



Tour Operators After Nice: Taking Stock of a New Reality

TOUR OPERATOR | DAVID COGSWELL | JULY 15, 2016



Photo courtesy of Thinkstock

When news of the Nice truck attack entered the international media stream, tour operators were once again called upon to respond to the latest of what seems to be an increasing frequency of crisis situations taking place around the world in a more or less random fashion.

While most people can take time to grieve and reflect at a time of crisis, tour operators have to be on the job to attend to the needs of the moment if the current crisis affects any of their destinations or travelers.

One thing seems clear, there is a new reality for tour operators to take stock of.

“It’s so hard to get your arms around the idea that there is a new reality in the world,” said John Stachnik, president of Chicago-based Mayflower Tours. “Our hearts go out to the victims, family and friends of those who saw a national holiday turn into the nightmare that it has.”

The series of incidents has already affected Mayflower’s business.

“We have already seen an inward turning,” said Stachnik. “North America appears to be a safer haven for most — and tours which do not concentrate on large urban areas are doing well.”

But because of the randomness of the events both in terms of places and in terms of the perpetrators and motives for the attacks, it is impossible to predict where the next one will take place. So there is little anyone can do to insure safety short of staying home all the time, the one solution that no tour operator would embrace.

“We owe it to those who have suffered so much to not let fear overtake all of our thoughts,” said Stachnik.

“It is becoming a challenge to even get one’s arms around personal thoughts, let alone figure out what the traveling public is thinking and doing,” said Dan Austin, president of Austin Adventures.

“I think what we are starting to see (with no degree of science) is two different travelers. Traveler A will not let anything or anyone stop or detour them from their travels. It’s a passion, a way of life and a personal commitment. Traveler B is a bit more cautious. Still traveling, but avoiding destinations that are making the news. It’s still a way of life and a commitment, just not as strong of a statement. Consumers are definitely still traveling, anyway you look at it. The where, how, when and why is the question.”

“The event alone does not create a sense of vulnerability,” said Ashish Sanghrajka, president of Big Five Tours. “However the fact that another event has taken place after the devastation in November is what makes this stand out more.

“When the November attacks happened, we posted a blog called ‘Fear is not Sustainable and Neither is Aggression’ in which we urged the world to think about understanding who we are fighting, before we start assigning blame. Sadly this is still being done backwards. Just look at the politicians’ public statements this morning.”

While Big Five does not offer tours to the affected area this time, the company is witnessing a shift in demand over time in relation to all the attacks.

“From a standpoint of travelers, the desire to travel has not gone dark,” said Sanghrajka, “rather it is the destinations they are choosing. After 9/11, the shift was to very last-minute travel. While that still exists, the long-term travel plans have not dissipated as would usually be the case in times of distress.”

And then there is the effect on individuals. In the case of Sanghrajka, a Kenyan American of Indian ancestry, what happens in Europe can unfortunately affect life in America.

“From a personal standpoint, the most direct effect I expect is more racial profiling on me and my family while in airports and in certain parts of the country,” he said.

For tour operators and wholesalers with clients or staff in France, the crisis cut closer to home.

“We have two team members in the South of France, living there, and thank God both are okay,” said James Phillips, president of Travel Bound. “We have now contacted all hotels and can confirm that all Travel Bound guests are accounted for and none is hurt or worse.

“We had our Global Support teams in Bangkok and Dubai work through the night and so we had a pretty early view on that. Now our New York team is working on making requested adjustments to our guests' trips. We have a flexible cancellation policy in place and we understand that some will want to make changes to arrangements or will not want to travel. We're also in the process of updating our customers through the Consortia network that our guests are safe. This will be a big relief for everyone.”

Phillips expressed concern that relatively low-tech, random attacks will create “suspicion, fear and hatred, and it's really important that as representatives of the travel community we take a lead in demonstrating that travel is such a positive force in the world. Statistically, the chances of being directly impacted are minute, but some people are impacted and for them, their friends and families as well as the community, it's terrible.”

For Travel Bound’s international business, the events are damaging, said Phillips. “France is a top three country for Travel Bound. Italy and the U.K. are impacted due to the interconnectedness of European travel.”

Europe accounts for the lion’s share of Travel Bound’s wholesale business, though about 50 percent of its business is in Asia and the Americas.

“We have seen two major changes,” said Phillips. “The first is that the mix has changed. We are selling more Asia, primarily Bangkok, Phuket and Tokyo, but also Koh Samui, Singapore

and Bali. North America has also become a bigger share of the mix, with Miami, Orlando, Los Angeles and Vancouver doing really well.

“The second change is a shortening of the booking window with an increase in stickiness, meaning that travelers are booking later but are more serious about making those trips once booked.

“It’s a tough year. We know that some companies are making adjustments to head counts. This morning we saw a note on a significant European wholesaler which has ceased operations. But we’re investing into the market.

“These events are not only tragic but they do have impact on our industry. But, as travel professionals, we’re no stranger to challenges, even adversity, and we look forward with a positive, driven attitude.”

Paula Twidale, executive vice president of Collette and the current chairman of the U.S. Tour Operators Association, reported that fortunately Collette did not have guests in Nice at the time of the attack, but the company continues to monitor the situation both in Nice and around the world where it has operations.

“As more information becomes available, we will advise guests accordingly of any changes that may affect existing travel plans,” she said. “We support the people of France and choose not to succumb to fear; but instead remain vigilant as we continue living our lives freely through travel.”

The Globus family of brands summed up what many are feeling in a company statement: “As we mourn the senseless and tragic attack that took place in Nice on Bastille Day, we are grateful to confirm the safety and well-being of all Globus family of brands guests traveling in and through Nice. We will continue to closely monitor the situation and will contact travelers and/or their travel agents should there be any changes to future cruise or tour itineraries. In the meantime, our thoughts are with Nice. And we remain resolute in our quest to live and travel freely, experiencing all this beautiful the world has to offer.”