



**(Immediate) future of tourism
in the wake of relaxing SARS-CoV-2 shutdowns
Small steps to a temporary new “normal”**

Many countries are now beginning to implement the first relaxations in the SARS-CoV-2 related shutdown. Even if tourism service providers are, due to their nature (mobility and human proximity), among the last to benefit from such relaxation measures, possible developments in the revival of the "tourism" phenomenon are already becoming apparent. The present report discusses these on the basis of three specific questions.

This short report has been jointly prepared by the following persons (in alphabetic order):

*Airey David, **Bieger Thomas (co-lead)**, Ermen David, Hannonen Olga, Ferraretto Valeria, Hood Steve, Ivanov Stanislav, Jarolimkova Libena, Joppe Marion, **Laesser Christian (lead)**, Lohmann Martin, Majewska Justyna, Mifsud Alfred, Mihalic Tanja, Ohe Yasuo, Origet Claude, Patellis Yannis, Paunovic, Ivan, Pechlaner Harald, PlzÁková Lucie, Popesku Jovan, Reinhold Stephan, Roller Marcus, Smeral Egon, Vu Chien Thang, Williams Peter, Zare Samira.*

The following countries and territories are exemplary included in this assessment:

Australia, Australia, Austria, Bulgaria, Canada, Croatia, Bosnia, Serbia, Montenegro, Czech Republic, Finland, France, Germany, Greece, Italy, Japan, Malta, Netherlands, New Zealand, Poland, Serbia, Slovakia, Slovenia, Sweden, Switzerland, United Kingdom, Viet Nam

Introduction

Many countries are now beginning to implement the first relaxations in the SARS-CoV-2 related shutdown. Even if tourism service providers are, due to their nature (mobility and human proximity), among the last to benefit from such relaxation measures, possible developments in the revival of the "tourism" phenomenon are already becoming apparent. The present report discusses these on the basis of three specific questions:

- (1) What should national tourism actors prepare themselves for in terms of opening up markets in the next 12 months?
- (2) What changes will tourism in your country have to adapt to in the next 12 months with regard to the behaviour of their guests?
- (3) In your opinion, what are the relevant longer-term trends in and for tourism in your country?

What should national tourism actors prepare themselves for in terms of opening up markets in the next 12 months?

In short: Consumers want to travel, but are restricted by exogenous barriers (border closings and accessibility) and restrained by endogenous conditions (health and economic). Travel is between impatience and fear.

First of all: The desire to travel is, as Richard Dawkins or Geoffrey Crouch would put it, (quasi) in our genes. Having said that, we can assume that the desire to travel based on the well-known and researched motivations is persistent – people want to roam and spend time at places other than home (otherwise, the past arrest would not have bothered us). However, and technically spoken, the implementation of this motivation lacks appropriate opportunities as it is currently exogenously suppressed by measures of lockdown and border closings.

For the coming future, those exogenous conditions will relax as a function of the local and regional state of the pandemic.

It can be assumed that after the introduction of restricted local freedom of movement, above all, national "borders" will initially be lifted. Considerations are also currently being made to map different pandemic states, especially in larger countries with "free" or "blocked" districts (in Europe, for example, one speaks of "green" and "red" zones). As a result, it will initially and immediately be possible to travel in the country of residence. Over time (in the next 3-4 months), bilaterally or multilaterally agreed border openings could expand the geographical perimeter for travel: Australia and New Zealand, for instance, are discussing a cross Tasman "travel bubble"; in Europe, the Schengen Accord could lead to the first border openings - especially between countries with a similar pandemic situation. Supported by inner-continental point-to-point air connectivity, inner-continental international tourism could slowly develop again.

Intercontinental travel, and thus a return to fully globalized tourism, will take much longer. From a consumer point of view, two factors are of particular importance: (1) conditions for border crossings and (2) air connectivity.

Even if borders are open again from a large area, it will be decisive under which conditions these borders can be crossed. Quarantine regulations could make tourism-related border crossings unattractive for some time (unless someone has a lot of time). The second factor will be air connectivity in particular. Airlines usually operate intercontinental connections with a "hub and spoke" business model logic; starting up such complex networks will take much longer than resuming simple point-to-point connections. Should long-haul connections also be offered only point-to-point, at least initially only a restricted number of connections based on strong local point to point traffic (e.g. London – Singapore) are to be expected with price increases due to the allocation of a rather limited number of seats in favor of the most-paying passengers. And above all this hovers a potentially new tourist reality, which could manifest itself through various peculiarities. These include (1) high standards of hygiene, which may require special training in housekeeping and restricted board service even in premium classes, (2) health passports (which might co-determine individual geographic perimeter), (3) liability waivers (signed by guests to get legal burdens off providers), (4) new etiquette regarding distance keeping, (5) testing at the gate or before, and so on. These factors reduce attractiveness of travel even for the ones, who are legally allowed to do so. As a side note: an interesting market could open up for intercontinental point to point charter business models.

Regardless of the state of the above described exogenous conditions, two endogenous conditions and therefore consumers ability to travel must also be considered: SARS CoV-2 is directly a (1) health issue but indirectly above all an (2) economic challenge and all uncertainties related to the two.

The health issue is reflected above all in a change in individual risk perceptions and evaluations. A decision factor that was originally perhaps only dormant as a hygiene factor (not creating satisfaction but only preventing dissatisfaction) is now potentially becoming a

performance or even differentiating factor, depending on the individual assessment of the probability and impact and therefore the own and personal susceptibility of infection with this virus. And then, there always is the risk of a next wave with a new lock down and the possibility to get stuck in another world. The economic challenge is characterized by uncertainty about jobs (including one's own) and income prospects, which could also result in a reluctance to take time off in the first place. These factors have a dampening effect on the realization of a travel desire, even though tourism activities are now virtually part of the "basic consumption" in many countries.

As a result, consumers will implement their geographical travel perimeter within the framework of existing opportunities (exogenous barriers) and their ability (endogenous conditions). It remains to be seen which of these two domains will be more decisive at the end of the day. In simple terms, one could say that in the absence of favorable exogenous conditions, the endogenous conditions are ultimately irrelevant, as no one really needs to think about them.

What changes will tourism have to adapt to in the next 12 months with regard to the behaviour of their guests?

In short: suppliers must prepare themselves for an initially high proportion of (partly) reluctant inland guests. International guests are only one thing of the future.

Derived from the above considerations, tourism providers must be prepared for a while, especially for generally travel-reluctant guests. Due to the dynamics of the developments (health-related and economic) and their poor predictability, most travel decisions and actions will be rather short-term. Essentially, opportunities (e.g. in terms of time, financial viability, weather, etc.) are waited for and then, if necessary, exploited. The small size of the tourist perimeter coupled with this short-term nature also result in shorter durations of stay.

In summary, and against the background of (1) a lack of predictability of the future health and economic frameworks, (2) not to infect persons with health risks, (3) to be able to maintain social distance (and especially be not near to strangers) and (4) not to be affected by immediate consequences of a new (even very local) outbreak (such as a quarantine), the following travel contexts can be characterized as rather favorable vs. not favorable:

Criteria	More favorable contexts	Less favorable contexts
Travel companions	generally only small and small groups of members of one's own household and close friends and relatives who are not at risk of illness	mid-size to large groups
Decision making and trip duration	short term and short, often impulsive (making use of opportunities); in extremis, day trips become the short term operational unit	long term, and long
Trip organization	FIT	groups
Means of transport	Individual, such as cars (longer distances) and bikes/ bicycles where applicable	Collective, such as public transport and planes
Destination(s)	remote areas with generally fewer people	Congested areas, such as in cities or potential tourism hotspots
Accommodation(s)	short term rentals that are self-contained (such as holiday homes, cabins, camp sites, and the like) and offer large private spaces (in order be self-sufficient/ autonomous if necessary	Hotels, where collectively used space is scarce and difficult to allocate
Activities	outdoor	indoor

It will be interesting to see how tourist hotspots with limited overall capacities will deal with the potentially excessive demand from day tourists, especially against the background of securing access to attractions for their own overnight (and more value-adding) guests.

Finally, and in "normal" years, many destinations make use of events to attract guests. As such events as attractors are now disappearing, a strong and lasting online presence in social media is recommended, not least because the online audience is currently much higher than ever before due to the arrest. In addition, consideration should be given to stimulus measures using locally and regionally valid vouchers whose face value is higher than the amount that had to be paid (and which are thus locally or regionally subsidized).

What are the relevant longer-term trends in and for tourism?

Some short-term minor adjustments are replaced by a return to habitual known behavior.

With regard to this question, a distinction must be made between two phases: Short-term, up to two years, and long-term, beyond that.

In the short term, there are indications (cf. also the previous question) that the phenomenon of tourism can be characterized above all by "less and small is beautiful", meaning: less travel, more consciously, in smaller groups, rather nature based, with an overall slightly less commercial logic (in the choice of providers), with a focus on safety and hygiene requirements. Travel is also becoming somewhat more expensive due to higher regulatory costs, which - in conjunction with the economic prospects described above - tend to dampen demand (especially in terms of the number of guests).

In the long term, hardly any significant changes are to be expected, with the following justification: (1) travel is determined by habitual behavior; if these habits are not fundamentally changed, travel will not change significantly. Due to the economic crisis, a rethinking of our way of living and travelling is only likely if the result of this rethinking does not endanger the perceived fundamental material foundations of our existence. (2) Tourism will continue to be an important mechanism for redistributing financial resources and added value, especially if a gap between economically very developed and less developed areas is overcome. To this end, a globally oriented industry will continue to promoting this redistribution in its own interest. Moreover, and due to the types of their service offerings for large numbers of consumers, they also control the behavior of their guests.

What remains?

The last paragraph can also be successfully contested. Depending on the duration of the pandemic and its effects, a fundamental rethink could nevertheless take place, not least because precisely these material foundations of our life before CoV-2 may no longer exist. It remains to be seen which forms and phenomena in tourism will then emerge, or which forms we want to and can develop; the forces of inertia are great and the potential drivers of change still relatively small.

Welcome to perhaps the greatest live experiment in the history of tourism.