



Article Title

Envisioning the future: Travel and hospitality in the wake of coronavirus

Citation

Business World. April 17, 2020; Athena Information Solutions Pvt. Ltd.

Abstract

N/A

Summary

As the pandemic has urged businesses to mindfully execute their expenditure to limit the impact, the onus lies on the commercial units to vision ways that reduce leakage while staying relevant and ready to host once the demand surges when the virus is eliminated. We recommend following strategies that influencers across the travel industry must consider to resolve with limited money:

Independent and small hotel chains: Remain active

While large hotel chains can recuperate losses through different markets, independent and small hotel chains will suffer more in the short term. They should keep a close watch on intra-day rate changes and access data that may recommend new demand partners that can drive their businesses. Agility would be the key in a post corona world.

OTA Market Managers: Rework market KPIs

With bookings affected, it will be challenging for OTA market managers to deliver annual figures based on former year's performance. This makes it imperative to re-work on your annual targets and ensure that your actions allow you to track these KPIs across your markets easily.

Airline e-commerce teams: Mend revenue leakage

As the virus has not affected all regions, not all airline routes will be equally hit. Thus, airlines should monitor all partners or resellers that might unload inventory at cheaper rates to benefit from the current state of the market. Plastering the loopholes at all fronts is pivotal in making up for the losses.

Distribution Managers: Look for alternate markets

Countries with high cases of the virus are witnessing steep cancellations of up to 50% in reservations. Here, OTAs can become proactive in innovating new market sources by studying the insights and directing travellers to comparatively safer destinations to make up for the lost bookings.

Car rentals: Flexibility is the key

The business of car rentals is only impacted by airports. They should understand the alternate areas which could demand their services while tracking the pricing of their competitors to ensure pick-ups and increased revenue.

Tour and Ferry Operators: Mindful offering

Midsized tour and ferry operators who are currently facing cancellations on hotels and airlines, should understand the wake of events and have the ability to charge a premium on their offering. Many companies lack a mechanism to weigh past data in formulating offerings fit for different customers, during such times.

The aforementioned strategies guide the travel and hospitality industries to curb the damage and search for prospects of new revenues. The Keynes model advocates for increased government spending during a recession for building capabilities of the market and be ready when the demand picks up. The same principles are also suited for the travel industry to invest in strengthening newer avenues and taking competitors head-on when the market reopens..