



„Corona summer season”: Sentiment of Austrian tourists

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1. **Key takeaways**
2. **Current situation**
3. **Research results**
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Austrian tourists have not given up on this summer season

1. Key takeaways

1. **47% of Austrians still plan on going on summer vacation, while a large share of travelers is still undecided (40%)**
2. **58% of respondents have already booked their vacation, or are checking the offers**
3. Among the ones who have booked their vacation and are certainly going, **77% have booked their vacation in Austria**
4. Among the ones which have not yet decided, **42% will be making the decision in the next 2 months, while 40% will decide in more than 2 months**
5. **Half of the tourists (51%) are considering spending part of their vacation in Austria**
6. **Croatia is first choice for this years' summer vacation somewhere abroad**
7. This year, priority will be given to **less crowded destinations**
8. **Research results indicate a significant decrease in tourism volumes**
9. **Preparation by tracking the sentiment in source markets would enable better adaption, quicker reaction and minimize losses**

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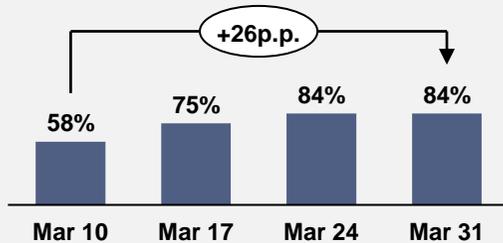
The fight against coronavirus is ongoing and the tourism sector is particularly affected...

2. Current situation

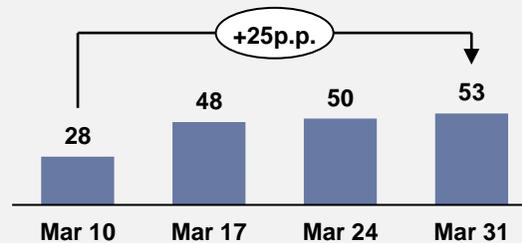
The fight against the coronavirus pandemic is ongoing and there is much that we don't know. A high level of uncertainty is the only thing one can be sure of. There are many opinions and a few facts. By gathering a team of experts and our own expertise, we tried to make our contribution in objectifying current situation, and to point out the potential implications of the results obtained by the research. Given that the uncertainty is high, **significant changes in consumer sentiment through different surveys are visible at intervals of one to two weeks**. That difference among weekly researches are the essential indicator of the intensity and the course of change, and it varies among markets market. For example, in a survey that monitors the sentiment of US tourists¹, significant changes have been reported each week. All of this highlights the importance of doing periodic research, as a **very useful tool in times of uncertainty**.

Results of a weekly survey on american travelers' sentiment towards tourism during the coronavirus pandemic¹

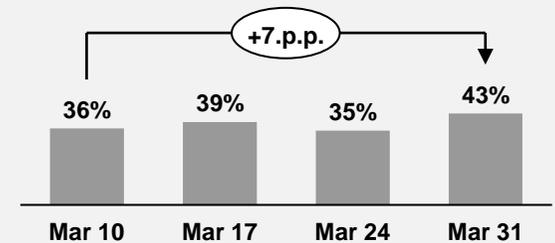
% of US travelers who are changing their travel plans for the next six months due to coronavirus



% of US travelers who would cancel some trips



% of US travelers who will reduce travel in the next 6 months



Tourism is one of the sectors most affected by this pandemic and the recovery will be influenced by various factors. Some of the key ones are: **1. Duration of pandemic in each country and destination, 2. Duration of pandemic in the source markets, 3. Opening of borders and establishment of passenger transport, 4. Scale of economic crisis, 5. Consumer behavior (from consumption to decision about travelling).**

This report is focused on consumer behavior, opinions and sentiment of Austrian tourists. A change of consumer sentiment is unknown in the face of a such pandemic of global magnitude, which has almost immediate effects on the decline of both supply and demand. Spotting changes in a particular source market and periodically monitoring changes in consumer sentiment are some of the most important tools that currently paralyzed destinations (tourist boards, agencies and hoteliers) should place greater emphasis on and use facts and research to better prepare for the recovery, or to minimize the losses.

1) Longwoods International tracking study of American travelers and the coronavirus pandemic. National representative sample N=1000, +18 years old

...therefore, this initiative should encourage further research and preparation, in order to achieve best possible tourism results

2. Current situation

This report is primarily oriented towards summer holiday tourism, since it is the season which will primarily be affected by COVID-19 situation in the next few months.

Also, holiday tourism has historically shown resilience in times of crisis, especially compared to business trips, which are highly correlated with business activity. To assess the resilience, besides internal, current external factors should be considered as well. In doing so, we can use research and analysis of changes and trends, look at what the forecasts look like in competing destinations and analyze the traffic accessibility (from airlines to other means of transport, depending on the openness of borders).

Finally, the recovery time of a destination after any kind of shock (e.g. terrorist attacks) varies from each individual destination. Another important part of the recovery formula, especially in the short term, is adequate preparation by both the public and private sectors, on which the success of (re)positioning the tourist offer now depends on.

Based on the scenarios created, we can create recovery plans. In terms of specific recovery action plans – whether talking about destinations, private travel companies or businesses with significant seasonality due to summer season - research, analysis and preparation are crucial. For example, the tourism organization(s), have most likely planned this year based on expected further growth compared to 2019- the marketing budget is most likely focused on promotional activities, while a significantly smaller budget is dedicated for research and planning. The question is, how much of the budgets and how many activities have been reallocated in the past two months with the aim of adapting to new market conditions, which would save them from wasting the budgets in the upcoming period. Questions need to be asked- what, how, when and to whom to communicate in order to minimize losses this summer season and throughout the year.

Clearly, there are numerous possible scenarios. By structuring them as accurately as possible, preparing and undertaking adequate activities on time, losses can be minimized. We hope that this initiative will be an additional incentive for further research and preparation of all stakeholders, with the aim of achieving the best possible tourism results.

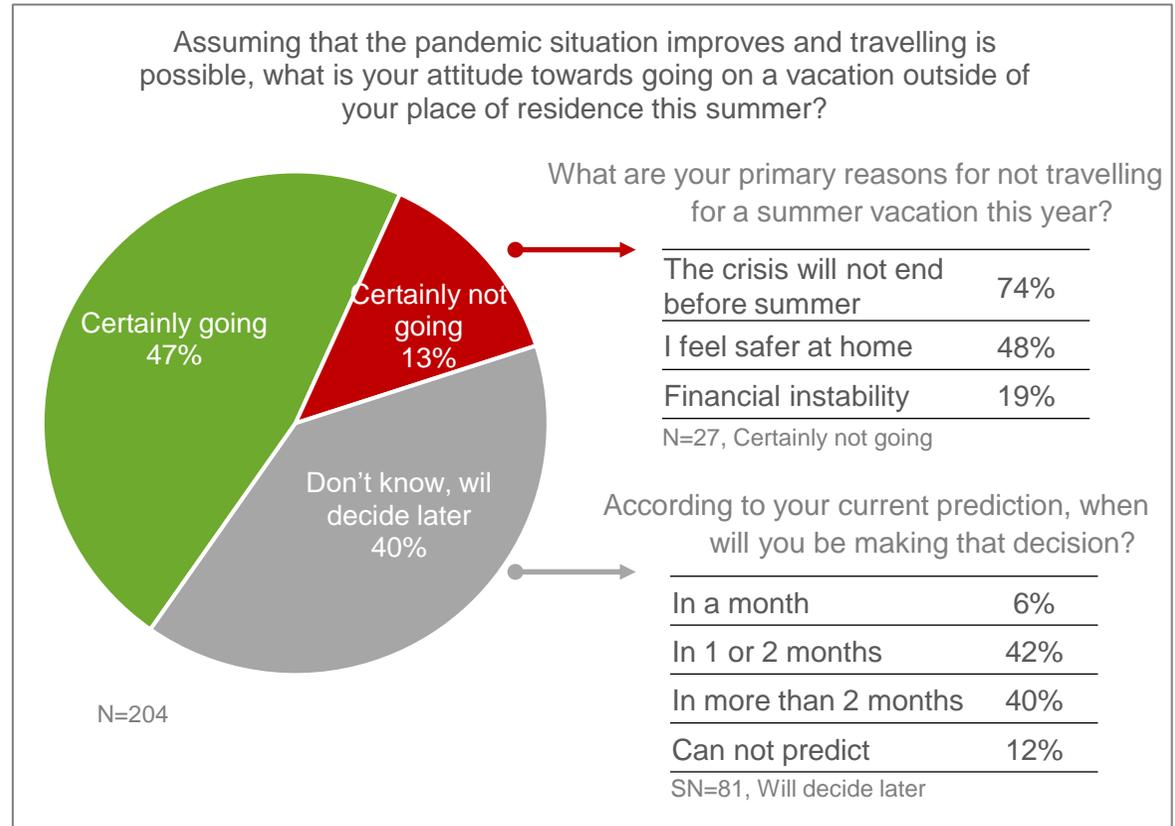
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47% of respondents plans to travel on a summer vacation, while many are still indecisive

3. Research results

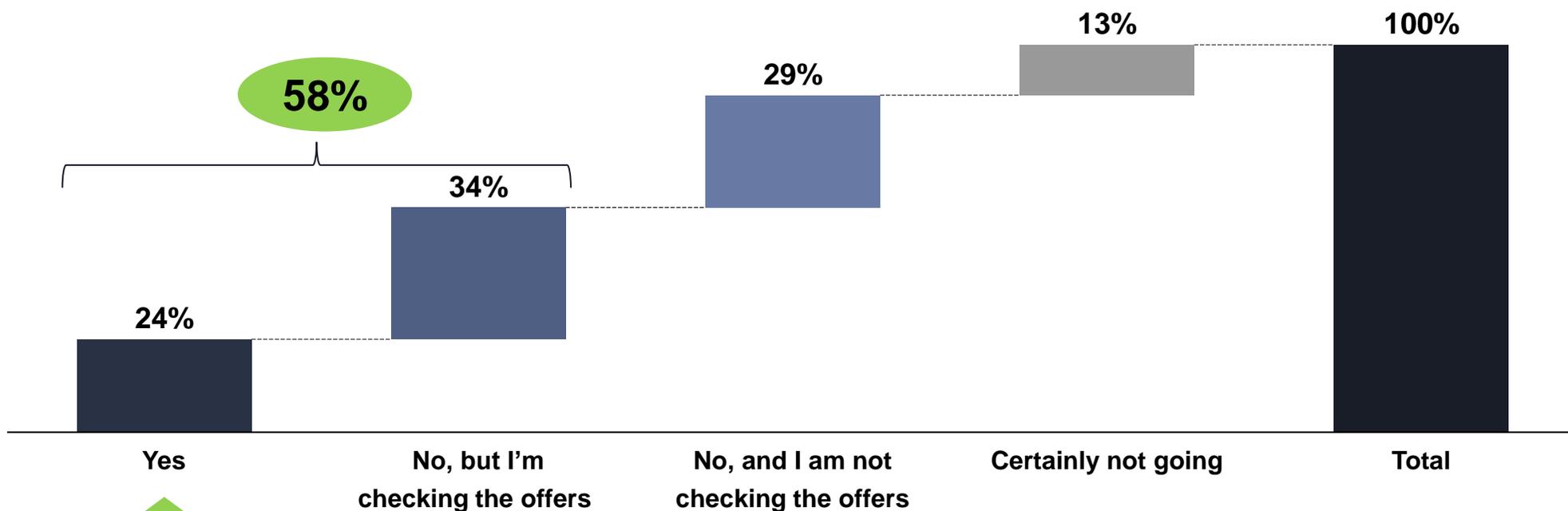
- **If the pandemic situation improves, and travelling is possible, half of respondents them would certainly travel for the summer vacation**
- **40% is still not sure whether they will travel this summer, and will decide later**
 - Half of them think they will make the decision sometime in May or June, and most of the others will decide in more than 2 months
 - Among the undecided ones, there is relatively more woman and households with lower income
- **Only 13% of the respondents will not travel this summer, even if the pandemic situation improves**
 - Most common reasons are certainty that the coronavirus crisis will not end before summer, and the feeling of security and less exposure to the infection at home



58% of respondents have already booked their vacation, or are checking the offers

3. Research results

Have you already booked your summer vacation? Sample: all respondents



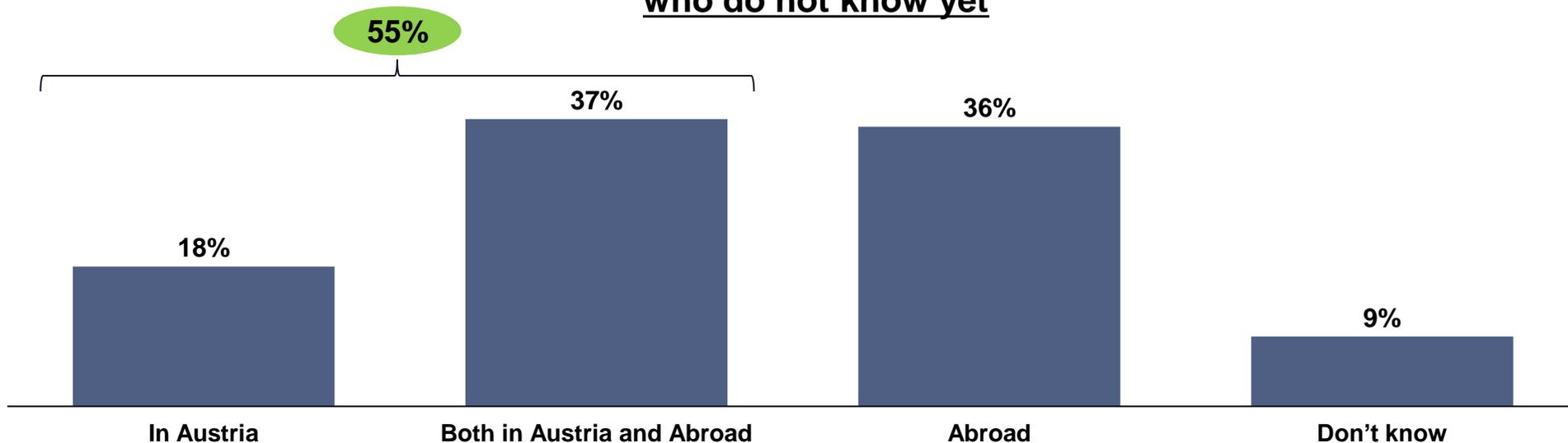
- Among the ones who have booked their vacation and are certainly going, 77% have booked their vacation in Austria
- However, 86% of the ones with booked vacation in Austria, are still not sure whether they will go

Half of the tourists are considering spending part of their vacation in Austria

3. Research results

- Half of the ones who are planning to travel, are likely to spend at least part of their summer vacation in Austria
- Among the indecisive ones, 55% are considering spending at least part of their vacation in Austria

Where are you more likely to spend your summer vacation this year? BASE: the respondents who do not know yet



N=81

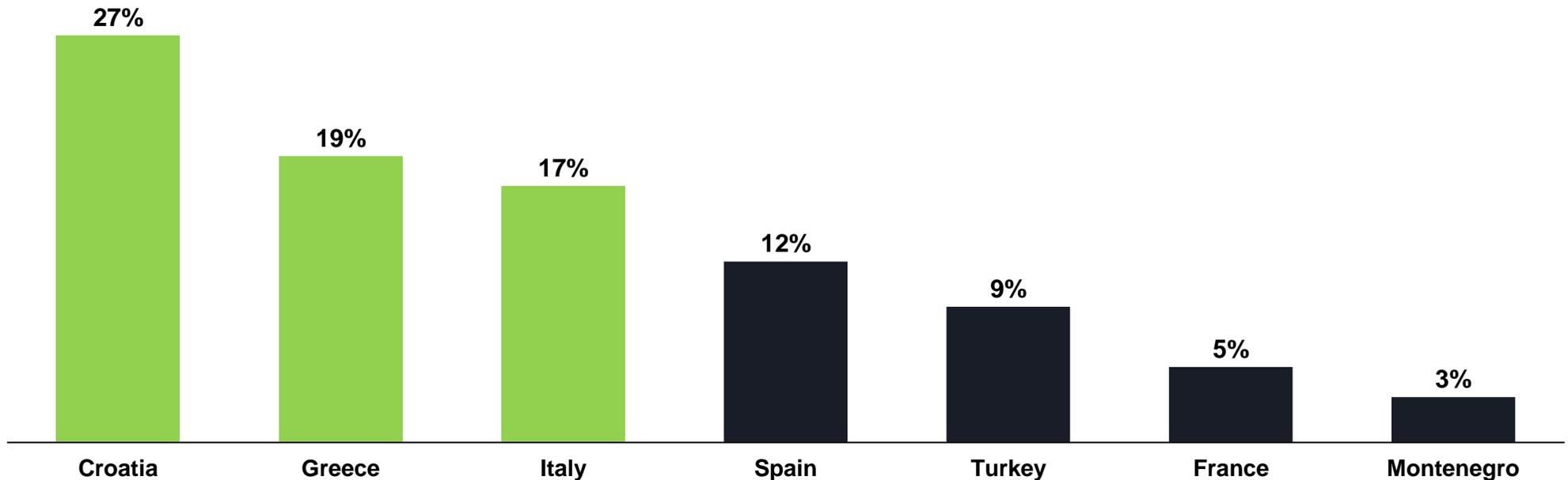
N=204

Croatia is first choice for this years' summer vacation somewhere abroad

3. Research results

- Croatia is considered as first choice for most, and Greece and Italy are competing for the second place

Which of these countries would you consider for your summer vacation this year? BASE: the respondents who will certainly go or do not know yet



N=204

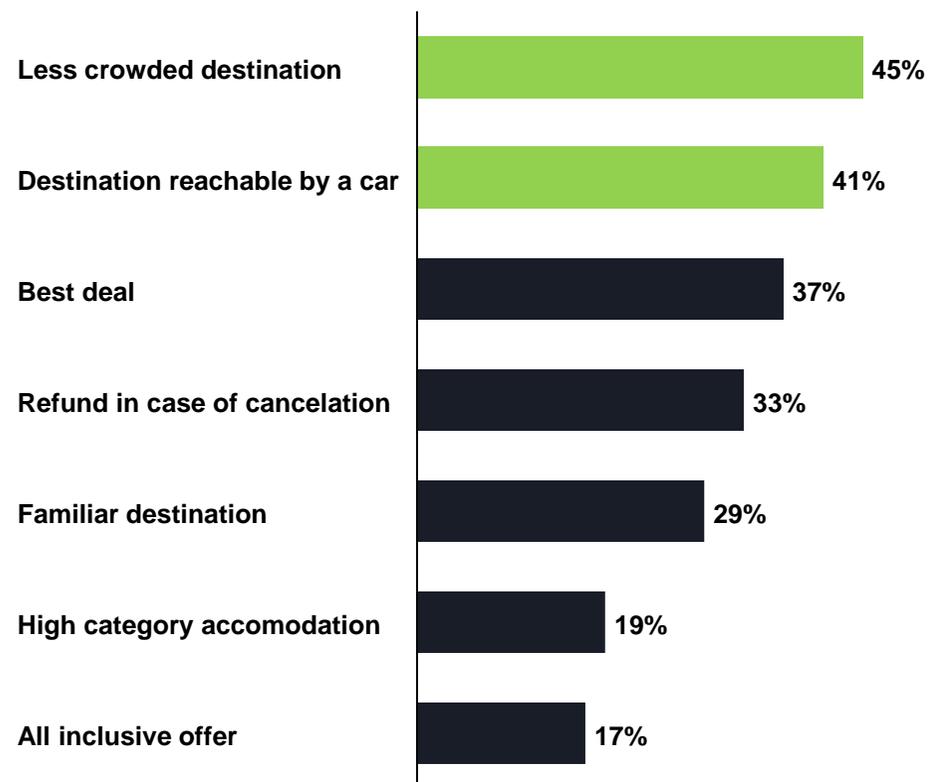
Most important characteristics in choosing a destination

3. Research results

According to the answers regarding favorable qualities of the destination, Austria has a good perspective in being a desirable vacation destination this year

- This year, priority will be given to **less crowded destinations, such as a smaller town, village or island** (45% chooses it among the 3 most important characteristics)
- In their free descriptions of desired destinations, the respondents highlighted peaceful, healthy and safe destinations which have successfully solved the coronavirus problem
- It is equally important that the destination can be **reached by car** (41%)
- Then comes the choice of the **best deal** (37%) and the **destination that is familiar** (29%)
- **In terms of priorities, there are significant differences by age**
 - For young people (up to 34 years), the most is the best deal (48%) and while availability of quality health services (24%) is most important for the elderly

Pick 3 most important characteristics in choosing a destination for this years' summer vacation, if you decide to go:



Research results indicate a significant decrease in tourism volumes

3. Research results

Research results

- **47% of respondents will certainly go on vacation**
- **13% of respondents will certainly not go on vacation** →
- **40% is still not sure and will decide later whether they will go**
- **31% of all respondents are the ones who will certainly not travel (13%) and the ones who have not made a reservation, are not looking for offers and don't know whether they will travel (18%)** →
- Considering the fact that 34% of all respondents are still checking the offers, and that half of the indecisive ones are considering spending at least part of their vacation in Austria, there is a possibility that some of them will choose Austria as their destination for vacation this summer- therefore, more pessimistic scenarios than the two above, are currently not being developed
- **Results imply 14% shorter summer vacation (2 days less than last year), which should be considered in terms of overnights** →

Optimistic scenario

Decrease of travel by 13%

Conservative scenario

Decrease of travel by 31%

Decrease in the duration of vacation for 14%

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Preparation by tracking the sentiment in source markets would enable better adaptation, quicker reaction and minimize losses

4. Conclusion

- Finally, we want to emphasize that in all scenarios, we need professional, structured and analytical approach. Tossing evaluations minute by minute leaves us in the position of an amateur spectator.
- The results of the study indicate that assuming the pandemic situation improves (including opening the borders), we can still count on summers tourism, although with significant decrease in number of overnights.
- Indecisive tourists are in a waiting position and much of the booking decision is expected no sooner than in two months or more. Last-minute destinations, if ready, could count on Austrian tourists. That means that lower demand with indecisiveness could mean lower prices, and it is important to take in account the possibilities of last-minute cancelations, as well.
- Many questions lie ahead. How to adjust your business to a significantly lower income? What will be the sentiment in key source markets in 2, 4, or 8 weeks? When will we start? What are we going to do?
- Timely and efficiently anticipating, preparing and timely undertaking the right activities are currently imperatives. Leading hotel companies, are already doing so. Their organizations and activities are already more adaptable to future scenarios. But some are late and hard work lies ahead. On the other hand, the public sector should support everyone, big companies that have been the leaders so far, and especially small and medium-sized enterprises throughout the tourism value chain. We hope that this small initiative of ours will be an **incentive for comprehensive research and analysis of key source markets on a bi-weekly basis, with real-time reporting to all stakeholders**. All with an objective to promptly define specific measures for **minimizing losses** in tourism.

Food for thought

Insights	Questions
1. Corona safety	1. How can destinations adopt?
2. Smaller destinations, lesser crowds and peacefulness	2. Could the overcrowded destinations reposition during this season? Is there an opportunity for some destinations?
3. Encouraging spending vacation in your own country	3. What is the sentiment of domestic tourists going to be in couple of weeks? What can we do proactively?
4. Price as a key factor	4. How to avoid price war? Could we, and how, use our advantages?
5. Postponing the decision and postponing the vacation	5. How to address indecisive tourists?

Disclaimer

This report is the result of a joint initiative between the BlueRock Consulting in Zagreb and the Improve market research agency in Zagreb. The aim was at this challenging time, using our own resources and abilities, to contribute in terms of objectively assessing current situation and to point out the potential implications of the results obtained. We hope that our initiative will be an incentive for further research and preparation of all stakeholders, with the aim of achieving the best possible tourism results.

The research was conducted with the aim of finding out what do Austrian tourists think about this year's summer vacation. A sample of Austrian residents who had spent at least one summer outside of their home country in the last two years was surveyed. The survey was conducted between 6 and 9 April 2020. The survey was conducted by the Improve agency in Zagreb, with an online survey of a sample of 204 Austrian residents. Respondents were recruited from an online panel via the Cint sample exchange platform. In structuring the sample, quotas were set by age, gender and region according to the characteristics of the Austrian population. The percentages obtained on a total sample of 204 subjects have an error interval of +/- 7%.

The BlueRock Consulting has assisted in defining the research, and worked on simulation of individual scenarios, as well as quantifying and analyzing the impact on Austrian tourism, based on: publicly available data, citing sources, results of the research conducted and the approach outlined in this report.

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