

# Back to the basics in the Tourism Marketing during Covid-19 emergency

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## **Abstract:**

*Through the review of past health emergencies and their consequences on tourism industry, this chapter aims to explore consumers' attitude, preferences and behaviors related to touristic choices during some extraordinary circumstances. Most of the economic impacts of previous health crisis derived primarily from consumers' fears, concerns and risk perceptions and not from the size of the actual impact of the emergency on the consumers' health. How will the tourism industry cope with this exogenous shock this time? This work will discuss consumers' possible reactions and how tourism organizations can prevent or leverage on them.*

**Keywords:** *tourism, emergency, marketing*

## **1. Introduction**

Nowadays tourism is, both in terms of size and value, one of the most attractive industries all over the world, accounting for about 10% of the global output and employing 10% of the global workforce (World Trade Organization, 2016). Unfortunately, this sector is, more than others, highly vulnerable to those exogenous shocks represented by terrorist attacks, contagious diseases or health or safety emergencies (Kim *et al.*, 2005). Definitely, given the fact that tourists' choices, as we will see throughout this chapter, are determined also by security concerns and risk avoidance behaviors, it should not be surprising that the demand for tourism-related services is strongly affected by socio-sanitary emergencies. The high reliance of this industry on a stable and secure surrounding socio-economic environment inevitably brings about not few complications for its actors and players, especially when the evolution of the shocking factor is hard to predict - as during a pandemic outbreak, indeed. This chapter is aimed to trace back the events of some past emergencies and their consequences on the tourist industry, in order to gain some further awareness and knowledge about the most expected threats and challenges which could test the tourism industry's ability to be resilient and innovative also during extreme circumstances. In line with what said above, 2020 will be with very few doubts an *annus horribilis* for the tourism industry. According to some recent reports (Marketline, 2020), operators' revenue predictions for 2020 show a dramatic picture, since the poor results of the first two quarters represent nothing but an omen of what is still to come, economically speaking. Suffice it to say that Hilton, global leader in the hotel industry, has already reported a system-wide comparable revenue per available room decline of roughly 90% for the month of April only; Accor has closed

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two-thirds of hotels and suspended dividend; by the end of May, airline companies of the caliber of British Airways, Ryanair and TUI have already warned about the potential for 12,000, 3,000 and 8,000 job losses respectively. Airbnb has set out plans to downsize by a quarter its global workforce (*ibidem*).

However, it is overall far from straightforward to foresee how, to which extent and for how long will modern tourists react to such an unexpected event. What are the effects of a global-scale forced transformation on contemporary tourism which, thanks among other things to the emergence of ever more consumer-friendly and low-priced travelling and hospitality paradigms, has become a commodity within everyone's reach?

## **2. Learning from the past health emergencies**

In order to try and shed lights upon this matter, one effective way to start entails looking at and assessing previous crisis and their consequences in the tourism industry. Indeed, some past global emergencies like SARS or Ebola in mid 2000s can represent some crystal-clear evidences of how global health emergencies can exert negative and sometimes long-lasting shocks on tourist demand. At the same time, they can provide a sound opportunity to understand how travelers cope with such extraordinary events, as well as to infer some valuable solutions and best practices useful to shelter, or at least to mitigate the damage, in today's travel industry.

Despite they broke out 10 years apart and in two distinct continents, SARS and Ebola epidemics exerted similar negative effects on the Asian and African tourism industries respectively. As soon as the local communities confirmed the presence of the outbreak, international tourists stopped immediately to travel towards the infected countries and towards the neighboring areas, causing a mass cancellation of travel bookings and severely plunging hotels' occupancy rates (Novelli *et al.*, 2018; Kim *et al.*, 2005). Hotels were required by the government to guarantee some strict hygiene and safety standards- to the point that, in the Asian case, some players were forced to introduce even the figure of the "elevator driver" to prevent many clients to touch the same surfaces- but these precautions rarely helped mitigating the harmful spiral effect (Dombey, 2003). Yet, hotels were not the only ones to experience a strong economic distress: airline companies, historical allies to the tourism industry, had to cancel substantial shares of their flights, downsize their workforces and decrease staff's salaries to save costs in both cases (Novelli *et al.*, 2018; Dombey, 2003). Players of the hospitality and travel sectors hurried to plan and implement various forms of promotional campaigns, affiliate marketing and discounts over usual fares and stays in an extreme attempt of regaining some demand (Kim *et al.*, 2005; Novelli *et al.*, 2018). Interestingly, it seems that the backlash effect induced by the emergency can affect travel destinations independently on the actual state of gravity within the specific areas: countries which were not, or just marginally, affected by the epidemic, as South Korea during the SARS outbreak and The Gambia during the Ebola's, have no less experienced huge demand contractions and recorded very few arrivals during the outbreak periods. The fear of a possible escalation of the close contagion, spread around also by negative media coverage (Novelli *et al.*, 2018), turned out to be a stronger

contributing factor to the economic crises than the actual size of the impact on the consumers health (Lee and Cho, 2016). The Asian and the African case seem also to inform us that the time to recover from the emergency-induced shock and the reversibility of its economic consequences highly depend on the prior endowment of resources of the specific country, as well as on its economic structure.

### **3. Consumer reactions to health emergencies**

If the effects of the SARS outbreak on Asian tourism were concentrated in a short period of time, and visits to China and South Korea could rise again already in 2004 and 2005 thanks to a prompt marketing and promotional activity in the aftermath of the crisis (Lee and Chen, 2011), it instead took longer to the players of the African tourism industry to recover from the "Ebola-induced tourism crisis" (Novelli *et al.*, 2018). However, it would be incomplete to claim that tourists reacted to health emergencies of this kind only by avoiding or postponing their travel-related choices and behaviors. Travelling and vacations are epitomes of the modern citizen's leisure time; they are perceived ever more as an individual right, and so tourists seem to be able to adopt very soon a heterogenous set of adaptive and resilient behaviors in order to fully exert it. For instance, during the SARS upheaval, Chinese domestic tourists showed to be more conscious about safety and hygiene, to prefer those destinations where keeping social distances is easier, like rural areas; they revealed to be also keener on family travels than individual ones, more likely to travel by car within their region instead of taking crowded flights and finally to be more favorable to reduce their overnight stay budgets (Wen *et al.*, 2005). In light of these changes in travel-related consumption behaviors, service providers had to adapt their answers too, responding quickly and effectively to these changes. As we mentioned, hotels and airline companies for instance engaged in intensive promotional and marketing campaign to rebuild consumers trust and boost tourists spending.

But trust and security concerns are not the only drivers that motivate tourists' choices during an emergency. Tourist operators, marketers as well as other professionals within the travel industry should better comprehend and pander the complex network of choices, preferences and risk appraisals which tourists put forth in such situation. Indeed, we should think that the modern tourist, who enjoys tourism-related service in a marketplace setting, could be analogically conceived as a consumer in all effects, for whom the travelling experience is an opportunity for auto-determination and forging meaning. Somehow in line with this approach, Minazzi (2015) for example imagines the tourist as a consumer engaged in the traditional consumption journey, and by effectively merging the well-known consumer decision seven-stage model (Howard, Sheth, 1969) with travelling planning theory, suggests that every travel planning process involves three stages (pre-trip or anticipatory phase, during-trip or experiential phase and post-trip or reflective phase) which are parallel to and which in their dynamics resembles to all effects the mainstream customer journey phases. If we look at the tourists from a consumer behavior perspective, then it becomes somehow easier to grasp and frame the way they act and react during an emergency and the way they accordingly reconceive their touristic experiences as well as their travelling processes.

Consumers, before being decision-makers, are risk “computers”, in the sense that they tend (or would like) to always take into consideration the correlated risk involved in every consumption decision (Sitkin, Pablo, 1992). This is particularly important when studying consumer behavior during socio-sanitary emergencies, which are uncommon circumstances that inevitably include some risk and potential harmful consequences for consumers. Indeed, many times consumers fail to appraise the risk properly, for instance due to heuristics- i.e. when they unconsciously simplify and filter the multitude of information to figure out efficient solutions (Bazerman, Moore, 2013); due to many cognitive biases, such as *inside-view*, *focalism*, or *overconfidence* (Kahneman, Lovallo, 1993) or due to, more in general, their *bounded awareness* (Bazerman, Chugh, 2005). However, in general consumers are risk averse and they adopt behaviors to avoid risks. In particular, they adopt avoidant behaviors when they perceive themselves as more exposed and vulnerable to a risk. Vulnerability is a state of powerlessness that arises from the interaction of individual states, individual characteristics and external conditions (Baker *et al.* 2005, p.134). This feeling of weakness may be triggered by an external situation that people cannot control (Saatcioglu, Corus, 2016), as could be the case of Covid-19 pandemic. Vulnerability to a threat is not considered as a *status* but rather as a *state*, i.e. it normally is a temporary condition as people that perceive to be vulnerable work hard to come back to normal life or to a “new” normality (Baker *et al.*, 2005). Risk perception and vulnerability in extreme situations has important consequences on consumer behavior. For example, Brodeur (2018) highlights that consumers after terrorist attacks are less prone to spend because they perceive themselves exposed to a higher level of risk. Again, during the period of the avian flu the population was more prone to change its consumption behavior when some cases of were detected in their own country, as they felt themselves “closer” to the sources of risk (see *proximity risk*, Rudisill *et al.*, 2012).

#### **4. Guidelines for companies**

At this point it should be quite clear that vulnerability induced by extraordinary risky situations is a strong driver for consumer unfavorable behaviors like travel or consumption avoidance. Thus, hotels and tourist agencies must be well prepared to face the challenges that can arise from the external environment, being timing essential when a risk shows up (Glaesser, 2003). Some threats cannot be forecasted and companies can only react passively to them, it is true, but others can be somehow expected or predicted. Even though each threat is unique and difficult to solve with a simple formula, a crisis management framework would be advisable (Kim *et al.*, 2005). First of all, companies in the tourism industry must prevent possible adverse situations, periodically conducting a risk assessment routine and designing an emergency plan ready to fight the possible challenge (Ritchie, 2004). For instance, in the case of Ebola, an emergency plan could have helped to prevent the whole continent from being perceived as infected (Novelli *et al.*, 2018). Besides, every emergency plan should be regularly reviewed and updated as soon as new information is acquired, because, in the case of a physical hazard, a quick reaction is the only way to minimize the damage (Kim *et al.*, 2005). When the hazard directly hits

the tourism industry, if there is a pre-established strategy, it must be immediately implemented, without forgetting to remain flexible and to monitor its efficacy step by step (Tse *et al.*, 2006; Glaesser, 2003). Tourism-related businesses must firstly manage and control the overall communication regarding the outbreak, rising awareness and avoiding panic as well as restoring confidence and trust among consumers in a later stage (Jones *et al.*, 2010). Recovery ads may play an important role in restoring confidence, as turned out for instance in the aftermath of the September 11 (Floyd *et al.*, 2004): citizens stated they would not travel again until security and safety measures were assured to travelers; in this case an advertisement highlighting the preventive measures taken by airlines companies could have had a positive impact on consumers intention to travel with those companies. Likewise, in the case of SARS, recovery ads concerning health and safety could have been useful to attract tourists since they were more concerned about topics like brand-new hygiene equipment, temperature check and distribution of masks and gloves (Wen *et al.*, 2005). Moreover, hotels and tour operators must review their marketing mix in light of the new circumstances and consumers' new preferences. First of all, they may have cash flow shortages, thus cost cutting could be a crucial action, for instance negotiating better prices for inputs with suppliers or a win-win solution with employees to use unpaid leaves instead of firing (Tse *et al.*, 2006). Secondly, revenue enhancement strategies must be adopted to increase the value of the company, for instance making donations for causes related to the external emergency (*ibidem*). Furthermore, as happened after the World Trade Centre attack or after SARS, promotions and discounts are important tools to seduce consumers and to trigger their spending in tourism related industries (Kim *et al.*, 2005; Floyd *et al.*, 2004). For instance, during SARS five-star hotels engaged in massive promotions, up to 30% discounts on the original prices (Kim *et al.*, 2005). Moreover, financial resources must be withdrawn from inefficient channels and allocated in the more effective ones. For what concerns advertising, online and social media ads could be a good opportunity to increase the promotion efforts while decreasing the overall costs (Novelli *et al.*, 2018). Moreover, after a crisis or a natural disaster, it is important to restore a positive and respectable image of the destination, managing media coverage and the overall communication strategy (*ibidem*). In this case, joint marketing planning with other tourism-related businesses could maximize the efforts, and, if possible, it could be helpful to cooperate with other countries to restore international tourism and to re-create normality (Kim *et al.*, 2005; Glaesser, 2003). There is some evidence that once the emergency is definitely over, as individuals recognize that life is fragile, they become eager to engage in consumption practices that would distance themselves from the idea of death and that would boost their perceived self-worth (Brodeur, 2018). For this reason, after the crisis, hotels and tour operators should offer new travel products more related to the enhancement of self-esteem among tourists (Dombey, 2003). This strategy has turned out to be more effective among experienced travelers who focus more on higher-order needs than promotions and discounts (Floyd *et al.*, 2004).

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