Insight Department:
Navigating the New Normal -
Post-COVID19 Tourism Consumer Trends

September 2020
Summary

Following the lifting of the national lockdown restrictions, we are all coming to terms adjusting to the presence of COVID-19. Established behaviours have developed and new customs and habits have emerged. These developments have resulted in a new normal relationship between society and travel.

Convenience, Reassurance, Value, Inspiration and Connection have all been identified as key consumer drivers in the era of COVID-19. Innovative and agile providers are seen as the catalysts for recovery in tourism through adaptation and flexibility. Consumer intentions and behaviours have shown themselves to affirm predictions but have also surprised many with their unintended consequences.

Many of the consumer behaviours we are witnessing already align with the objectives of the recently refreshed Scottish National Tourism Strategy Scotland Outlook 2030 and the Responsible Tourism agenda it contains.

Welcome

With the advent of the COVID-19 pandemic and resultant lockdown of society at the start of 2020, there has been a profound effect on consumer behaviour and society in general. This has been an acceleration of existing tourism trends like Transformational Tourism. Others are unique to the situation society finds itself in today.

Within Scotland, lockdown (the implementation of a Stay at Home order restricting movement to essential travel) started on 23rd March 2020. Following a phased relaxation of lockdown rules by the Scottish Government, most of the visitor economy in Scotland began reopening on 15th July 2020. This restarting of tourism comes with new regulations, guidance and precautions due to the ongoing presence of the coronavirus. This in itself is a factor in consumer behaviour.

Lockdown society developed idiosyncrasies that will define the “new normal” for tourism and the subsequent restart of the tourism industry. Due to the global spread of COVID-19 we can draw on a number of information sources to determine the changes in future traveller behaviour.

By looking at how tourism has restarted in other regions of the world, other consumer industry sectors and analysing consumer sentiment in Scotland we can build a picture of the post-lockdown covid consumer.
COVID-19 Tourism Landscape

The travel and tourism industry has been one of the hardest hit by the pandemic. International data collated so far for 2020 predicts a reduction in travel activity across many global regions of potentially up to 50%. Scotland saw the return of tourism during the summer months. To date performance is mixed across the sectors and regions due to a number of factors.

The outlook for the industry, based on a collective expert opinion, is formed largely on the outcome of the epidemiological situation in the coming months, with COVID-19 remaining a defining factor for travel into 2021. Assuming that a vaccine is developed by early 2021 it would lead to a further easing of lockdown measures. However, management and containment of the virus as experienced today would lead to an expected patchwork reopening of borders, due to possible future waves of infections. Indeed, the return to 2019 levels is not predicted to be seen until 2023.

The International Seminar on the Tourism Path to Recovery Post-COVID-19 (10-11 September 2020), provided a platform for knowledge-sharing on mitigating strategies leading to a sustainable recovery of tourism. It also explored how innovation could support the recovery of the tourism industry. Findings included:

- Airline passengers look for flexibility and regaining confidence is essential for tourism businesses today. Emirates for example introduced a COVID-19 insurance that covers medical expenses, quarantine costs and repatriation to all passengers to address this need.

- The rail industry in Europe has seen a sharp increase in short-distance holidays to rural destinations, with tourists avoiding crowded places. This is anticipated to continue into 2021.

- Throughout the tourism sector the behaviour of consumers has become more cautious, focussing on health and safety. Value Retail has seen that shopping protocols have helped improve confidence for guests with transparency being crucially important to highlight the safety measures.

- For the hospitality sector, STR Global observed that during the past months, domestic travel is recovering fastest. Notably, accommodation occupancy rates in major European city destinations such as London, Paris and Amsterdam are growing slower as opposed to rates in the countryside and natural areas.
The Evolving COVID-19 Tourist

VisitEngland, VisitScotland and Visit Wales commissioned a weekly Covid-19 consumer sentiment tracking survey to understand domestic intent to take overnight short breaks and holidays both within the U.K. and abroad. Particular focus was around the current barriers and concerns for travel and how these will evolve over time. The tracker ran from May to September and was representative of the UK population.

**CONSUMER INTENTION:**
The early survey results in the first four weeks found 21% of the U.K. adult population plan on taking their next U.K. short break or holiday by September, a further 19% between October and March, and 17% from Spring/Summer 2021 onwards. 20% don’t know when they will take their next trip but would like to take one, while 22% have no plans as yet to go on a domestic trip. In terms of demographics, compared to the overall U.K. adult population, both ‘Summer Intenders’ (those likely to holiday between June and September this year - 21% of U.K. population) and ‘Winter Intenders’ (those stating they will holiday from October 2020 to March 2021 - 19% of the U.K population) are more likely to be ‘pre-nesters’ and ‘families’. They are less likely to be ‘older independents’ and of retirement age. Additionally, they are more likely to be in the higher income socio-economic groups.

‘Countryside’ and ‘coastal’ were the main destination types for a trip between June and September and between October and March. ‘City or large town’ was more popular for trips from October to March.

South West of England and Scotland were consistently the most popular destinations throughout the study for intended trips and actual trips reflecting the availability of rural and coastal locations available to travelers.

**CONSUMER ACTIVITY:**
As of mid-August, 16% of U.K. adults (c.8.6 million) claimed to have taken a domestic overnight short break or holiday since travel restrictions started easing in early July. The final wave of the survey (31st August to 4th September) found just over 1 in 4 U.K. adults said they have been on a U.K. overnight trip since the start of July. This is significantly higher than the proportion who intended to take a trip during this period (when asked just prior to the easing of lockdown).

The higher incidence of trips taken appears to be driven by ‘VFR’ (visiting friends and relatives) as opposed to ‘pure’ holiday trips. Over a third (35%) of overnight trips taken in the summer were VFR, compared to just under 1 in 4 (23%) of intended summer trips. Aligning with intentions, ‘countryside’ was the most popular location for a U.K. holiday this summer accounting for a 35% share of this type of visit. For all trips, it remained popular with a 29% share. Although ‘city or large town’ was cited as the location of choice among just 21% of summer intenders, it attracted the highest share of overall trips, possibly by virtue of having a relatively high proportion of more spontaneous VFR visits.

Traditional coastal and mountain destinations under-index on trips relative to intent. This may be partly due to potential visitors changing their minds due to concerns around crowding/distance or issues on the availability of suitable accommodation.

The consumer sentiment study highlighted and reinforced the assumptions and predictions of post lockdown COVID-19 tourism.

- The desire to travel remains among consumers.
- That balancing holidays with visiting relatives is a contributing factor to planning and booking.
- Summer travel was about finding fresh air and space.
- Autumn/Winter may be similar however practicality may find cities become an option.
Post COVID-19 Consumer Trends

What will be the drivers of tourism in the coronavirus age? Uncertainty and anxiety will undoubtedly be a significant factor among consumers decisions for planning and booking. Flexibility, safety and hygiene will increasingly be seen as standard for all operators.

We have seen from the global tourism landscape and consumer sentiment that there are key factors influencing the new or perhaps next normal for tourism.

During and after lockdown it became apparent that the outdoors was a valued factor of peoples wellbeing. An RSA/YouGov survey found only 9% of Britons want life to return to “normal” after the coronavirus outbreak is over. The majority saw the noticeable benefits to the local environment of cleaner air, more wildlife and stronger communities leading to life changes and realignment of values. Geography plays a large part in planning trips. Rural and coastal areas were and are popular as destinations matching travellers requirements for open space, nature and clean environments. Demographics are also a factor as the perceptions of personal risk will vary by age and personal circumstance. Younger demographics without underlying health conditions and families are more noticeable in domestic breaks at present. This opens opportunities for price-conscious packages for younger domestic consumers embarking on their first staycations. Finally product offering, specifically the presentation of a providers values and attitudes will become increasingly important. For Scotland there is now an opportunity to become a highly desirable and sustainable destination. We can reset tourism in our own image meeting responsible tourism goals which align with those of the consumer.

What is the outlook for tourism in the new normal? Time was once a precious commodity – now it will become an asset. We can look towards slow tourism where in the short term we will see less travel but travelling better.

The need for trust between consumer and provider will be paramount therefore clear messaging is important through marketing channels and customer generated content. Small group travel and private tours, personalisation and bespoke products and planned and curated travel will develop through consumer demand and practicalities of adherence to legislation. Ultimately this will drive innovation and adaptation within the sector.

The opportunities in the new normal will see premium brands promoting high standards of health, safety, ethics & customer service whereas smaller providers can project the warmth of human-ness through intimate “club” style product offerings (low volume / high value). Premiumisation of individualism, personalisation, bespoke will be unique selling points to visitors looking for reassurance. Meeting the visitor's need for transformational tourism and supporting the economy, consumers will “travel with purpose", demonstrating community support through volunteering, rewilding, localism, restorative immersion through spirit-lifting experiences. Businesses can support this by delivering value for money and showing their values for the money. Finally, this is a time for embracing new ways of thinking. In the post-2008 financial crisis the then “new” normal saw the birth of Uber, AirB&B, WhatsApp as responses to new ways of thinking and reacting to what had been a fundamental change in our time.

So to summarise we see a shift towards tourism flowing to less crowded destinations. Hospitality is becoming a priority. The result will focus a shift from footfall and number of visitors towards prioritising spend per visitor, which provides an opportunity for the tourism sector to focus on improving the quality of experience versus the quantity of tourists.
Disclaimer: The work presented in this paper combines previously published research from VisitScotland with primary and secondary research and interviews conducted by VisitScotland’s Trends Team specifically for this study. Case studies provided in this paper are illustrative examples of the suggested solutions described, alternative providers and solutions may be available. VisitScotland has published this report in good faith to update stakeholders on its activity. VisitScotland has taken all reasonable steps to confirm the information contained in the publication is correct. However, VisitScotland does not warrant or assume any legal liability for the accuracy of any information disclosed and accepts no responsibility for any error or omission.

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