



Responding to Coronavirus: For Luxury Travel Advertisers



The novel coronavirus outbreak, also known as COVID-19, has severely affected the tourism industry due to flight cancellations, travel restrictions and a drop in demand for travel as people seek to reduce the risk of infection. Managing expectations of current and future customers has become even more important during this period of uncertainty. Digilant is committed to closely monitoring the impact of coronavirus on consumer behavior in order to provide the best digital advertising recommendations to advertisers during this time of uncertainty.

In this guide, you'll find four things you should consider to stay connected to customers and to prepare for economic recovery during this challenging time.



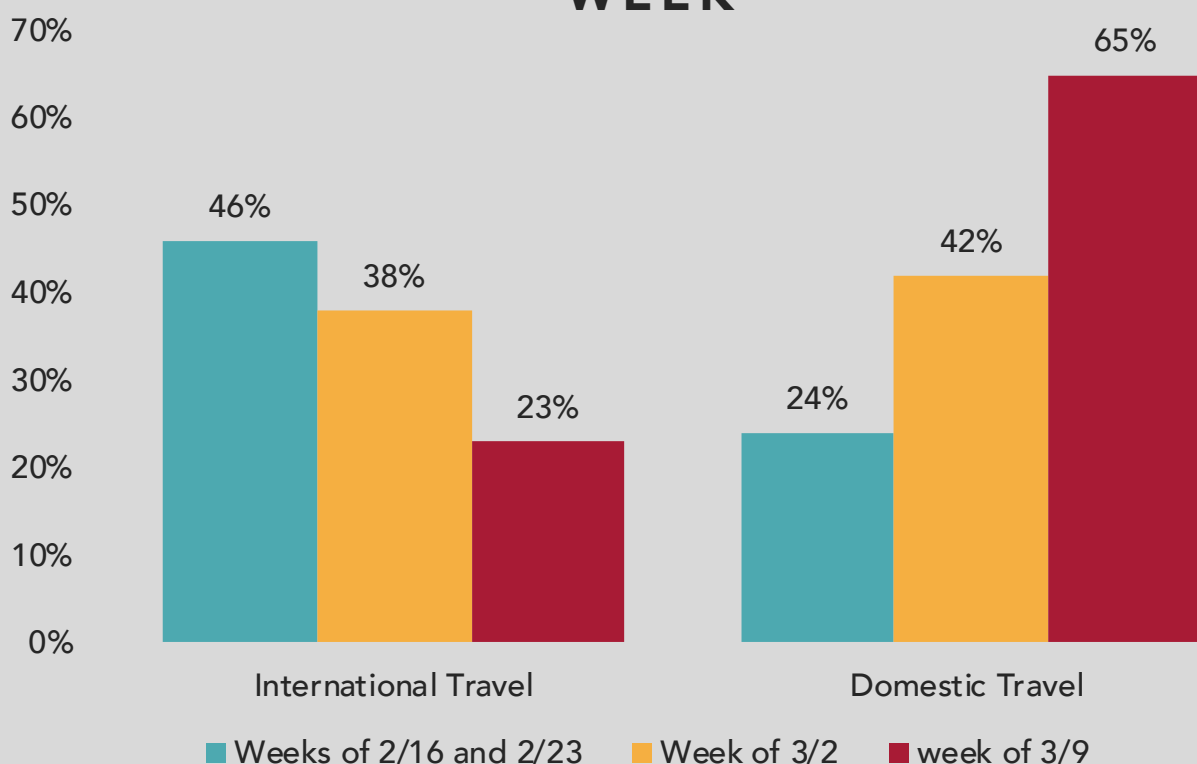
01. CANCELLATIONS ARE STILL COMING

In late February and early March, American travelers were taking a wait-and-see approach to handling their travel plans amidst the coronavirus outbreak. A lot has changed since then and it's not just international travel that's been disrupted. Domestic travel has been disrupted as well.

Skift Research reports that in mid-March, sixty-five percent of cancellations were for domestic travel, up notably from 42 percent two weeks ago and just 24 percent in early February.

Many luxury hotels are waiving change/cancellation fees and boosting cleaning measures. In addition, wellness resorts and spas are catering to clients with packages for COVID-19 anxiety relief.

TRAVEL CANCELLATIONS BY WEEK*

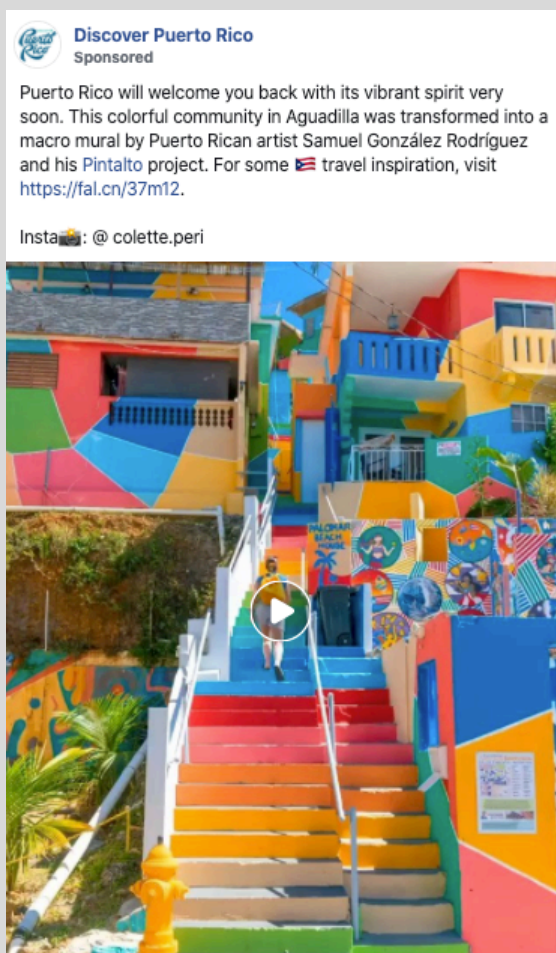


02. KEEP THE TRAVEL DREAM ALIVE

As travel restrictions from the virus have spread across the world, fewer and fewer travel and tourism brands have been carrying out their promotional campaigns as usual. That's probably a good thing.

However, it doesn't mean that advertisers are riding out the coronavirus crisis by doing nothing. The biggest challenge going forward is identifying precisely when it is time to inspire travelers to book trips again — and striking the right tone in the meantime.

Instead of encouraging travelers to book a flight, cruise, hotel room, or rental car, today, the smart move is to build awareness and affinity so that your brand is top of mind for future trips. Some brands doing this well are Travelzoo, a brand that is promoting discounted trips with a "pay now, book later" offer and Discover Puerto Rico that is using aspirational ad copy and imagery to capture the attention of would-be travelers.



QUICK STAT

58% of consumers are planning travel between May- September 2020 if their destinations aren't quarantined.

source: LuggageHero Survey

QUICK STAT

21% of consumers who plan to travel in 2020 will choose domestic travel.

source: LuggageHero Survey

03. LEAN INTO SOCIAL TO RELAY MESSAGES TO YOUR AUDIENCE

Social media is a constantly moving target, especially during a global health crisis. In this time of social distancing, consumers are turning to social media to stay connected and find community. Some are seeking the latest news and breakthroughs on coronavirus, while others are in search of a brief escape from the realities the world is facing.

As a result, airlines, cruise lines, hotels, and other travel and tourism businesses have been bringing their messaging to social feeds, messaging apps, sponsored content, and paid ads. For many brands, the intention on social is to meet consumers where they are with content that reassures travelers, is informative, and inspiring.

QUICK STAT

Sponsored content engagement on Instagram jumped by 76% in March.

source: Obviously, 2020 Influencer Study

QUICK STAT

Instagram campaign impressions have increased by 22% from Q4 2019 to Q1 2020.

source: Obviously, 2020 Influencer Study

QUICK STAT

>30% of consumers are spending more time on social media because of the coronavirus.

source: IRI

04. LEVERAGE SOCIAL LISTENING & ANALYTICS

While waiting for the current situation to pick up, consider refocusing your efforts to better understand your customers and the channels that have historically been best to engage them. For example, how are consumers talking about the crisis? Your brand? Your competitors? Where are they doing research for future trips? Having answers to these questions will keep your brand story fresh.

Social listening and marketing analytics tools can help make this process simple. Digilant's real-time social listening reports and analytics dashboards allow you to understand what's happening on social, your website, and in your advertising campaigns (both running and historic). With those insights, you can react to what's happening quickly and adapt your marketing so that you can come back stronger than before.



05. WHO IS FLYING HIGH THESE DAYS?

When many think of "luxury travel", they tend to primarily think first-class seats on a flight, or a 5 star resort. However, in a time of social distancing, there is a new arena of travel that many are trying for the first time. Those who own and operate private jets are seeing both a decrease in overall flights nationally and internationally, but are seeing an increase in new customers willing to try this mode of transportation in an effort to lessen the chance of contracting COVID-19 on a commercial flight.

Companies such as Jet Linx, have offered 90-day jet card memberships (at a 60% discount of what they usually go for) in an effort to boost their usage during this day-and-age.

Additionally, yacht charters are being encouraged, but boat shows are being cancelled.

QUICK STAT

Private jet companies saw a spike in calls to help relocate elderly parents.

source: Forbes

QUICK STAT

Once the pandemic ends, there is an expected 33% increase in private jet usage worldwide.

source: Forbes

QUICK STAT

Risk of exposure to COVID has been found to be 30 times less flying private versus commercial.

source: GlobeAir

06. WEST COAST TRAVEL

Due to low ticket prices throughout the US due to COVID, a few brave souls have decided to keep traveling (even though on the CDC's FAQ page states that "most viruses and germs do not spread easily on an airplane " and "the risk of infection is low"). On the West Coast alone, there has been an increasing volume of jaw-dropping ticket prices.

Some examples based of Alaska Airlines one-ways:

- Los Angeles to San Jose: \$25
- Seattle to Oakland: \$49
- Newark to Los Angeles: \$89
- Los Angeles to Baltimore: \$99
- Oakland to Honolulu: \$99

QUICK STAT

Hawaiian Airlines are promoting flight deals to Hawaii from the West Coast for as low as \$278 roundtrip.

source: Money

QUICK TIP

With deals like this, even though many are still social distancing, still are willing to travel. So by going dark, you may lose important consumers.

QUICK TIP

Many are still looking to travel after the pandemic, many will take advantage of the cheap flights to get out of the house.



Questions?



There's a lot going on right now. Social distancing is impacting how we all do business and we know there is concern over the days ahead. Not only do you have to worry about your health and the health of your family, but you have to find the best path forward for pursuing your company's objectives for the year.

We are (and have always been) optimists and believe that we will get through this together.

We are with you for the long haul and will continue to provide relevant insights and guidance as you navigate this new normal. You can reach us with any questions or concerns at digilant.com/contact or info@digilant.com.