Tourism will have to re-launch itself, and history tells us that most product launches see buyers segmented into groups of pioneers, early adopters, through to the laggards who will only adopt when everybody else has. Pioneers have always been a feature of tourism - for example the first to visit warfare zones after a ceasefire and the eager pioneers to be the first 'space tourists'. All eyes will be on the pioneers to kick-start the tourism revival. Way behind them will be a mass-market of people who only venture out if everybody else in their peer group is doing so. Many research studies have demonstrated the power of peer group reference in making purchase decisions. So it may take more than the lifting of travel restrictions to entice fearful people

back, and will need the perception that other people like them are going on holiday. The most difficult thing to predict here is individual's perception of fear – of becoming infected, or of being stranded away from home in a new lockdown. There may be unintended consequences here which are difficult to predict. 'Social distancing' to keep people apart, the use of face masks and the ubiquity of sanitisation stations may be medically correct, but may reassure and create perception of fear in equal measure.

3 Reality or Virtual Reality?

Every big downturn in tourism leads to predictions that the sector will never be the same again. Dire predictions were made after 9/11, however most indices of tourism are now well above pre-9/11 levels (US Bureau of Transportation Statistics 2005). "But it is different this time round" is a common repost. This time, greater use of the Internet has been claimed to reduce the need for travel. During lockdown, consumers have been forced to break habits and learn to use new video communications, but will these bring about a long-term change in tourism habits?

The tourism literature has for a long time explored the reasons why people travel. Essentially there are push and pull factors at work. Pull factors relate to the inherent attractiveness of a destination – sunshine, scenery, access to friends and relatives, etc. Push factors represent a desire to escape the confines of current life constraints and to live – temporarily at least – an alternative life. A few days sightseeing in a historic city can be a welcome escape from the tedium of everyday life. But can online tourism provide such escape?

In fact, video portrayal of tourism can be both a substitute and a stimulus to seek the real thing. We have been here before. When colour television first appeared and people could enjoy the sights of an African safari from their armchair, the question was asked why would people need to go there? But seeing it on television evoked desire to see the real thing, and instead of being a substitute, television encouraged more people to go on a real safari. Many films and television soap operas have similarly evoked desire to go and see the film location, or a recreation of the film set. Simulated tourism using artificial intelligence may allow us to imagine that we are walking the streets of Paris or New York but, based on historical precedent, the virtual experience may lead us to seek the authentic real thing.

Customer experience and authenticity have become two big drivers of consumption. Customer experience is often defined in terms of the memorability of an event. Tourism on a video screen can only ever be two-dimensional – sound and sight, with none of the smell, taste or touch of actually being there. So online only has two dimen-

sions for creating memories, compared to five in real life. Consumers seek out more authenticity as they get wealthier, whether it is authenticity in their music, choice of yoghurt, or tourism experiences. This is unlikely to change, so the quest for 'authentic' tourism experiences will continue. Of course, in an increasingly crowded world of tourism, and diverse media images, it can be debated how tourists construct their idea of authenticity.

Another emerging question, especially for millennials, is the distinction between reality and virtual realities. In a world where an individual's work and leisure life is largely spent online, real-world experiences can stand out as a point of difference. So in a world of streamed music, a music festival is a point of difference in life. One of the reasons for recent growth in book festivals may be a desire to bring e-books to life. For an Instagram generation, 'being there' offers an additional sense of identity and group leadership, reinforced by powerful images sent to followers. Again, we see the paradox of virtual realities feeding tourism demand for the real-life tourism related experiences.

4 Festivals Have Been a Growing Sector Within Tourism

Festivals are a growing generator of tourism business. They are essentially a coming together of people with a shared interest. We can learn a lot from sociology about the way in which being a member of a group reinforces an identity, distinguishing a 'tribe' of festivalgoers who are the 'in-crowd' from everybody else who is 'out-crowd'. Festivals often involve travel away from home to be with like-minded people, whether it is camping out and sharing music at a music festival, or sharing a love of books at the growing number of book festivals. The Association of Independent Festivals (AIF 2018) has estimated that audiences at AIF Member festivals spent more than £386 million in 2017, with £34.7 million of that being spent in the local area of the festival they attended. The average festivalgoer spent £483.14 while attending a festival, leading to local economic suffering where festivals were cancelled due to the COVID-19 pandemic.

Festivals have also put online delivery to the test - is an online format of a festival a substitute or a complement for the real thing? Festivals which had to cancel their summer 2020 events have developed imaginative ways of keeping in touch with their followers, including live streaming of book and music festivals and interactive presentations by science festivals. Festivals that have gone online have made either no charge or only a nominal charge - the main objective has been to retain the loyalty of followers and retain a diary slot for the following year. Organisers have realised that it would be very difficult to charge anything like the normal attendance fee

for a virtual festival – there is so much free material available online and high charges for an event low in experiential quality may alienate loyal followers.

Online formats of festivals are probably here to stay. But without the experiential qualities of face-to-face, they will probably only ever be complementary. A challenge for organisers is that having a high quality, creative online presence may now have become a basic expectation of followers who – after the creative adaptations associated with COVID-19 – may not be happy with the previous status quo of a basic static website. This follows a pattern in many service sectors where online has not replaced face-to-face, but created duplicated and complementary routes to customers which must both be supported with investment. How should festivals build online into their business models? What will the business models of festivals look like in the ‘new normal’?

5 Business Tourism

Business tourism is an increasingly important source of tourism revenue, and conference delegates often use resorts to fill off-peak capacity. With so many now using Zoom conferences, surely demand for business tourism will fall sharply post-COVID-19? This is certainly not a foregone conclusion, and the law of unintended consequences may again kick in here. In the early days of the Internet, many predicted that commuting would decline as people worked from home and didn’t need to travel to the office. In fact, working from home wasn’t a binary home or office choice, but most people typically work part of the time at the office and part at home. If you only need to go to the office twice a week, it doesn’t matter too much if you live a lot further away, so commuting distances increased with the appearance of the long-distance commuter. Could something similar happen post-COVID-19? It is quite likely that more people will work from home. But this may spur a need to bring teams together face-to-face so that they can better identify as a team. And with office space cut back, meeting space may be hired in from hotels and conference centres. This is following a well-trodden path, with many conference facilities already filled with salespeople and other professionals who work from their homes scattered through the country, and who meet for regular team meetings at centrally located hotels and conference centres.

We even need to challenge the assumption that business tourism involves a cognitive, rational decision process, and will therefore be replaced by Zoom meetings. Business travel may be important to individuals’ self-esteem and self-image, and may be a status symbol which business people will fight to preserve, regardless of the rational benefits of doing business through videoconferencing. The end

of business tourism has been predicted before, but it remains to be seen whether this time round the combined effects of climate change, lingering virus dangers and greater familiarity with online conferencing will encourage firms to eschew the emotional appeal of the face-to-face meeting and instead opt for the cost saving and socially responsible videoconferencing option.

6 Green Dividends

The other great change in tourism 'this time round' is the spectre of climate change. Restricting international travel through COVID-19 may have been disastrous for some tourism communities, but has helped to delay climate change. Will this forced interruption to travel break habits and focus peoples' spending away from long-distance tourism to other leisure activities which are more benign to the planet? This prospect is in itself unlikely.

There has been a lot of research showing holidays being high on households' lists of spending priorities, for example the ABTA Holiday Habits report in 2019 suggested a growing commitment by UK consumers to spending money on holidays, despite a problematic economic outlook (ABTA 2019). There has been much reported hypocrisy of climate campaigners using planes to travel in what they admit would be a harmful way. This is symbolic of a cognitive dissonance between peoples' need to enjoy the benefits of tourism, yet at the same time feel inwardly calm and socially accepted in their support for measures to limit climate change. The tourism sector has been quite astute in tackling this cognitive dissonance. Flying with an airline which uses the most fuel-efficient aircraft and paying to plant trees to offset carbon emissions provides a clear conscience for those who feel guilty about travel.

The great expansion phases in long-distance leisure tourism have been associated with big reductions in the cost of travel - easyJet's early promise of a flight to the Mediterranean for less than the price of a pair of jeans opened new markets for tourism. In the immediate post-COVID-19 scenario, costs of flying are likely to be increased, caused by restricted supply from airlines who have closed down, and possibly lingering measures to reduce the spread of the virus. Cost - including measures to address climate change and virus limitation - is likely to drive or constrain long-distance tourism. And governments may have been emboldened by COVID-19 to further help reduce climate change. Simply not bailing out the airline sector may restrict supply and raise prices, without much cost or effort by governments. Governments may also see the break in consumers' habits as an opportunity for driving through environmental changes which increase the costs of tourism. Demand for long-distance tourism is

more likely to be influenced by its cost than a general sentiment towards climate change.

7 Reinvention

Tourism has had a habit of reinventing itself over many decades. COVID-19 will not destroy it, and if we look at historical precedent, it is unlikely to dampen long-term demand. Fear and cost may in the short-term restrict the resumption of long-distance tourism, and a reinvigorated 'staycation' may lead the way. Climate change may pose a short- to medium-term challenge to the sector, possibly buoyed by experience with the COVID-19 closedown of the sector. But in the longer term, tourism has shown its capacity to adapt. Fear of travel may be a short-term constraint, but in the longer-term, falling costs of new climate friendly travel technologies may help to reinvent the sector again. And in an online world in which consumers seek greater authenticity, constant images of faraway places are likely to further stimulate demand for travel, rather than replace it.

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