



COVID-19 Survey



Rome – March 31st, 2020

Skal International Roma Club
Authors: Paolo Bartolozzi, Tito Livio Mongelli

Covid-19 Skal International Rome survey

Sentiment, Actions, Forecasts

- The **systemic and economic crisis** in tourism **will continue into 2021 while the emergency will consume all or almost** the remainder of the year 2020.
- To restart, the focus is on **the quality of human resources**, training staff and retaining employment, not on lowering prices.
- We need **state driven** innovative tools to **boost demand**, such as **holiday vouchers**, and **not just tax reductions**.

These are the three main results of Skal International Rome's research, which has surveyed more than **100 Italian decision makers** from the world of tourist professions.

At some point, "after" the Coronavirus, reconstruction will begin. And we must dare to reflect, starting now, on what we want to change.
(Paul Jordan)

Survey features:

Invitations: 321 Skal Italia members

Valid answers: 107

Number of questions: 10

Average response time: 4 minutes

Start date: 18 March 2020

End date: March 25, 2020

Further sub-segments analyzed: Hospitality and catering, tourism services and brokerage, which account for 80% of the responses.

Abstract

Tourism professionals think that the **consequences of the COVID 19 crisis will last well over a year**. This is the opinion of more than 50% of respondents while for 88% at least one year of work will be compromised by the current emergency.

The blockade of tourist activities will last 6 months or even longer for more than half of the respondents and this percentage rises to 71% among travel agencies and tour operators.

Despite these not-too-optimistic premises, only 29% of respondents say that they want to cut their staff immediately, while as many as **40% want to invest in training and requalification their employees**. The share grows to 59% in the segment of Tourism services and Professionals.

As far as possible, hotels and intermediaries have tried to **please customers with cancellations and refunds**. 52% of accommodation providers re-scheduled booking dates without penalty. 66% of travel agents and tour operators preferred to issue same value open date vouchers.

The challenge of the future will be won over **quality rather than price**. Only 7% of respondents will offer incentives, higher commissions or discounts to OTAs (such as Expedia and Booking), wholesalers and tour operators. This figure rises to 16% among Agencies and Tour Operators.

Half of the experts think they will start **marketing actions immediately after the peak of the crisis**, mainly using social media and search engine campaigns (thus investing in their brand) while 52% of intermediaries will start with marketing actions in the Italian market alone.

43% of intermediaries plan to make special discounts but the overall sentiment in the industry is that **prices should remain stable** (71% of responses).

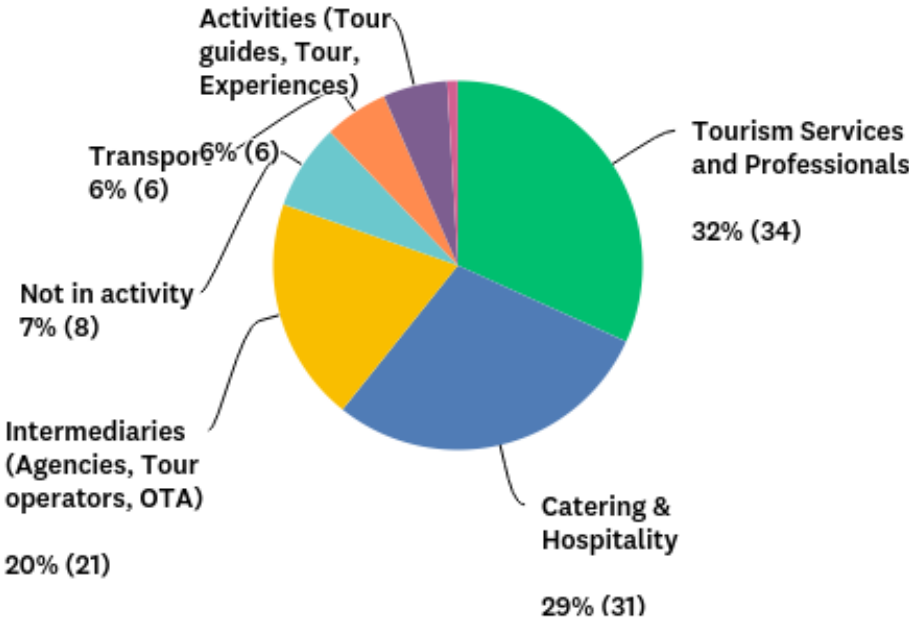
More advertising and marketing will be needed, companies will ask intermediaries to reduce fees and the state to cut taxes, organize promotional campaigns and promote events.

Travel agents and tour operators are more interested in the state issued "**Holiday vouchers**" (33%) compared to 13% of hotel managers, probably because they know the Spanish, French and Swiss holiday vouchers and have appreciated the significant results.

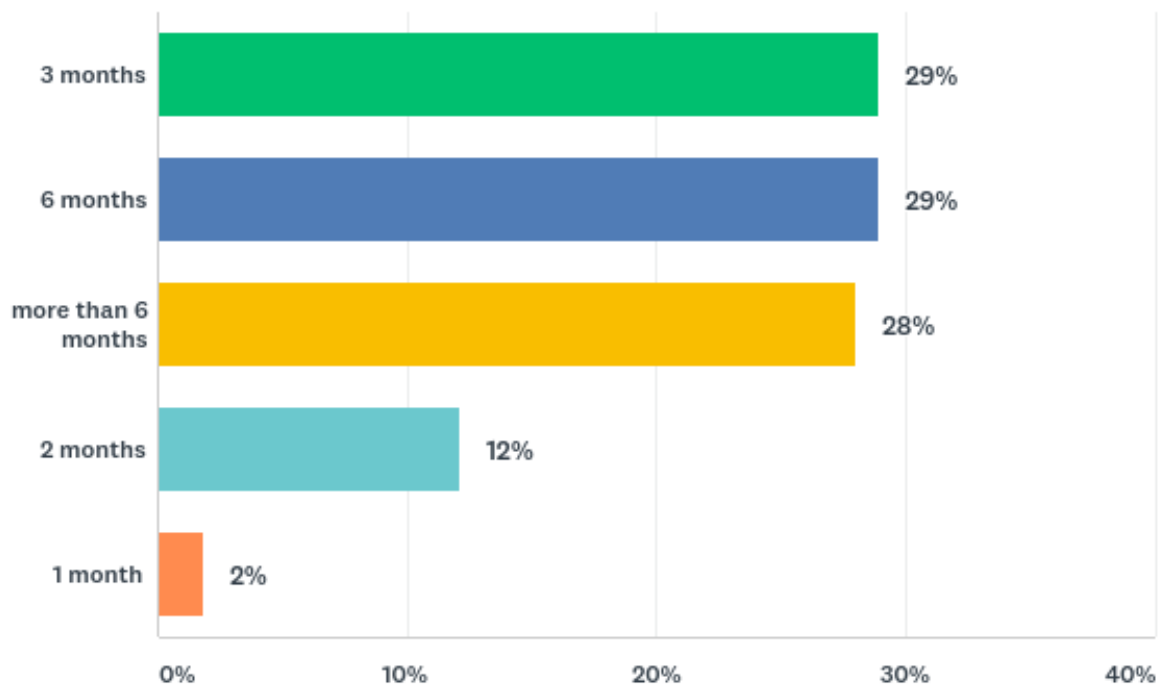
Finally, most companies not only do not want to lay off now and 42% does not intend to do it in the future. For the hotel and catering sector this figure rises to 48%. A hiring freeze is, however, inevitable.

Survey Questions

D1 You belong to which macro category?



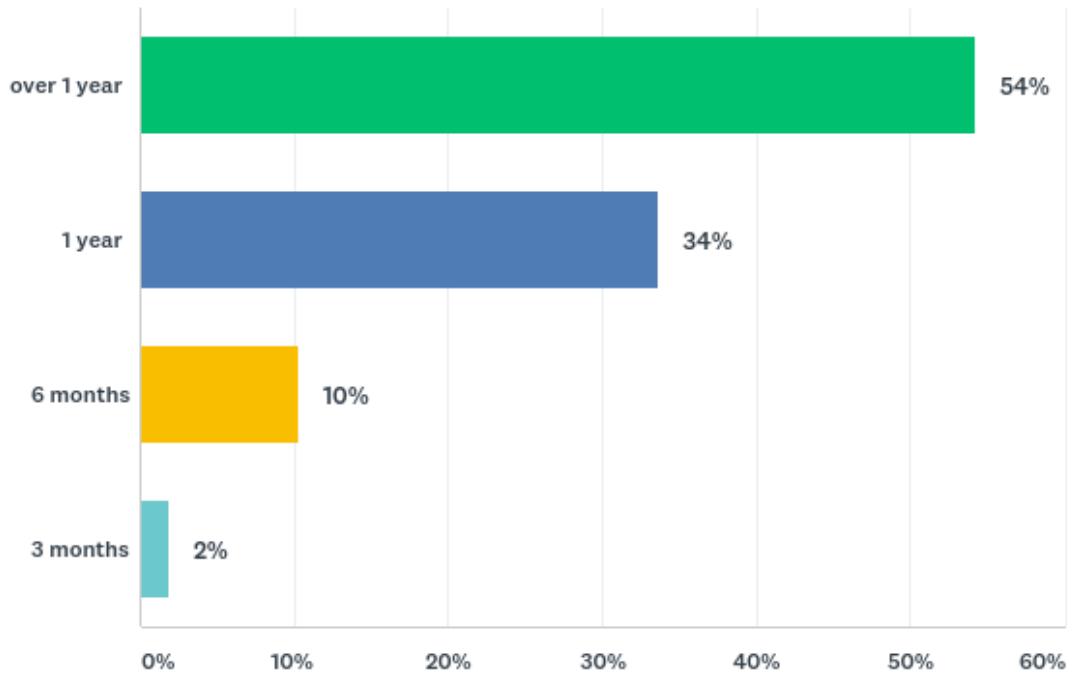
D2 How long will Covid19 crisis last in Italy?



Perception of emergency duration

Fifty-seven percent think the **health** emergency (which involves a blockade of tourism) will last 6 months or more; this figure rises to 71% for intermediaries.

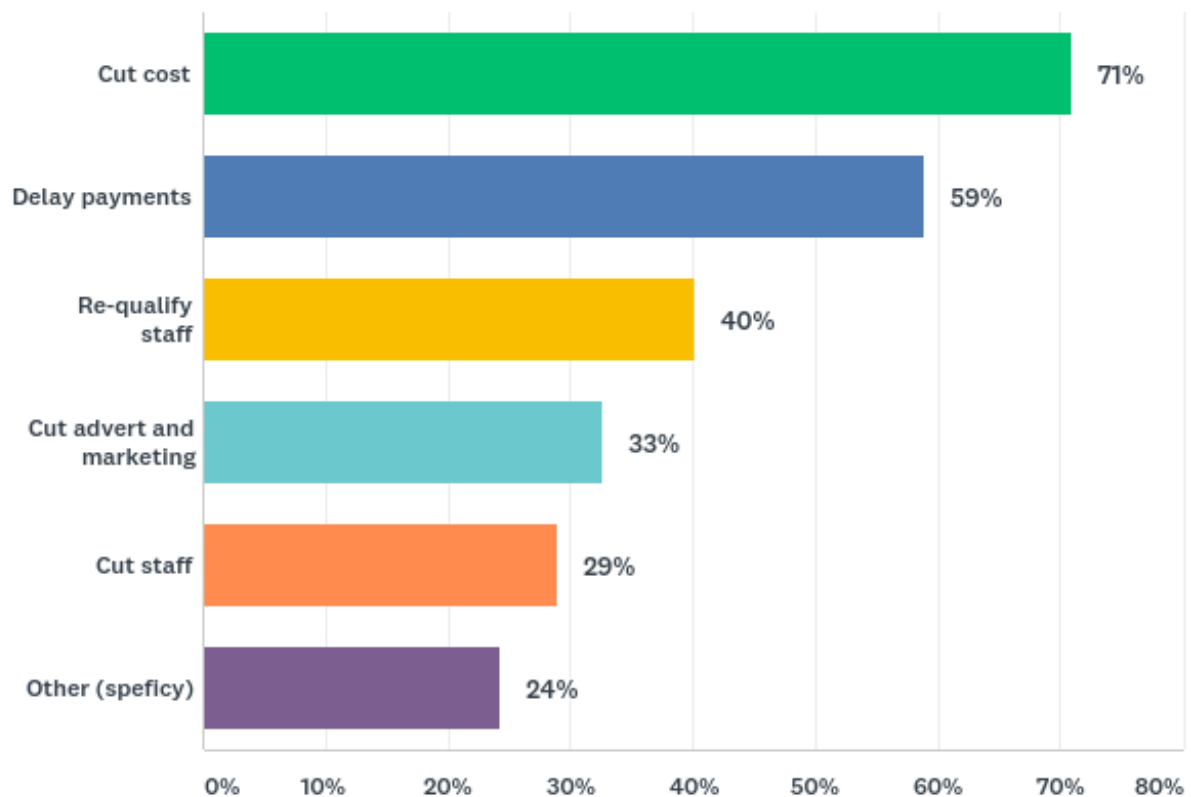
D3 How long will last the consequences of the Covid19 crisis?



Perception of consequences duration

88% see consequences for at least one year, the majority for more than a year.

D4 What immediate actions do you take?



The first reactions

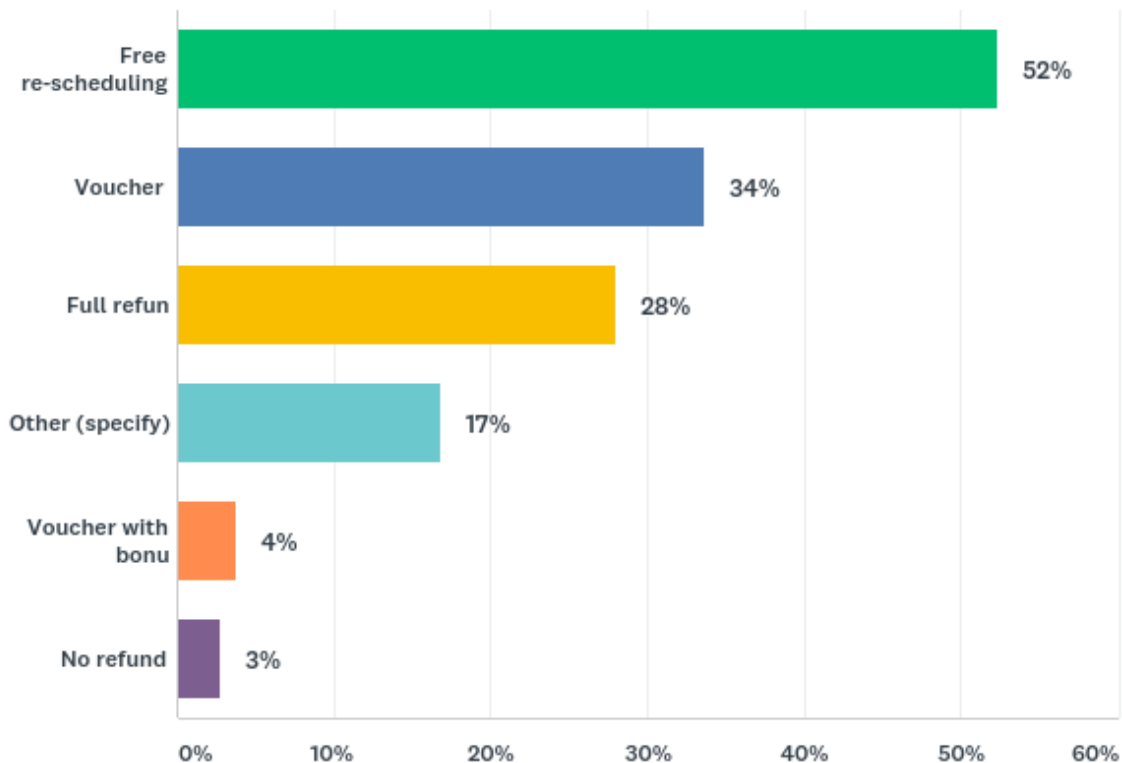
71% reduced costs, including procurement (security, cleaning, laundry) and external and/or occasional independents (guides, cleaners, drivers, hostesses, ...).

Only 29% reduces staff, but among intermediaries this percentage rises to 62%.

40% intend to train and requalify staff. This figure rises to 59% for tourism services and professionals.

There are more companies willing to train and requalify staff than those who wish to dismiss.

D5 How do you handle cancellations and refunds?



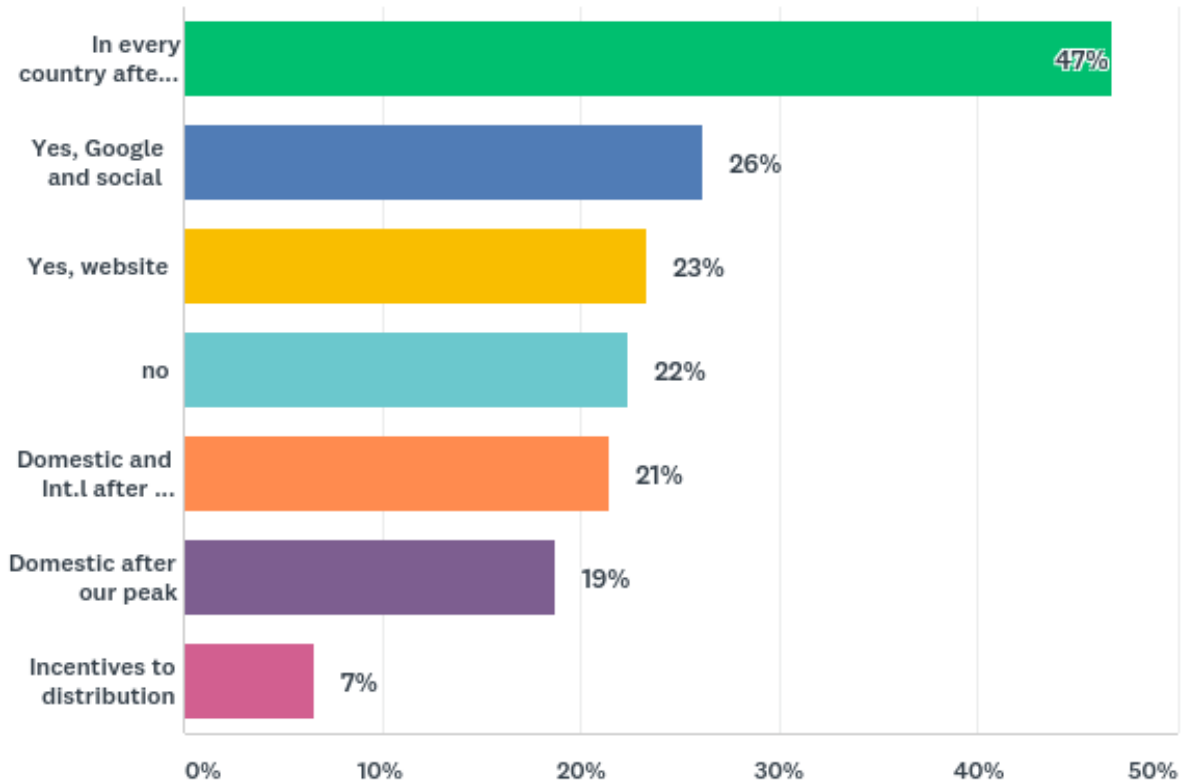
Cancellations and refunds

3% did not allow booking cancellations without penalty or denied refunding prepayments.

4% retain customers by offering a bonus in replacement vouchers.

52% of accommodation providers preferred to re-schedule bookings without penalty, while 66% of intermediaries preferred to issue replacement vouchers for customers to spend later on.

D6 Active marketing now?

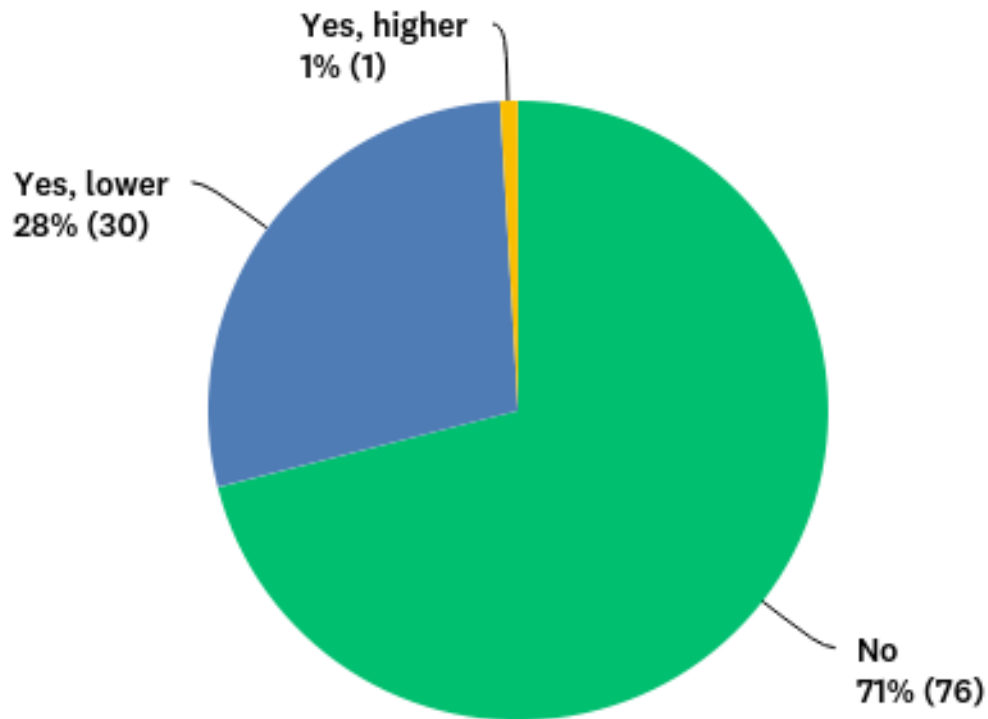


Marketing now?

87% will resume marketing after the virus peak in each country. 19% plan to market only in Italy. The figure grows to 52% for intermediaries.

On average only 7% will offer incentives, higher fees or discounts to their distribution. This figure rises to 16% among intermediaries.

D7 Should rates change?

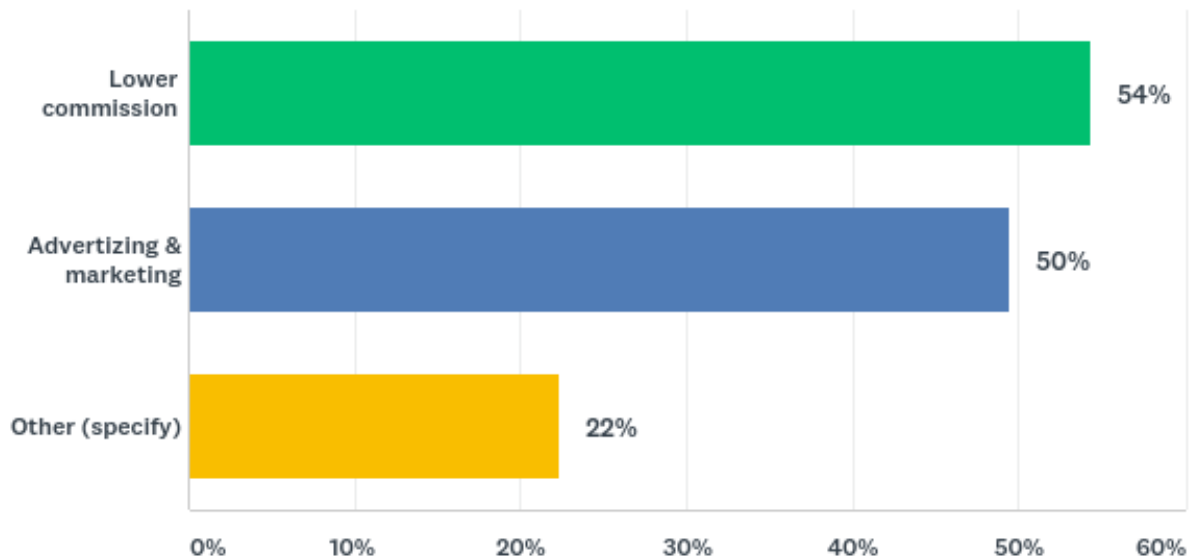


What happens to rates?

The vast majority does not want to degrade rates after the crisis.

Only 28% think about offering discounts and rate decreases. This figure rises to 43% among intermediaries.

D8 How can intermediaries help the system?

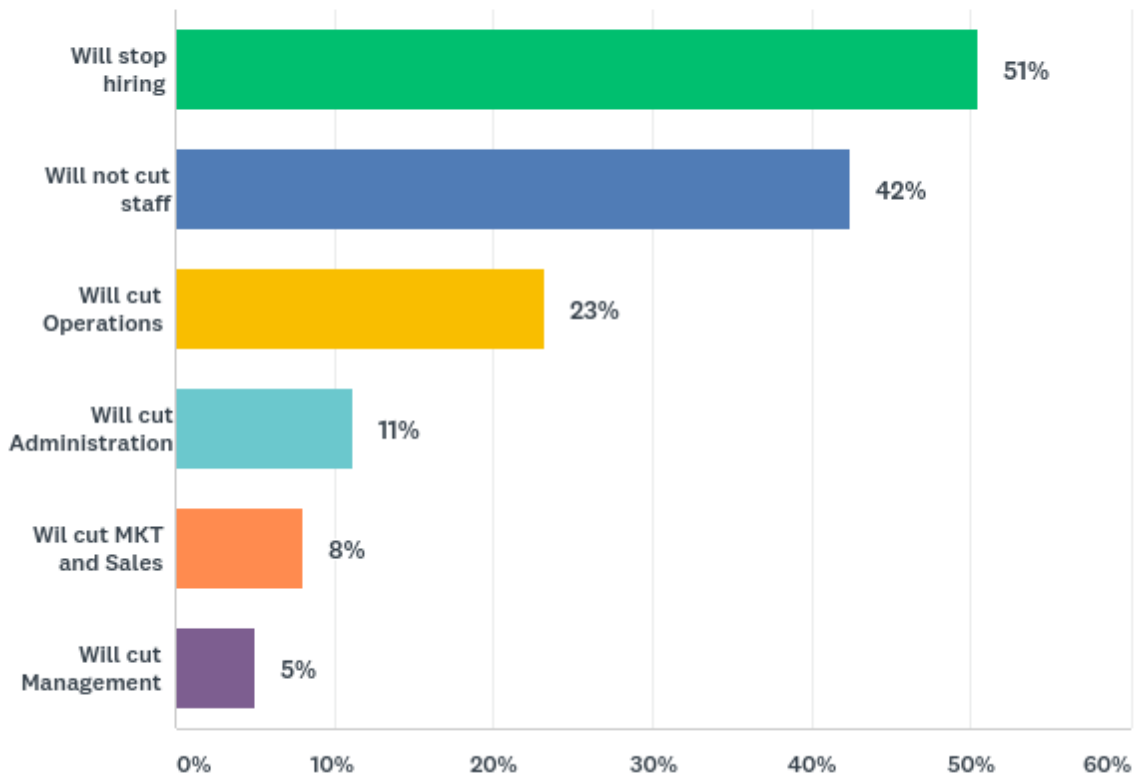


Fees and advertising

The majority asks intermediaries for decreased commissions and more advertising and marketing.

66% of intermediaries agree to increase advertising and marketing investment but not to lower commissions.

D9 Cutting staff, where to start



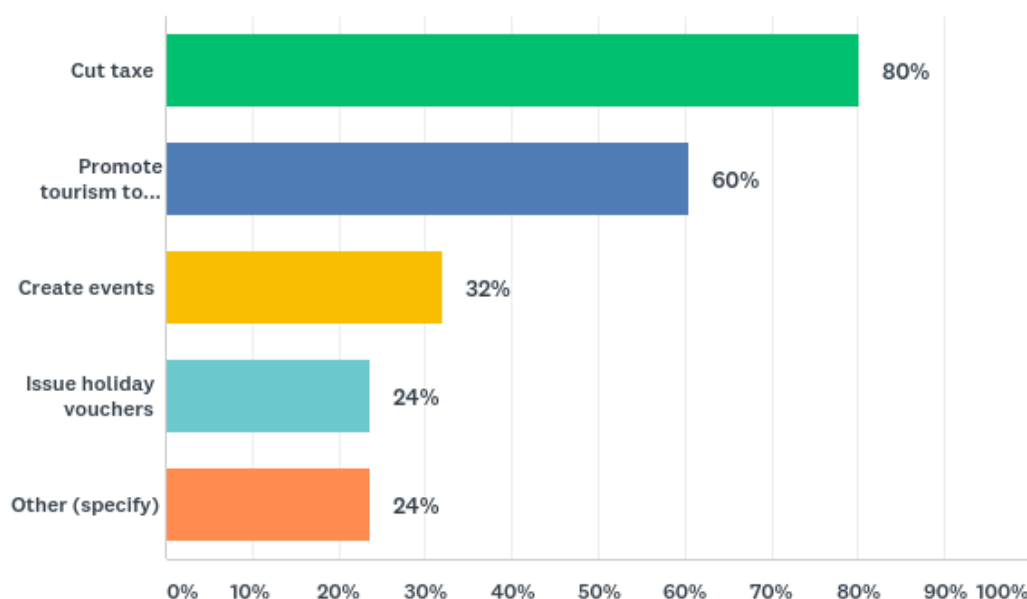
Staff cutting

In all sectors, only 42% do not want to cut on staff.

In the hotel and catering sector, this figure rises to 48%, while intermediaries fall to 38%.

The most affected segment is the Intermediaries where 48% cut staff, mainly in operations (48%) and administration (24%).

D10 What should governments do after all this will be finished?



What do we expect from the State?

The State, the European Community, regions and municipalities, in short, all public administration should reduce the tax burden.

In addition, States should invest in territorial promotional campaigns (60%), events (32%) and holiday vouchers (24%) to stimulate demand.

Intermediaries are the ones who most require holiday vouchers (33%) compared to 13% of catering and accommodation providers.

Conclusions

The survey shows a picture of **worried but courageous managers**, who focus on the **professional skills of their staff**. Rather than degrading revenue by lowering rates **they chose to increase training to improve the quality of their product**.

State intervention is required through the **reduction of the taxes** and administrative burdens but also with **innovative marketing tools** and targeted interventions to stimulate demand, for example with the widespread use of **state holiday vouchers**.



***Skal International Roma Club** is part of Skal International, an association of international importance, recognized by UNWTO, which brings together associates from the world of tourist professions. It is the oldest tourism association, with over 85 years of history.*

Skal International Roma Club: www.skalroma.org

Skal International: www.skal.org