

GLOBAL TRAVEL: THE WAY TO RECOVERY

By Ido Aharoni

PRIL 30, 2020

The global tourism industry has been hit in an unprecedented fashion, far and wide. What should local and national decision-makers do to help their tourism industries recover?

It may come as a surprise that refugee camps, along with other remote locations, have not been hit hard by the COVID-19 pandemic. As the pandemic evolved, it has become clear that global travel is its main agent. Places that were not exposed to travelers experienced it less intensely. This is also the reason why New York City, the main gateway to America, quickly became the epicenter of the pandemic. The improbable happened: the global machine, the same machine we were led to believe by economists could never be stopped, came to a swift and hard halt, destroying entire economies and sectors.

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I have come up with nine principles, which I believe should be considered by businesses and governments alike.

1. GENERAL REPUTATION MATTERS

For destinations that have suffered from chronic reputational underperformance, this is going to be an uphill battle, which may take years to recover from. USC's historian Nick Cull coined the term "Reputational Security." It refers to the strong correlation between a place's reputation and its ability to overcome geopolitical challenges. "There is only one superpower left in the world," said Prof. Cull, "global public opinion." The list of victims of weak reputational security is long: The Ukraine (Russia); Kazakhstan (Borat); Czechoslovakia (USSR); etc. A place's reputation could be impacted by general traits such as national character, or by very specific experience-based perceptions, such as: lack of service awareness; untidy appearance; rampant corruption and crime; public disobedience; lack of sufficient tourism infrastructure; etc. The COVID-19 crisis is an opportunity for places to improve their reputation by engaging in efforts previously viewed as "too expensive" or even "experimental."

2. TIME IS OF THE ESSENCE

Make no mistake; global competition will resume sooner or later. The competition will be between nations, cities, and regions. It will be fierce and tough, internationally and domestically. This is the time for decision-makers to prepare their contingency plans. A golden rule in crisis management is proactiveness. This is the time for decision-makers to invest in the design of proactive public efforts to bring to the fore the qualities and the unique offerings of their destinations. This has to be done authentically and expediently.

3. GO BELOW THE LINE

Months of isolation have created an unprecedented digital reality of human hyper-connectivity. Humans have never been so digitally connected as they are now. COVID-19 has brought about connectivity that is intense, frequent, and all encompassing. Undoubtedly, this will allow marketing specialists to achieve a much higher degree of accuracy in predictive segmentation. For decision-makers, this means that they can achieve more engagement for less money. Going below the line means investing in the

more efficient and affordable micro-targeting, rather than the costly and largely inefficient blanket advertising.

4. INVEST IN DOMESTIC TRAVEL FIRST

The recovery of global travel depends upon the ability of the scientific community to develop an effective vaccine. As long as such vaccine is unavailable, forms of mass travel (such as air travel or cruise ships) will continue to suffer significantly. Decision-makers' response should focus on the opening of their local travel markets to their own people first. They have to plan for distances allowed by car travel, probably in the format of the nuclear family. This is the time to promote travel to the countryside, to help owners of B&B establishments attract customers, and to market entire regions and not just specific cities. This will do two things: gradually open the local economy and diffuse the understandable "fear factor."

5. WORK COUNTER-INTUITIVELY

In times of severe international crisis, when levels of uncertainty are at an all-time high, decision-makers tend to cut spending. Their immediate instinct is to avoid "debt." The first victim of budgetary cuts is usually marketing. Big mistake. For travel industries to recover from the COVID-19 crisis, national governments will have to massively subsidize travel and incentivize large tour-operators, airlines, and ultimately even cruise lines. Places will have to compete for every tourist. This was done successfully before. Israel, for example, is a country with a chronic reputational weakness due to its geopolitical conflict with its neighbors. Yet, pre-crisis, the country experienced seven consecutive record-breaking years in incoming tourism. This was a direct result of robust marketing efforts and generous subsidies offered by its Ministry of Tourism. A lot can be learned from the Israeli experience vis-à-vis the current crisis.

6. PRIORITIZE HYGIENE AND CLEANLINESS

We do not have enough information about travelers' precise travel considerations post-crisis and during the "new abnormal," but it would be safe to assume that the ability of destinations to maintain high levels of hygiene will be critical. Travelers know that we are all in this together. Our individual health and well-being are dependent upon the

other's behavior, no less than our own. Therefore, decision-makers must invest in the cleanliness and hygiene of their facilities, using cutting-edge solutions and creating a visible and user-friendly system. This is the time to double and triple the size of local sanitation departments, invest in destination embellishment efforts, and announce national hygiene and cleanliness competitions.

7. IMPROVE DISASTER PREPAREDNESS AND STRUCTURAL RESILIENCE

The ability of a certain destination to effectively cope with a natural disaster is linked to the speed of its recovery. Decision makers can learn a great deal from analyzing disaster recovery such as the 1994 Northridge earthquake in Los Angeles, the 2004 Indian Sea Tsunami or the 2010 Haiti earthquake. Post-crisis, it will be incumbent upon leaders to make their overall plans, to cope with uncertainties, and accommodate hazards known to their public. This will create a new level of comfort on the part of citizens and stakeholders, the very comfort that in some places was severely damaged.

8. STRENGTHEN TRANSPARENCY

Imagine how this global crisis could have evolved if only more transparency was demonstrated on the part of governments and NGO's. Transparency is a pillar of trust, which is the defining factor of customer relations. Trust is achieved when decision-makers are able to be transparent, accountable, true to their purpose, reliable, and genuine. Take New York Governor Andrew Cuomo as an example. During the crisis, he implemented the utmost levels of transparency and authenticity and, subsequently, elevated his political brand in an unprecedented fashion. Andrew Cuomo's conduct should be the new leadership standard.

9. ADOPT FLEXIBILITY IN THE WORKFORCE

The "future of work" has been studied and analyzed for years. COVID-19 has turned these futuristic ideas into a reality. Decision-makers will have to respond quickly to the rapidly changing workforce needs and engage in flex-economy: reliance on freelancers, scale up new-skills training programs, maneuver workforces between sectors as needed, and embrace the strong move to the digital economy. This very ability to

redeploy employees across sectors will become increasingly critical in destinations' recovery efforts.

Decision-makers cannot count on oil prices to remain in the current level for the long run, but as long as prices remain low, many of the actions mentioned above will remain doable. The hurdles in global travel recovery are known—chronic internal and external lack of coordination, mismatched regulatory environment, physical limitations, and the impairment of long-term planning due to high levels of uncertainty.

Just as in past historical recoveries, this is the time for decision-makers to rise to the occasion, think big and long-term and, most importantly, learn to operate against their own instincts and “conventional wisdom.”

About

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