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Tour Operators Watch Coronavirus Spread, Make Adjustments

by [David Cogswell](#) / February 27, 2020



Tour operators are now getting calls about tours to Italy after dealing with new China policies when coronavirus first made headlines. Photo: Shutterstock.com.

Tour operators are closely watching the spread of the coronavirus because, in addition to everyone's personal concerns, the outbreak affects the essential functioning of their businesses. And it's changing on a daily basis.

The disruption of business is no longer limited to Asia. With cases now reported in several European countries, a flicker of concern is threatening to spark an outbreak of panic arguably more damaging than the disease itself.

The effect of the coronavirus on the stock market creates a separate concern, since many travel purchasing decisions are based on the status of 401ks and stock portfolios.

A moving target

“The status is changing every day,” said Nish Patel, president of Mayflower Tours. “Until last week, it was only China and Southeast Asia, but recent news about the coronavirus spreading in Italy has a lot more travelers concerned. Now we are getting calls on tours to Italy.”

While the situation is in flux, Patel’s reaction reflects the attitude of the tour segment in general.

“Our stand remains the same,” said Patel. “Safety of our travelers is our number one priority. We are monitoring the information available on the CDC and WHO websites and also discussing with our ground operators. If we believe a destination is not safe to travel, we make changes accordingly.”

Mayflower canceled its trips to China for the entire year. While some clients postponed until next year, none have canceled. But now decisions that were made when the coronavirus was contained in China must be reconsidered each day.

Educating consumers

Big Five Tours — which operates in Asia, Africa and Latin America — is letting clients who choose not to travel postpone until next year or choose another destination. The operator is experienced at adapting to disease outbreaks and the panics they set off.

“It is important to note that this is not the first or the last time this will happen,” said Ashish Sanghrajka, president of Big Five Tours. “We experienced this to a certain degree when Ebola paralyzed Africa.

“The key to this is educating travelers versus persuading them. We spent that time educating travelers on how tourism is the frontline resistance to poaching. Tourism serves several frontlines for resistance in Asia, from poaching to human trafficking and beyond. We, as an industry, cannot lose sight of that.”

Part of the education of clients, Sanghrajka said, is to show them the power of their travel purchases in places where they travel.

“We should be painting a picture of what China would look like without tourism,” said Sanghrajka. “We should be talking about how many jobs are related to tourism in any one country, and we should be painting a picture for travelers that helps them embrace the power they hold, instead of convincing them to do something they may not really want to do.”

The role of travel advisors

Travel advisors, with their particular skill set and knowledge base, have an important role to play in managing the crisis internationally.

Adam Hodge, vice president of marketing, at Goway Travel, said: “Travel agents have survived ‘the internet,’ post 9/11, and SARS by providing a service, support and information to their valued clients when it really matters. This has not changed.”

Hodge said Goway advises travelers to consult travel advisors, “who will be your best resource for knowledge and help at any point prior and during travel, as well as for cancellations.”

Robert Drumm, president of Alexander & Roberts, which operates many tours to China, said: “Travel advisors have been such a help in guiding travelers to other destinations with us. Fifty-six percent have been re-accommodated on other tours, with postponements, travel credits and cash refunds making up the balance in about equal parts.”

As the virus spreads internationally, for Alexander + Roberts, the fear of the coronavirus has now spread to Japan as it heads into Cherry Blossom Time.

“We have pretty experienced travelers who go with us and they are not subject to panicky decisions,” said Drumm. “At least, that’s my take on what ‘hasn’t happened’ to date. Like everyone else, however, we’re watching the news.”

Fading sensitivity to bad news

Consumers, in general, may be overdosing on bad news, and in spite of scary news reports about the coronavirus, John Feenaghty, COO of Goway Travel, does not see travelers overreacting.

“Inevitably, there have been some cancellations,” said Feenaghty, “especially on trips to China. But many of these travelers are simply rebooking trips to other destinations. I think, despite all the fear that’s being spread in the news, travelers are reacting very reasonably to this outbreak.”

Goway’s customers who cancel to China are just booking to another destination. As a result, the company has seen spikes in bookings to non-affected destinations, such as South America and Africa. In spite of the fact that cases of the coronavirus have cropped up in several countries in Europe, Goway is still seeing strong interest in the region. Asian countries that are not affected by the virus are also still popular for the company.

“Island getaways are always popular with certain travelers and we’re also happy to see travelers, once again, book more vacations to Australia. Plans have changed, but people are still committing to seeing the world with Goway.”

Shifting travel map

Although the coronavirus problem is still destination-specific, it is putting a pall over travel in general. And the map of affected destinations is shifting rapidly.

For Pleasant Holidays, the impact so far has been minimal in most of its destinations. But the company is experiencing an effect in Southeast Asia.

Jack E. Richards, president and CEO of Pleasant Holidays, told Travel Market Report: “Although we do not offer China, we are seeing a significant slowing in bookings to Japan, Singapore, Thailand, Vietnam and Cambodia, and expect this to continue for the foreseeable future.

“Since there are no reported cases of coronavirus in our top destinations of Hawaii, Caribbean, Mexico, Costa Rica, Belize, Tahiti, Panama or Fiji, bookings to these destinations remain strong. Bookings closer to home in Florida, Las Vegas, Orlando and Canada are strong. We do see a trend of travelers staying closer to home for travel April-August. The impact for Europe is beginning to increase as new cases are reported across the top destinations.”

Maintaining a broad perspective

Ronen Paldi, president of Ya'lla Tours, sent an email from Egypt: “I’m currently in Cairo and there are zero signs of the coronavirus.

“None of our destinations are affected and none of our bookings are affected. We keep getting bookings every day and people are following our advice: Look at it with a great perspective. How so? Every year, there are thousands of people in the USA who die from the flu, so, are we going to stop traveling as a result of that?

“Yes, there is a lot of panic with the coronavirus. Sadly, some people died. But we all must take a deep breath and look at it with great perspective.”