

TÜRSAB

TÜRKİYE SEYAHAT ACENTALARI BİRLİĞİ
ASSOCIATION OF TURKISH TRAVEL AGENCIES

THE WORLD AFTER THE CORONAVIRUS (COVID-19) PANDEMIC

MAY 2020



Preface



The Coronavirus outbreak is an exceptional pandemic suffered by humanity, and it has had negative effects on human health alongside severe economic consequences. We hope that we overcome this outbreak with the least loss of lives in Turkey and around the world and life returns to normal as soon as possible.

Many evaluations are being made about the harms caused by the Coronavirus outbreak to global economy. While the International Monetary Fund (IMF) predicts that global economy will contract by 3 percent due to the outbreak, this data points to the severest shrinkage in the world economy since the "Great Depression" in the 1930s.

The tourism industry has undoubtedly been the most affected by the Coronavirus outbreak within this period. The World Travel and Tourism Council (WTTC) predicts that the negative effects of Coronavirus on tourism will be 5 times larger than the harms caused by the 2008 global economic crisis. According to the evaluation made by the United Nations World Tourism Organization (UNWTO), it is estimated that global tourism industry will contract by 58 to 78 percent due to the outbreak.

Turkey's tourism sector has also seriously been affected by the crisis caused by the Coronavirus outbreak and continues to do so. Within the Association, we set up a crisis management desk so as to closely monitor the process since the first days when the Coronavirus outbreak started to spread around the world and to take the necessary steps for our sector. We communicated the measures required to be taken for ensuring sustainability in our sector through the requests we submitted to Presidency of the Republic of Turkey as well as to the Republic of Turkey Ministry of Culture and Tourism, the Republic of Turkey Ministry of Treasury and Finance and all relevant Ministries, and the Union of Chambers and Commodity Exchanges of Turkey. In addition, we exchanged views with many organizations that are our counterparts around the world.

We hope that the support and contributions to tourism increase in line with the evolving dynamics to help travel agencies which are the driving forces of the Turkish tourism, the smokeless industry of our country, stay afloat. Besides the studies we have performed, we prepared this report so as to develop a better understanding of the extraordinary period we are going through and to thus propose on-point resolutions. Besides evaluations on the effects of the outbreak on world economy and tourism industry, the report includes studies on consumer trends which will come into prominence after the outbreak, suggestions on promotion and marketing strategies and brand positioning strategies in order to enable our sector to better prepare for the aftermath of the Coronavirus.

I would like to express my wishes that our tourism sector which provides the greatest contribution to the Turkish economy, brings cultures together and builds bridges of peace, may return to its former bright days as soon as possible.

Firuz Bağlıkaya

TÜRSAB BAŞKANI

Table of Contents

03	Introduction
03	A Brief Definition of the Coronavirus (COVID-19)
04	The Effects of the Coronavirus Outbreak on the Economy
10	The Effects of the Coronavirus Outbreak on the Tourism Sector
27	The Current Situation in Turkey
39	Predictions and Plans for the Aftermath of the Coronavirus Outbreak
40	The World After the Coronavirus
42	Consumer Trends After the Coronavirus
47	How Should Brand Positioning Be After the Coronavirus?
49	How Can Brands Respond to the Coronavirus?
54	What Will Travel Look Like After the Coronavirus?
55	10 Trends that Shape Travel During the Coronavirus Era
59	Stages for the Post-Coronavirus Period
62	In Which Direction Will COVID-19 Change the Consumer Trends?
66	References

Introduction



The Coronavirus (Covid-19) which emerged in late 2019 in the city of Wuhan located within the Hubei state of China has turned into an outbreak within a short time such as 5 months. The World Health Organization declared a “Pandemic” on 11 March 2020 due to the outbreak that spread to 210 countries across the world. While millions of people have been infected with the virus around the world, hundreds of thousands of people have lost their lives within this period. The effects of the outbreak continue extensively. Having substantially harmed human life and health, Covid-19, the greatest outbreak of the last century, has also caused severe damages in the current world order in economic and social terms. At this point, while studies concentrate on the course the Covid-19 outbreak will follow and the ways of overcoming it with as little loss of lives as possible, its economic aspects and effects have also become another important talking point. In this respect, this report includes, in general, predictions about the effects of the Coronavirus outbreak on world economy, political life, trends and the tourism sector, as well as projections for the world that awaits us after the outbreak.

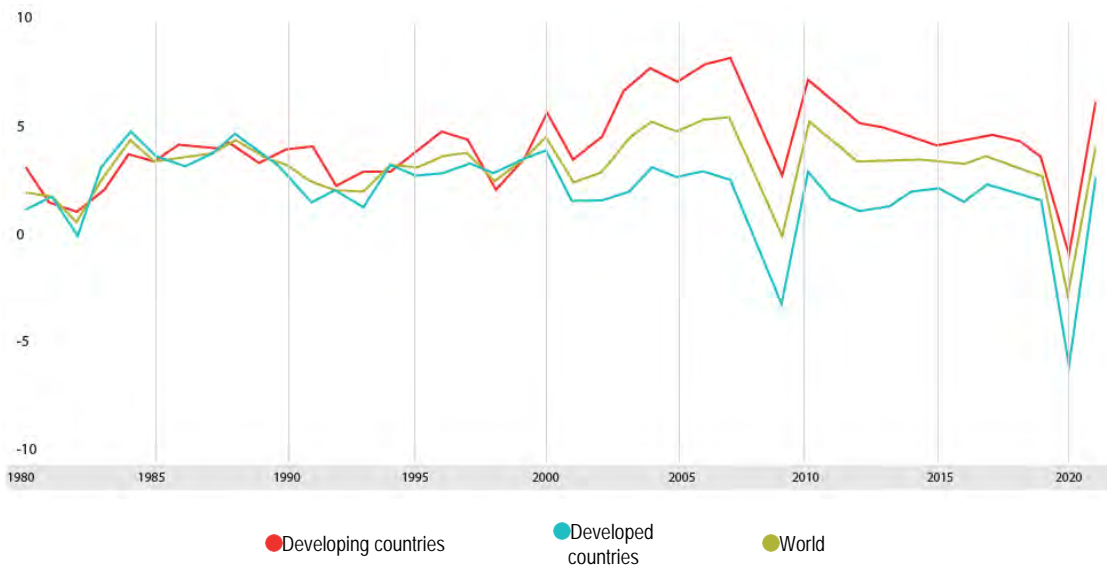
A Brief Definition of the Coronavirus (COVID-19)

According to the definition made by the Republic of Turkey Ministry of Health, Coronaviruses are a large family of viruses which can lead to disease in animals or humans. In humans, a few Coronaviruses are known to cause respiratory tract infections ranging from common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). It is stated that the novel Coronavirus disease is caused by SARS-CoV-2 virus. The World Health Organization defined the Coronavirus causing the pandemic as a novel Coronavirus (2019-nCoV) on 7 January 2020. Later, the name of the 2019-nCoV disease has been adopted as Covid-19.

The Effects of the Coronavirus Outbreak on the Economy

The fact that hundreds of thousands of people lost their lives due to the Coronavirus outbreak and millions of people have to live under the threat of this outbreak has caused fear and panic all over the world. The first measure taken by the countries to prevent the spread of the virus has been the travel restrictions and quarantine measures. While people started to stay at their homes, the states closed their borders and turned in on themselves. The inability to bring the outbreak under control leads to increase of the concerns. The outbreak has radically changed the lifestyles of people, and world economy has been significantly affected by this process. While there was growth expectancy at the level of 3 percent on average in 2020 for the world economy before the outbreak, turning of the Covid-19 outbreak into a pandemic by spreading internationally has plunged global economy into recession. The experts note that global economy is experiencing one of the most severe contraction periods in history. The harms caused to the economic cycle multiply as the measures taken by the countries against the outbreak increase. According to the projections of the International Monetary Fund (IMF), global economy will contract by 3 percent due to the outbreak, in 2020. This contraction in world economy is considered as a situation that has not been observed since the "Great Depression" of the 1930s.

IMF - World Economy Growth Rates



The Effects of the Coronavirus Outbreak on the Economy



More than 90 countries demanded urgent assistance from the IMF

Stating that the growth in the world economy has taken a sharp turn for the worse in 2020 due to the pandemic, IMF President Kristalina Georgieva has expressed that they have received loan demands from more than 90 countries due to the global recession. Making evaluations on the current status of the world economy in the article published on the official website of the institution, IMF President Georgieva states that the Coronavirus outbreak compromised the social and economic order to such extent that has never been experienced to date. In her article titled "Confronting the Crisis: Priorities for the Global Economy", Georgieva makes the following evaluation about the current status: "Just three months ago, we expected positive per capita income growth in over 160 of our member countries in 2020. Today, that number has been turned on its head. We now project that over 170 countries will experience negative per capita income growth this year. The bleak outlook applies to advanced and developing economies alike. This crisis knows no boundaries. Given the necessary containment measures to slow the spread of the virus, the world economy is taking a substantial hit. This is especially true for retail, hospitality, transport, and tourism".

Stating that the economic crisis which emerged due to the outbreak also harms the underdeveloped countries severely, Georgieva points out that the emerging markets and the low-income countries are at risk. In this respect, she notes that the great majority of African, Latin American and Asian countries, in particular, are also at high risk.

The Effects of the Coronavirus Outbreak on the Economy

Pointing out that the hot money outflows from the emerging markets were approximately 100 billion dollars in the last two months and that this amount is more than three folds compared to the same period of the global financial crisis, IMF President Kristalina Georgieva adds, "If the pandemic fades in the second half of the year – thus allowing a gradual lifting of containment measures and reopening of the economy – our baseline assumption is for a partial recovery in 2021. But again, I stress there is tremendous uncertainty around the outlook. It could get worse depending on many variable factors, including the duration of the pandemic". IMF President Kristalina Georgieva has expressed that the IMF has responded to emergency financing calls of more than 90 countries so far.

On the other hand, according to the projections of the IMF, it is predicted that the global economy will grow by 5.8 percent in 2021 if the outbreak can be contained after the second half of 2020. This opinion is supported also by institutions such as McKinsey, Moody's, Goldman Sachs and Morgan Stanley. The institutions such as McKinsey, Moody's, Goldman Sachs and Morgan Stanley express that the economy will enter a process of recovery in the second and third quarters of 2020 and that this process will continue also in 2021.



World Bank: There will be a Complete Recession in Developing Countries

According to the prediction of the World Bank about the effects of the Coronavirus outbreak on the world economy, the economies of developing countries, in particular, will be substantially affected by this process. The World Bank predicts that, even if the normalization process starts in the summer months, the total production in the developing countries will decline by a rate of minimum 2-3 percent. The World Bank analysts emphasize that "a complete recession" is inevitable in any case in the developing countries throughout 2020.

The Effects of the Coronavirus Outbreak on the Economy

OECD: Production will Contract by Minimum 25%

The Organization for Economic Cooperation and Development (OECD) expresses in its projection dated 27 March that it is too hard to determine the economic implications of the global outbreak and further states that the possibility of occurrence of an economic contraction across the world has now become certain. The OECD indicates that the possibility of a decline in consumer expenditures by around 33 percent and the cessation of activities might lead to a decline by 20 percent to 25 percent in the production volumes of many economies.

The global trade that has come to a standstill after the country economies had turned in on themselves is expected to gain some momentum under a controlled scheme with the decrease in the effect of the outbreak.

Evaluating the repercussions of the outbreak for the global economy, Adam Slater, the Global Lead Economist of Oxford Economics, also adopts a similar approach. Slater explains, "We are anticipating that the global economy will contract by 3.6 percent this year. But we are expecting that the global economy will regrow strongly in the third and fourth quarters. If we were to express this in the form of a letter, we can say that we are expecting a V-shaped recovery".



The Effects of the Coronavirus Outbreak on the Economy

The pandemic has varied repercussions for the markets. Istanbul Chamber of Industry (İSO), which held a webinar on the effects of the Coronavirus outbreak on the economy, hosted in the webinar the consultants of IHS Markit who also prepared the Turkey Manufacturing PMI reports. Attending the webinar titled "The Effects of Covid-19 on World's and Turkey's Economy, and Expectations", Chris Williamson, Kenneth Wattret and Rajiv Biswas have made significant evaluations. The evaluations and opinions of the consultants on the effects of the Coronavirus on the economy are as follows:

- Global economy is experiencing the greatest decline ever since February 2009.
- The global GDP is expected to decline by 2 percent.
- The figures of the Manufacturing Industry Purchasing Managers' Index (PMI) point to global recession.
- Recession is anticipated in all of the European economies. The recession will vary between countries.
- The decline in the manufacturing industry is not as high as in the service sector. The manufacturing industry has recovered once the situation in China had taken a turn for the better.
- The sectors involving pharmaceuticals, biotechnology and chemicals exhibited the least decline.
- Consumer services were affected the most by declining at a record level.
- While disruptions experienced in the supply chain raise the prices at normal times, no increase is observed in the prices due to the decline in demand during the outbreak. There will be increase in demand as the economies recover. This situation will have repercussions for product prices unless the problems in the supply chain are resolved.
- Declining prices of the raw materials and intermediate goods will affect the economies of developing countries.
- The decline in oil prices is causing the oil-based economies to drift towards a difficult period.

The Effects of the Coronavirus Outbreak on the Economy

The opinions and projections of Chris Williamson, Kenneth Wattret and Rajiv Biswas by region and by country are as follows:

- Economies of Croatia, Greek Cypriot Administration of Southern Cyprus, and Greece, in which tourism has a high share in the GDP, will have much difficulty during this period.
- In China where the pandemic first broke out, the markets have experienced a sharp decline in the first two months of the year. A recovery was then observed in March. The manufacturing industry PMI was 50.1 in March. Only a few firms have been shut down during this period. 80 percent of the workers have returned to their jobs. Hence, China is expected to gradually recover over the year.
- South Korea which has been successfully fighting against the outbreak will also enter a recovery process within the year.
- Due to the increase of cases in April in Japan, the government has announced the largest package to date in order to support the economy. There are great concerns in India and Indonesia due to highly populated settlement areas and inadequacy of the health system.

There are also experts who state that the repercussions of the pandemic for the economy will last longer than expected. According to the experts, the negative effects caused by the Coronavirus in the entire global system are not temporary and will keep affecting the country economies for a long time. Due to the outbreak of the pandemic during a period when the world economy is in turmoil, many countries have had to fight against the outbreak by resorting to borrowing. Therefore, it is expressed that many countries will strive to recover by continuing to fend for themselves after the crisis for a little while more. On the other hand, due to the economic contraction suffered as a result of the operations having stalled, companies' shutting down, people's becoming unemployed, and ultimately the decline of the purchasing power are among the factors which will keep affecting the global economy for a long time also after the outbreak is contained.

The Effects of the Coronavirus Outbreak on the Tourism Sector

The Coronavirus outbreak has significantly affected many sectors. However, tourism has been the sector hardest hit by the crisis. Since December 2019 when the outbreak started, travel activities have been gradually ceased all over the world. While restriction was imposed on the travel activities in the countries affected by the outbreak, in the first place, nearly all of the international flights have been suspended upon the spread of the outbreak. According to the report prepared by the United Nations World Tourism Organization (UNWTO) based on the data of the World Health Organization; as of 20 April 2020, travel restriction has been imposed in all tourism destinations around the world due to the Coronavirus outbreak. With the addition of the countries' own domestic travel restrictions to the international travel restrictions, tourism activities have come to a complete standstill.

The countries have closed their borders completely or partially in 45 percent of the tourism destinations around the world, whereas the flights have been completely or partially suspended in 30 percent thereof. Travels from certain destinations have been completely halted in 18 percent of the travel spots. Different practices such as quarantine, personal isolation, visa measures, travel bans to passengers of certain nationalities and health certificate requirements are applied in 7 percent of the travel destinations.

Sharp Turn After the Record Year

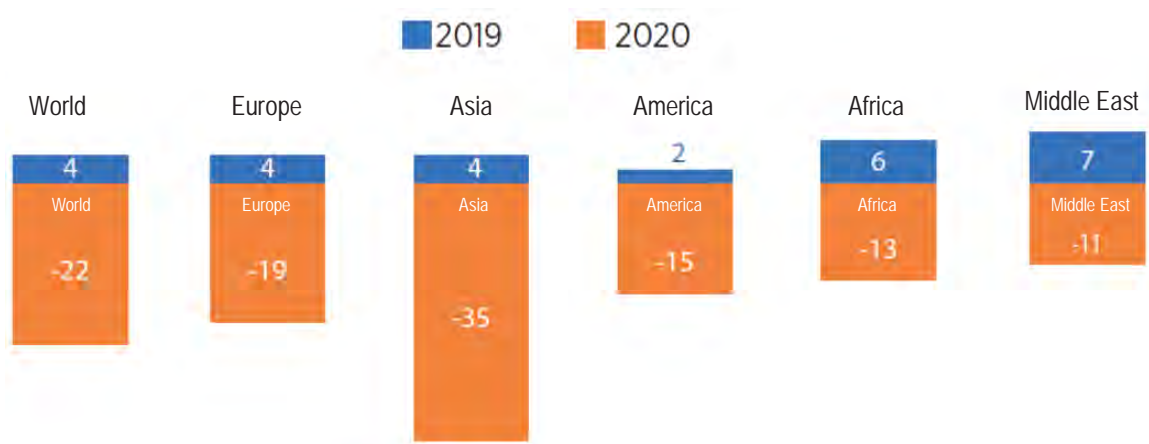
According to the United Nations World Tourism Organization (UNWTO), while world tourism has grown by 3.8 percent in 2019, the number of international travels performed has reached 1 billion and 461 million. In this period, the amount of the revenues generated from international tourism activities has risen to 1.5 trillion dollars. Based on these data achieved, 2019 has been a record year for world tourism.

In the international travel and tourism industry that entered also 2020 with growth expectation, this expectation has gradually faded away, first regionally and then on a wider scale, with the contraction experienced due to the Coronavirus outbreak. The countries' closure of their borders, cessation of international travels, and the subsequent declaration of quarantine and cessation of domestic tourism activities by many countries have caused a serious contraction in the tourism sector around the world in the first quarter of 2020.

The Effects of the Coronavirus Outbreak on the Tourism Sector

According to the data announced by the United Nations World Tourism Organization (UNWTO), the recession in world tourism as of first quarter of 2020 was 22 percent compared to the same period of the preceding year, whereas the decline on the basis of March when the outbreak became widespread around the world has reached 57 percent. While this means a drop of 67 million in travels compared to the same period of the preceding year, the loss sustained in tourism revenues has reached 80 billion dollars as of the first quarter. In proportional terms, the greatest decline has been suffered in the Asia-Pacific region while the decline in Europe is at a level that raises concern.

World Tourism in January - March Period

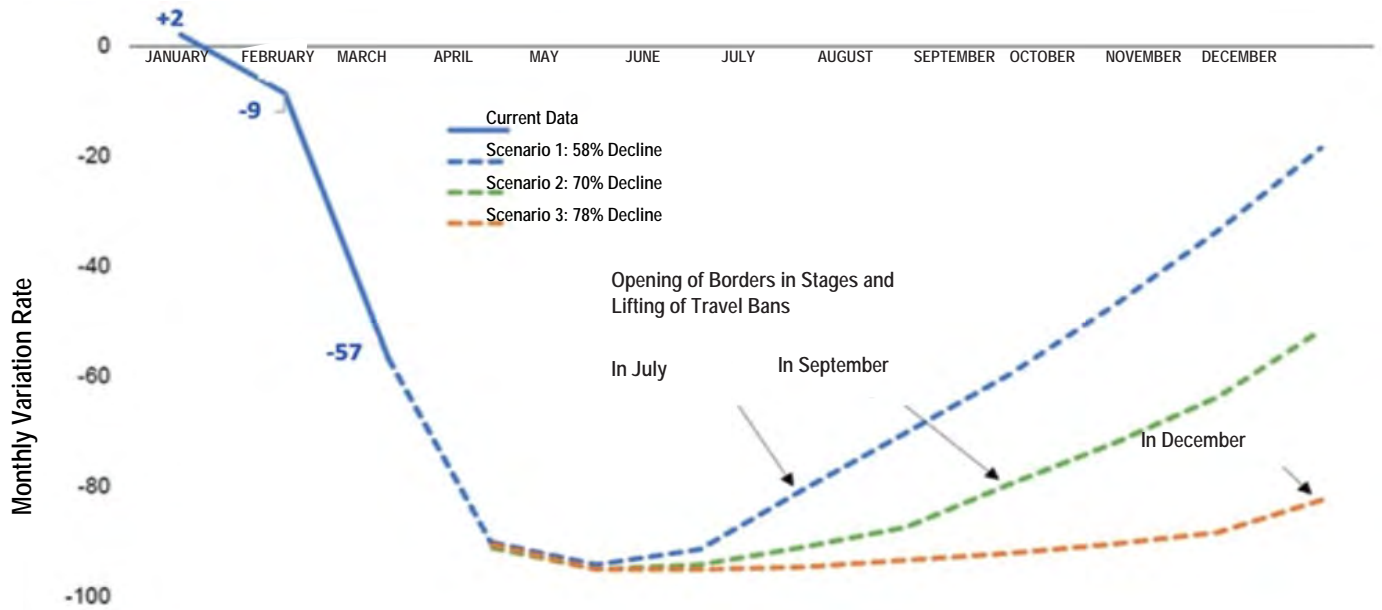


UNWTO: Tourism may shrink by up to 78% in 2020

The United Nations World Tourism Organization considers that the recession to be experienced in international tourism throughout 2020 due to the "Novel Coronavirus" outbreak will vary in the range of 58 percent to 78 percent depending on the status of the outbreak, opening of the borders and lifting of the travel bans. The three different scenarios predicted by the UNWTO are as follows:

- Scenario 1 (58% decline)**: If border closures and travel bans are started to be lifted in stages at the beginning of July, international tourism will experience a decline of 58 percent in 2020.
- Scenario 2 (70% decline)**: If border closures and travel bans are started to be lifted in stages at the beginning of September, international tourism will experience a decline of 70 percent in 2020.
- Scenario 3 (78% decline)**: If border closures and travel bans are started to be lifted in stages at the beginning of December, international tourism will experience a decline of 78 percent in 2020.

The Effects of the Coronavirus Outbreak on the Tourism Sector



Loss in Tourism Revenues might exceed 1 Trillion \$

Below is a summary of the figures provided by UNWTO with respect to the significant loss that might be sustained in world tourism in the case that these scenarios materialize:

- A decline of 850 million to 1.1 billion in the number of international tourists
- A decrease of 910 billion to 1.2 trillion dollars in international tourism revenues
- Employment loss of 100-120 million in international tourism

The Real Recover is Expected in 2021

In the statement made by the United Nations World Tourism Organization; it is emphasized that the Covid-19 crisis is the greatest crisis in history in terms of the tourism sector and it is expressed that the effects of the crisis may differ between regions and that the first recovery is expected in the Asia-Pacific region.

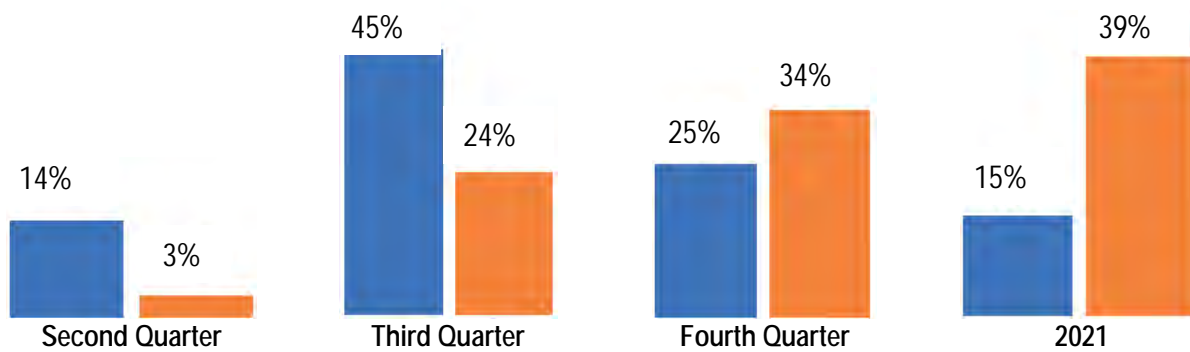
According to the UNWTO statement containing the results of the questionnaire conducted with the participation of tourism experts from different countries around the world, there is a prevailing expectation for a quicker recovery in domestic tourism activities compared to international travels.

The Effects of the Coronavirus Outbreak on the Tourism Sector

The experts state that the recovery trend in the sector will begin in the last quarter of 2020, but the real recovery will be observed as of the beginning of 2021. Moreover, in the light of the processes experienced in overcoming previous crises, they predict that travels for vacation purposes and visits to friends and relatives will gain momentum sooner than business travels.

While it is stated in the UNWTO statement that the experts are more optimistic in their projections for Africa and the Middle East, the most pessimistic predictions have come from the experts in America. The experts in America have been the most pessimistic group about the probability of recovery in 2020, whereas Europe is said to be more optimistic in this regard compared to America.

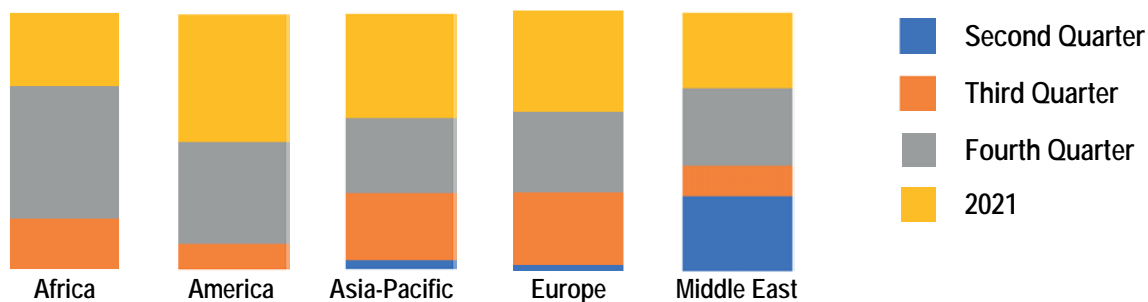
When Will Recovery Start in Tourism?



Predictions of the experts by destination are as follows:

It is noteworthy that the place with the lowest level of expectation for recovery of international tourism is the continent of America.

When Will the International Tourism Activity Start in your Region?



The Effects of the Coronavirus Outbreak on the Tourism Sector

OECD: Tourism Sector will Contract by 45 Percent to 70 Percent in 2020

The Organization for Economic Cooperation and Development (OECD) has prepared a report addressing the effects of the pandemic on the tourism sector and has described the outbreak as an “Unprecedented crisis” from the tourism sector’s point of view.

The report on the effects of the Covid-19 outbreak on tourism policies of the countries around the world, which was announced by OECD on 15 April 2020, emphasizes that it has now become inevitable for the governments of countries to offer new incentives and subsidies to the tourism sector. The new report of OECD, which had stated in its previous projections that world tourism would shrink by 45 percent due to the outbreak, underlines that world tourism will shrink by 70 percent in the case that the start of the operations in the sector is postponed to September.

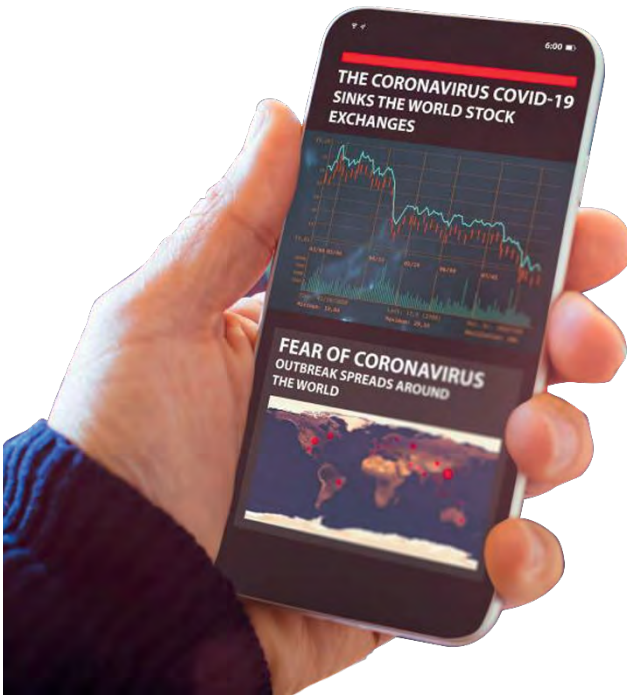


The Effects of the Coronavirus Outbreak on the Tourism Sector

The report mentions that, in the OECD countries where 21.5 percent of the service export is realized in the tourism sector, tourism contributes at the rate of 6.9 percent to employment and at the rate of 4.4 percent to GDP, on average. The OECD report points out that, due to the connection and association of tourism with many sectors, the contraction to be suffered by the sector will have macroeconomic consequences of a larger scale in many countries and regions.

The report states that enterprises from every segment of the tourism sector have been the most affected by the Coronavirus crisis and notes that governments have taken various measures and prepared support packages such as credit facilities and tax conveniences so as to alleviate the effects of the crisis on the tourism sector and to enable the sector to breathe a sigh of relief.

The report highlights that, on the basis of the urgent aids provided in the OECD countries, the countries have focused on 3 categories in their actions. The first one is stated to be the assistance provided in terms of enabling the return of the visitors to their countries and in the form of income support to the sector employees, the second one is the support provided for ensuring continuity of businesses, including cash flow support across the tourism supply chain, and the third one is the implementation of coordination mechanisms for the purpose of supporting the recovery of the sector.



The OECD report points out that, despite all these measures, more effort is needed in order to support the tourism sector and employees and to restart the operations and revive the demand after the lifting of the Covid-19 measures, and indicates that, beyond the needed urgent supports, the political powers need to prepare comprehensive tourism rescue plans in order to improve the crisis management strategies, strengthen the coordination mechanisms, and to prepare the tourism venues and the sector for a greater response to the future shocks.

The Effects of the Coronavirus Outbreak on the Tourism Sector

Action Should Be Taken According to the Long-Term Effects of the Crisis on the Tourism Sector

The OECD report touches upon the importance of taking action in the light of the long-term effects of the Covid-19 crisis on the tourism sector in connection with factors such as digital transformation, global warming or structural changes and emphasizes that this is of utmost importance for re-establishment of a strong, sustainable and robust tourism industry.

Highlighting that the tourism sector has an important place within the general economic structure of the countries, the report also underlines that a major crisis occurring in tourism due to the Coronavirus will have effects on the general economy.



The Effects of the Coronavirus Outbreak on the Tourism Sector

With Its Structure Consisting Mostly of SMEs, Tourism Sector will have Difficulty in Overcoming the Crisis

The OECD report points out that, since most firms in the tourism sector are of small scale, evaluations may be made within the framework of studies on SMEs regarding the difficulties they may encounter in the crisis process, and it highlights that SMEs have less flexibility to cope with the costs brought about by such shocks. Mentioning that measures such as switching to remote working and changes in working processes might prove to be relatively more costly for SMEs, the report adds, "Given their limited resources and existing obstacles in accessing capital, the period over which SMEs can survive against the current economic shock will be much shorter than that of larger firms". The OECD report points out that even those SMEs which do not suffer financial hardship at normal times face the risk of going bankrupt during the period the virus measures are in effect.

The report emphasizes the great difficulties faced by the tourism sector by stating, "Besides including many SMEs/microbusiness groups, tourism sector also covers quite diverse segments and industries. Because of this said feature, the sector faces certain difficulties. Tourism services are usually interdependent and the effects of a crisis in a subsector such as aviation on the tourism value chain might be substantial".

The bottleneck experienced by the sector can be seen much more clearly by looking at the actors constituting the tourism sector, and the tourism subsegments.



The Effects of the Coronavirus Outbreak on the Tourism Sector

Airline industry

Airline companies that are one of the most important pillars of the travel industry have received a major blow from the Coronavirus outbreak. The International Air Transport Association (IATA) has announced that the revenue of airline companies may decrease by 314 billion dollars with a decline of 55 percent due to the Coronavirus outbreak. The statement points out that the airlines are struggling to survive and that the loss in the sector will be much higher if action is not taken urgently. A decline of up to 60 percent is observed in passenger demand particularly in the airline traffic in the Far East countries. Airline companies are anticipated to incur a liquidity loss of approximately 61 billion dollars due to having suffered a decline of 80 percent or more in the second quarter of 2020.



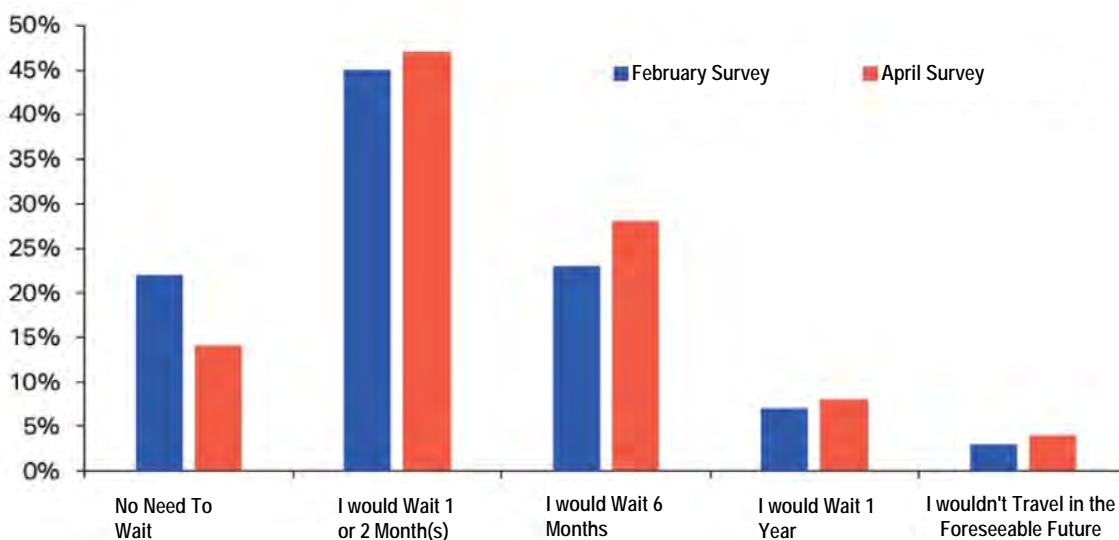
The Effects of the Coronavirus Outbreak on the Tourism Sector

IATA Survey: 40 Percent of People Will Wait At Least 6 Months for Air Travel

IATA has disclosed that 40 percent of passengers worldwide are considering waiting at least 6 months for air travel after the spread of the novel Coronavirus (Covid-19) outbreak is contained.

Having conducted a survey about the effects of Covid-19 crisis on the aviation industry in 11 countries including the USA, England, Germany and France, IATA has explained that the tendency of consumers to travel by air in the near future is very low. According to the survey, only 14 percent of the consumers are planning to travel by air immediately after the lifting of the Covid-19 measures. Among the participants of the survey in question, the rate of those who stated that they would travel by air within 1-2 month(s) was 47 percent, whereas the rate of those who expressed that they would wait 6 months before traveling was 28 percent and the rate of those who stated that they would prefer waiting 1 year was 8 percent. 4 percent of the participants declared that they are not planning to travel by air in the near future. Another noteworthy evaluation in IATA's survey is that approximately 70 percent of people will wait for their financial status to become stable before traveling again.

How Will the Demand for Air Travel Materialize in the Case that the Pandemic is Contained and Flight Restrictions are Lifted?



Source: IATA

The Effects of the Coronavirus Outbreak on the Tourism Sector

25 Million People Might Become Unemployed in the Aviation Sector

The report published by IATA reveals that, if the travel restrictions continue for three months, 25 million people might become unemployed in the aviation and associated sectors. IATA report states that about 65.5 million people around the world make their living from the aviation industry including travel and tourism sectors, and among these, 2.7 million people work in the airline sector. According to the report; 11.2 million people in Asia-Pacific, 5.6 million people in Europe, 2.9 million people in Latin America, 2 million people in North America, 2 million people in Africa and 900 thousand people in the Middle East are at risk of losing their jobs.

Another research addressing the effects of the pandemic on the aviation sector was announced by the International Civil Aviation Organization (ICAO). ICAO reported that global international passenger capacity decreased by 49 percent in March and April 2020. It is stated that an unprecedented decline at the rate of 91 percent will be suffered in April 2020. It is predicted that there may be a decline of 1.2 billion in the number of international airline passengers until September 2020, when compared to the pre-pandemic period. It is estimated that the countries which will be the most affected by the declines in the capacity and revenue will be the European and Asia-Pacific countries, followed by North America.



The Effects of the Coronavirus Outbreak on the Tourism Sector

Further deepening of the sector's loss brings about the concerns of bankruptcy. It is expressed that it is unlikely for the sector to recover any time soon since the airline traffic has come to a standstill. The officers of London Gatwick Airport, one of the busiest airports of England, have explained that it may take 4 years for flight demands to get rid of the Coronavirus effects and regain momentum. The airport spokesman has expressed that they expect the number of passengers to revert to its former level within 36 to 48 months following the Covid-19.

Accommodation

The accommodation sector that is among the important players of the industry has also been significantly affected by the Coronavirus outbreak. Hotel occupancies in the largest cities around the world where occupancy rates stand at 70 to 100 percent under normal conditions have dropped below 10 percent in certain cities in March.

According to the March 2020 hotel occupancy data gathered by STR Global, an international data and analysis company, in cooperation with the Hotel Association of Turkey (TÜROB), there have been major declines in the occupancy rates of the hotels around the world due to the outbreak, as expected. Particularly in Europe, the occupancy rates have witnessed the lowest level in March 2020 since the 2nd World War, with an average of 26.3 percent.

OCCUPANCY RATES IN CERTAIN IMPORTANT CITIES AROUND THE WORLD		
City	Avg. Occupancy % (March 2020)	Variation %
Sydney	48.2	-44.4
Los Angeles	42.5	-48.0
Manchester	38.6	-49.1
Dubai	37.5	-54.7
New York	34.5	-58.9
Toronto	33.9	-52.0
Moscow	33.3	-50.6
London	32.7	-60.0
Buenos Aires	29.6	-59.0
Istanbul	29.0	-59.8
Tokyo	25.5	-71.4
Amsterdam	26.1	-67.8
Hong Kong	25.2	-71.8
Berlin	24.7	-67.9
Lisbon	23.5	-69.2
Madrid	21.2	-73.0
Barcelona	20.0	-73.5
Paris	19.5	-73.8
Prague	17.0	-77.4
Beijing	16.4	-78.7
Athens	14.0	-77.6
Rome	6.6	-90.5
Milano	4.0	-94.5

The Effects of the Coronavirus Outbreak on the Tourism Sector

Spain, which is among the countries that have been the most affected by the outbreak, has received a major blow as a result of the pandemic as a tourism country. Emphasizing that the perception of safety will be the main expectation after the pandemic, Isabel Oliver, the Minister of Tourism and Foreign Affairs of Spain, adds, "There is no clear information about when we can resume tourism activities; however, we need to redesign the tourism sector according to safe health conditions for those visiting us, employees, and residents of the region". Explaining that in this respect, they will implement a protocol which the entire sector will be required to comply with in terms of hygiene and health safety, Oliver further indicates that they will cooperate with economic and social intermediaries, with the participation of the Institute for Spanish Tourism Quality (ICTE).

Also in Greece that is among the tourism countries located in the Mediterranean basin, the tourism sector is being seriously harmed by the pandemic. According to the survey held by the Hellenic Chamber of Hotels, which was participated by hotels, it is noted that 65 percent of the hotels operating in the country are preparing for bankruptcy due to the Coronavirus outbreak. It is expressed that 18.3 percent of the facilities which have postponed their opening until further notice due to the pandemic and which declared bankruptcy before the beginning of the season consider bankruptcy as a very likely option, whereas 46.6 percent thereof consider bankruptcy as a possibility.



The Effects of the Coronavirus Outbreak on the Tourism Sector



Travel Agencies and Tour Operators

Tour operators and travel agencies that are the driving forces of the tourism sector have been the segment of the sector which incurred the highest loss. A substantial part of the sales performed in the early booking period by tour operators and travel agencies, which had prepaid the room rates to hotels and seat rates to airline companies at the end of 2019 within the scope of their planning for the season, have been either canceled or postponed to a future date. The consumers who canceled their vacations have applied to the tour operators or travel agencies to get refund for their payments. Subsequently, travel agencies have faced a serious financing crisis. In Europe, which is an important source market for tourism, tour operators applied for state aids to cope with the crisis while also launching coupon practices with campaigns encouraging consumers to postpone their travels to future dates.

In Germany which is one of the important markets of the tourism industry, while tour operators tried to overcome the period of hardship with state aids, they have also launched coupon practices enabling consumers to use their vacation on a future date. Having been substantially affected by the crisis, German tour operators have postponed their plans for the season to later dates after the pandemic by taking into account the sensitivities of the consumers.

The Effects of the Coronavirus Outbreak on the Tourism Sector

The German Travel Association (Deutscher Reiseverband), which is the most important professional society of the travel sector in Germany and which represents mainly the tour operators and travel agencies, has tested the waters in the sector with a survey it has conducted on its website. 75 percent of a total of 800 tourism enterprises that participated in the survey have stated that their turnovers declined due to the pandemic. Explaining that this will cause loss of employment and cash problem in enterprises, DRV highlights that the consequences will become even more severe if the situation continues.

On the other hand, tour operators operating in Germany have started to cancel also their bookings for May due to the extended period of the pandemic. FTI has announced that it has suspended its entire travel schedule until 3 May, whereas Anex Tour and Schauinsland-Reisen have cancelled all bookings until 3 May. Stating that the travel warning that is applicable until 3 May will be extended to 14 June, Heiko Maas, the Minister of Foreign Affairs of Germany adds, "Currently, no one can estimate how long the travel warning will continue. As long as quarantine measures are in effect in many countries, it will be impossible to go on vacations in those countries". Following the statement, DER Touristik, the second-largest tour operator group of Germany, has announced that it cancelled all bookings of its 6 brands until 15 May.



The Effects of the Coronavirus Outbreak on the Tourism Sector

Things are also not looking good at all for the sector in France which has been heavily affected by the pandemic. The French Tour Operators Association (Les Entreprises Du Voyage - EDV) and the Syndicate of French Tour Operators (Syndicat des Entreprises du Tour Operating - SETO) predict that the loss to be incurred by the travel agencies and tour operators in the period of April-December 2020 will be at the level of 85 percent.

It is stated that, in England which is one of the important source markets of tourism, the government has prepared a support package amounting to 4 billion Pounds for the sector that is stuck in a difficult situation, in order to rescue agencies and tour operators in the face of the refund demands that emerged due to the Coronavirus, in addition to the existing support package already in place. It is reported that the prepared plan aims, on one hand, to secure the vacation moneys paid by English citizens to agencies and tour operators and, on the other hand, to alleviate the burden on the travel sector that is in a difficult situation.

Tourism Employment

The Coronavirus has also affected travel and tourism employment negatively. In the latest research conducted by the World Travel & Tourism Council (WTTC), direct unemployment risk is predicted for about 75 million people. The research states that there is a probability of incurring a loss of 2.1 trillion \$ in the travel and tourism GDP for 2020. WTTC also notes that employment loss of 1 million occurs daily in the travel and tourism sector due to the heavy impact of the Coronavirus pandemic. Asia-Pacific region is anticipated to experience the heaviest impact with a risk of loss of employment of up to 49 million and a decline of about 800 billion \$ in tourism GDP. According to the latest data in Europe, it is estimated that a loss of about 552 billion \$ will be incurred in aggregate as a result of the risk of loss of employment of up to 10 million in the travel and tourism sector. It is stated that losses as high as 570 billion \$ in total may be incurred in the USA, Canada, and Mexico with an employment loss of about 7 billion in the travel and tourism sector. It is noted that the other countries which will be severely affected by the situation are Brazil, the United Kingdom, Italy, Germany, France, Japan, Indonesia, and India.

The Effects of the Coronavirus Outbreak on the Tourism Sector

Region	Potential Total Employment Losses	Total GDP Loss
	(million)	(billion \$)
Asia	-63.4	-1,041.0
Europe	-13	-708.5
Africa	7.6	-52.8
America	-14.1	-790.9
North America	-8.2	-680.7
Latin America	-4.7	-83.8
Caribbean	-1.2	-26.4
Middle East	-2.6	-96.2
World	-100.8	-2,689.4

The Situation in Tourism Segments

The first and most affected areas in the tourism segments have been MICE tourism and cruise tourism. The wave of postponement that started as of January for meetings, congresses and events accelerated as of February, and all MICE services have been postponed or cancelled globally due to the social distancing rules. Many international fairs and events have also been cancelled as of February.

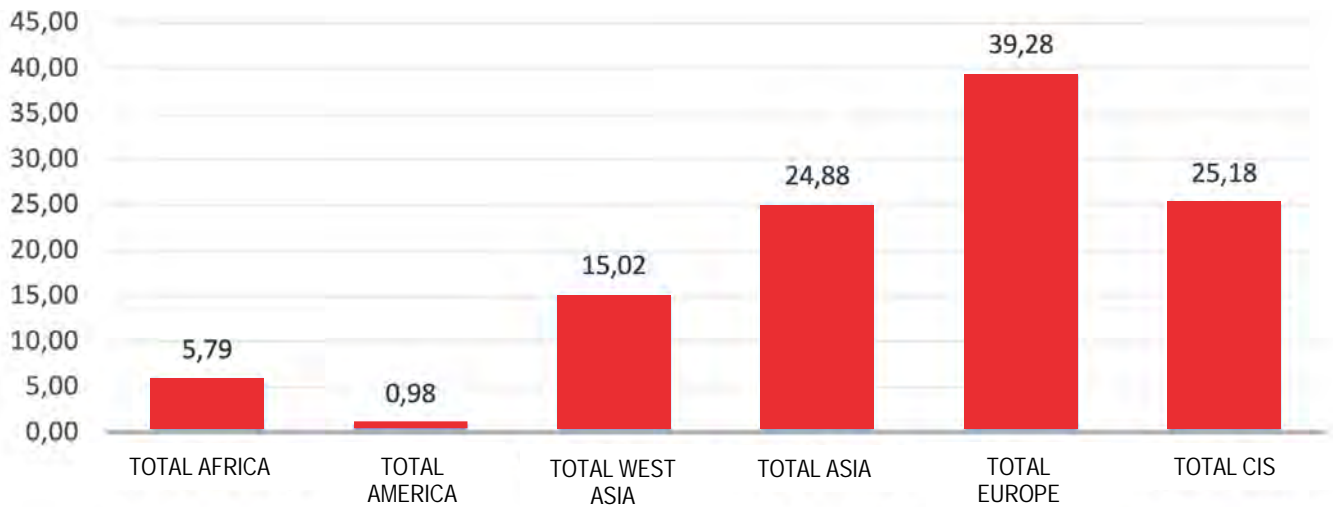
On the other hand, the cruise tourism industry with a size of 75 billion dollars across the world has also virtually come to a complete standstill. In the cruise sector that appeals to potentially 40 million tourists, concerns have increased about the extent of safety of ships as a result of the spread of the pandemic and detection of the Coronavirus cases on two cruise ships. Impairment of image of the sector due to health risk leads to concerns about the future of the cruise tourism. However, the launching of new safety initiatives by cruise companies is regarded as an important step for the future of the sector. Besides, there are also opinions that this segment will recover within a short period of time after the pandemic given the loyalty of cruise customers. It is observed that the early bookings made by cruise passengers for 2021 are 40 percent more compared to the same period of 2019.

The Current Situation in Turkey

Having been ranked the 6th most visited country in the world, Turkey has ended the year 2019 with 51.7 million visitors in total including 45 million foreigners. The number of foreign visitors visiting our country in the period of January-February 2020, when the Coronavirus outbreak had not yet significantly spread across the world, was 3,520,547 with an increase of 9.68 percent compared to the same period of the last year. However, a decline has been observed also in the number of visitors of Turkey as of March. According to the data of the Republic of Turkey Ministry of Culture and Tourism, the total number of visitors of Turkey in the first quarter covering the months of January-February-March declined by 20.52 percent compared to the same period of the last year. The number of people visiting our country in the first quarter was 5 million and 452 thousand. A decline has been observed in all main markets of Turkey. While a decline of 20 percent has occurred in the European countries, this rate was 12 percent in the countries of Commonwealth of Independent States and 32.5 percent in Asian countries and a decline of 22.1 percent has been noted in the total number of foreign visitors.

Turkey's tourism revenue in the first quarter of 2020 declined to 4 billion and 101 million 206 thousand dollars, with a decrease of 11.4 percent compared to the same period of the preceding year.

Regional Distribution of Foreign Visitors of Turkey (2020 1st Quarter)



The Current Situation in Turkey

Among different sectors, tourism has been the most negatively affected by the Coronavirus outbreak in Turkey. Turkish tourism is going through the most difficult period ever in its history. Due to the Coronavirus outbreak, many consumers are cancelling their bookings for June, July and August, and even the vacations they have purchased for later dates. 80 percent of the 1433 travel agencies which participated in the survey conducted by the Association of Turkish Travel Agencies (TÜRSAB) among its members between 18 and 28 March 2020 have stated that their losses in terms of turnover were 75 percent and higher. Around 40 per cent of the agencies have expressed that employment loss of 75 percent will occur in the case that the outbreak continues.

Hotel occupancies have also declined significantly due to the tourism activities having come to a halt. According to the STR Global report, hotel occupancies in Turkey in March 2020 dropped down to 28.6 percent, with a decrease of 55.2 percent compared to the same month of the last year. Hotel occupancies in Istanbul have been around the level of 25 percent with a decline of more than 70 percent in the same period.

Turkey's aviation sector is also facing serious hardship due to the Coronavirus outbreak. Effects of cancellations occurring due to the outbreak manifest themselves in passenger figures. In the last March when the impact of the outbreak increased, it is noted that a decline of 53 percent occurred in the number of passengers of Turkish Airlines (THY). As an airline that transported a total of 5.9 million passengers in the period of March 2019, THY transported 2.8 million passengers in the same period of 2020, which indicates a decrease of 53 percent. In March 2020, a decline of 44 percent occurred in the number of passengers of Pegasus Airlines compared to the same month of the last year.



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

Pointing out that the tourism sector recovered and strengthened in a shorter time compared to other sectors following the cases of SARS in 2002, Bird Flu in 2005, MERS in 2015 and Zika virus in 2016, the authorities argue that this time the situation will be different after the Coronavirus outbreak. For instance, the effect of H1N1 virus, which is colloquially known as Swine Flu and which became a global outbreak in 2009, on the global economy was estimated to be 45 – 55 billion \$. The effect of H1N1 virus on the travel and tourism sector of Mexico alone was 5 billion \$. The effect of the SARS virus that emerged in 2003 on the global economy was estimated to be 30 – 50 billion \$. SARS virus resulted in a decline of 25% in the travel and tourism GDP of China alone. In this period, 2.8 million people employed in the tourism field became unemployed. It took 16 months for the Chinese travel and tourism sector to reach the number of foreign visitors they had received before the crisis. However, the effects of the Coronavirus outbreak have been much greater compared to all these virus outbreaks.

It is pointed out that the expression “nothing will be the same” that is frequently used in different segments during the Coronavirus outbreak will be true also for the tourism sector.

It seems that people’s sensitivity on hygiene and health matters, in particular, that has increased after the Coronavirus outbreak will have inevitable repercussions on the travel sector. It is noteworthy that strong convictions have emerged signalling that this development will result in changes in expectations and demands of consumer from the tourism sector, and that, in particular, tourism activities that appeal to masses around the world where 1.5 billion travels used to take place annually before the Coronavirus outbreak might take a different turn and the trend of these activities toward spreading to large masses might reverse.

The predictions about the normalization process in tourism change as the outbreak period extends and the uncertainties resulting from the outbreak increase. The normalization that was previously predicted to occur in May and June appears to be gradually shifting to times after July and August.

Predictions and Plans for the Aftermath of the Coronavirus Outbreak

The Outbreak Will Have Permanent Effects on Consumer Behavior

The report on the effects of the Covid-19 on tourism policies of the countries around the world, which was announced by the Organization for Economic Cooperation and Development (OECD) on 15 April 2020, highlights that predicting the possible effect of the outbreak on the tourism economy has become much more difficult due to the quick spread of the outbreak. The OECD report states that the ultimate effects of the outbreak will depend on not only the duration which the outbreak will last, but also the long-term changes in the people's travel behavior due to the crisis. The report underlines that even if the spread of the virus is brought under control in the upcoming months, global tourism will suffer a great deal of difficulty in 2020 and thereafter.

The OECD report emphasizes that the Covid-19 crisis is expected to have a permanent effect on consumer behavior, such as consumers' attaching more importance on hygiene and healthy life and preferring non-cash and contactless payment methods more often, and expresses that, while research is being made on the effects of the outbreak on travel behavior, actions are also being taken for gaining the trust of the consumers by taking the necessary hygiene measures in the sectors associated with tourism, such as sea and air transport. The report also highlights that one of the negative consequences of the outbreak might be that tourists may be perceived as risk carriers in the regions they travel to.



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

Domestic Tourism Will Play an Important Role in Normalization

The OECD report also expresses that the domestic tourism is also affected by the measures of the Covid-19 outbreak; that however, the probable recovery in tourism will be initially observed in the domestic tourism activities. The report points out that domestic tourism, although bears a different importance for each country, constitutes 75% of the tourism consumption on average in OECD countries and highlights that development in this field will significantly contribute to the recovery process in many countries.

In the European countries which send the most amount of tourists to abroad around the world, the political authorities warn their citizens not to take vacation abroad this year. It is noteworthy that the European countries are recommending to their citizens to pursue domestic tourism activities, instead. Dario Franceschini, the Minister of Culture and Tourism of Italy, has announced that Italy will not be opened to international tourism in 2020 due to the novel Coronavirus pandemic. On the other hand, expressing that they see it likely for German citizens to go on vacation this year, Thomas Bareiss, the advisor on tourism affairs to the German Federal Government, adds, "It is strongly likely that touristic trips and vacations to distant regions will be completely cancelled this year and domestic vacation plans will be made, instead. Of course, this can also be made only under certain precautions".



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

Google Survey: People Are Very Cautious About Traveling

The survey conducted by Google between 10 and 12 April in 5 European countries and the USA contains important clues with respect to the type of approach people will take about traveling following the Coronavirus outbreak. The survey shows that a difficult process is ahead for the tourism sector.

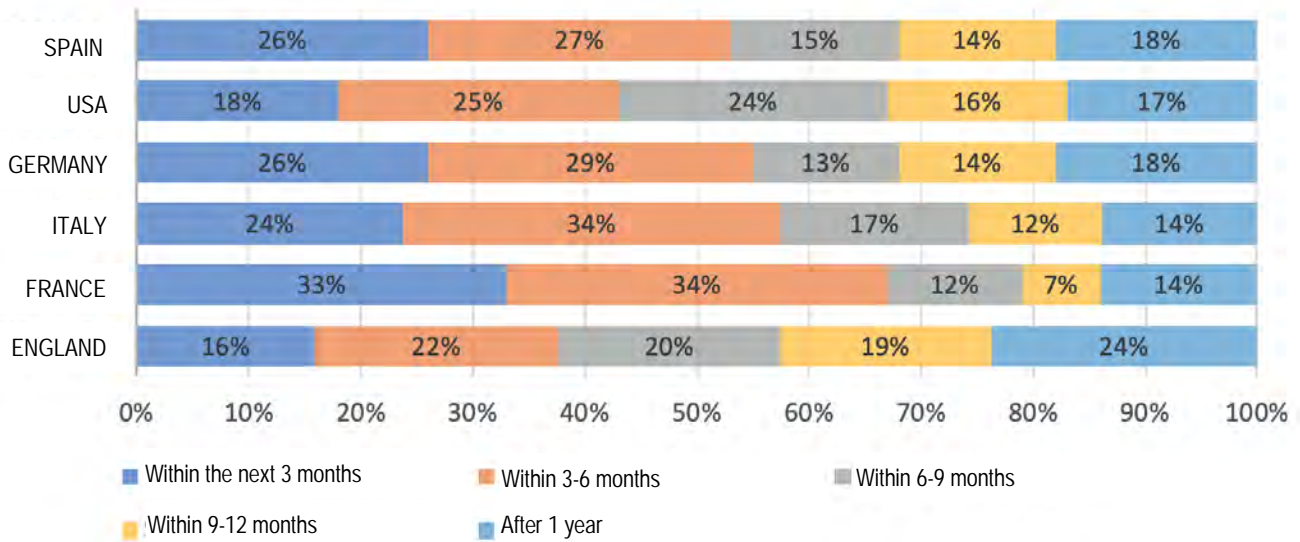
The survey conducted by Google between 10 and 12 April with a total of 6,750 participants including 1,000 in each of the USA, Italy and France, 750 in Spain, and 1,500 in each of Germany and England, has revealed results demonstrating that people are taking a very cautious approach about traveling.

According to the Google survey, German holidaymakers appear to be more eager to go on holiday compared to English holidaymakers.



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

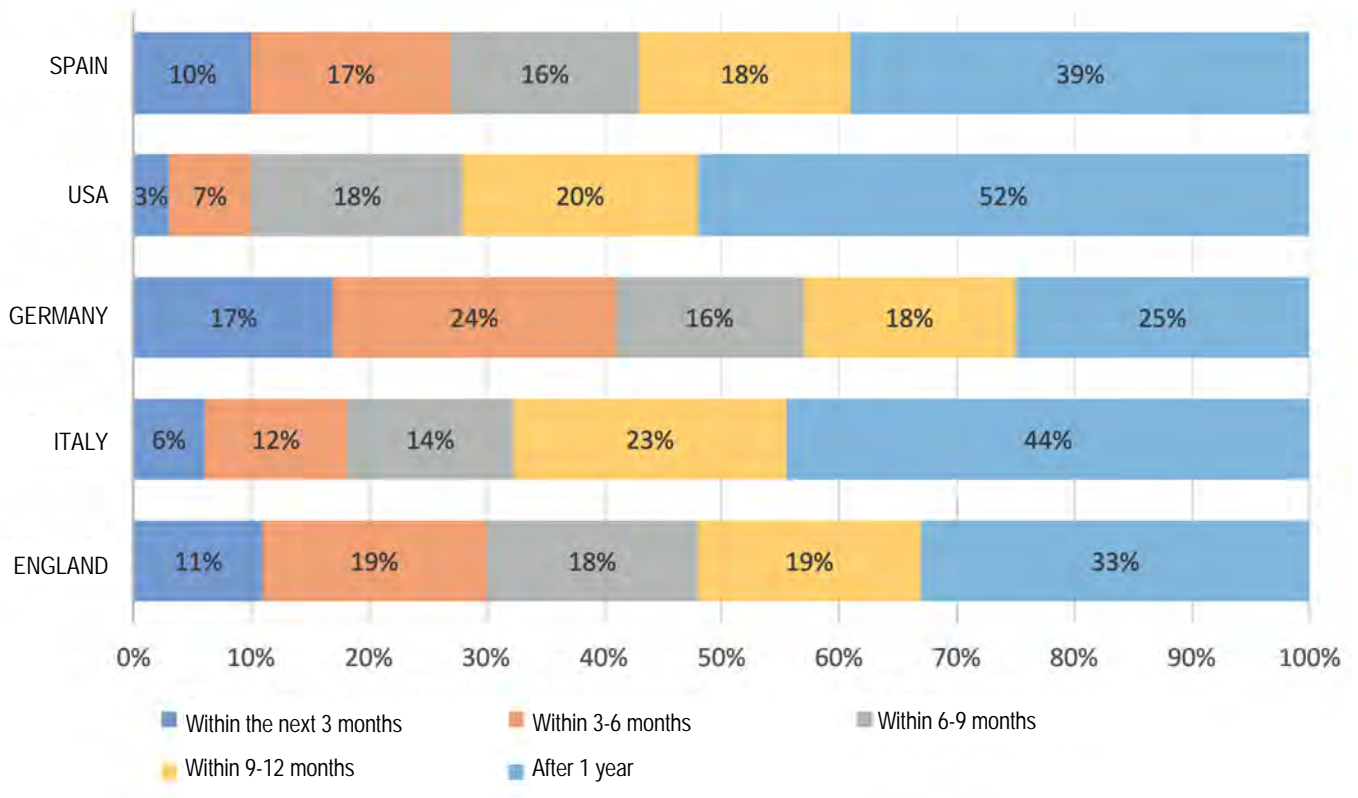
When do you plan to travel domestically for vacation purposes?



The answers given to the question “When do you plan to travel domestically for vacation purposes?” revealed that the French citizens are the most eager ones to take a domestic vacation in the next 6-month period, who are followed by the Italians and Germans. The English citizens, on the other hand, are the least eager ones in this respect.

Predictions and Plans for the Aftermath of the Coronavirus Outbreak

When do you plan to travel abroad for vacation purposes?



The answers given to the question “When do you plan to travel abroad for vacation purposes?” reveal that German citizens are the most eager group to take a vacation abroad. 17 percent of the Germans are planning to travel abroad in the next 3 months, whereas the rate of the Germans planning a vacation abroad in the next 3-6 month period is 24 percent. The countries that are the least eager to take a vacation abroad in the next 6 months are the USA and Italy.

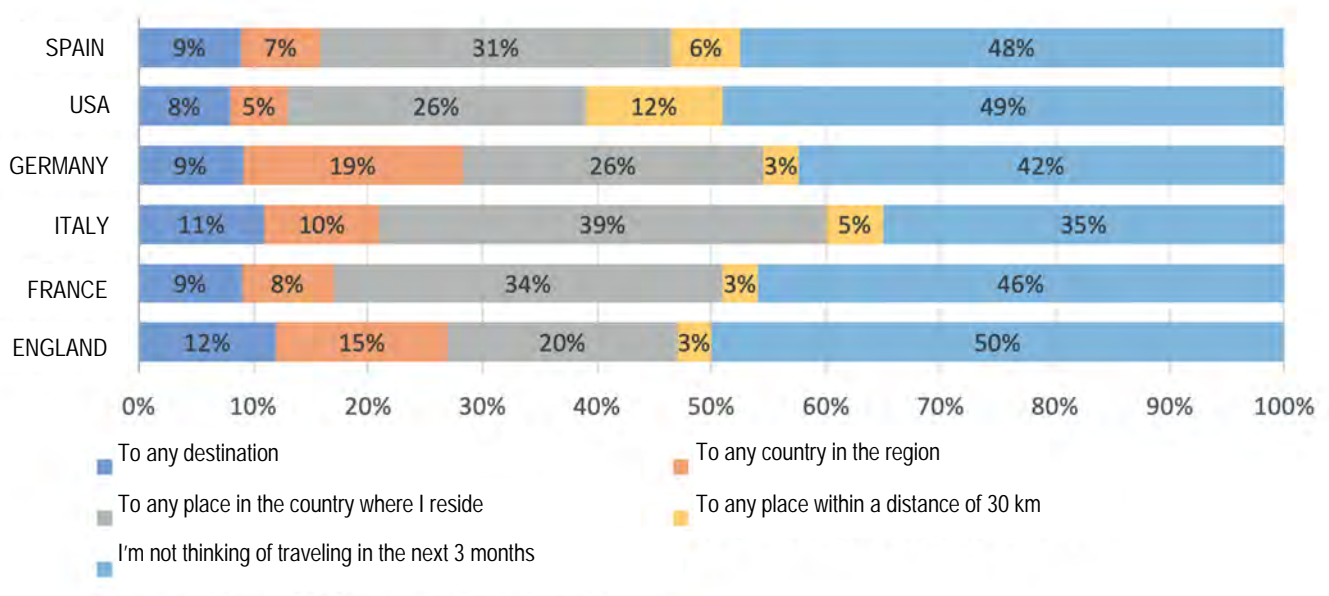
Predictions and Plans for the Aftermath of the Coronavirus Outbreak

The English Citizens are Cautious About Traveling

While the answers given to the question "If you had the option, where would you have chosen to travel within the next 3 months?" reveal that the Italians are the most eager group to pursue domestic travel activities, while the Germans are the most eager to travel abroad.

Half of the English citizens participating in the survey declared that they would not have traveled in the next 3-month period even if they had the option to do so.

If you had the option, where would you have chosen to travel within the next 3 months?



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

The Chinese citizens may Postpone their Plans to Travel Abroad for a While

The cautious approach taken towards travels in Europe and the USA is also observed in China, the origin of the Coronavirus outbreak. It is expressed that, in China, where a trend of a marked rise is noted in demands for travels abroad in the recent years, this demand will decrease at least for a while following the Coronavirus outbreak. A great majority as high as 90 percent of 15 thousand Chinese citizens who participated in the survey conducted by the institution named Trp.com-Group in 100 different cities in China stated that they would prefer travelling to close destinations in their regions over international travels.

On the other hand, a significant decline is anticipated also in the number of visitors to China. According to the survey of Oxford Economics, based on the number of foreign visitors to China, a decline between 8.6 million to 24.2 million is predicted in international travels. This decline means a decrease between 25.6 billion \$ to 56.3 billion \$ in international tourism expenditures for 2020.

The Process of Returning to Normality is Predicted To Start in 2021 in Germany

In Germany which is considered to be the driving force of the European travel sector; according to the forecast report published by the German Federal Competence Center for Tourism (Kompetenzzentrum Tourismus des Bundes) in connection with the Coronavirus outbreak, the path to recovery in the German tourism industry is addressed under three headings, namely "Pessimistic, Realistic and Optimistic" viewpoints. The German Federal Competence Center for Tourism predicts that the current social distancing and travel restrictions will start to be loosened slowly at the end of April at the earliest and most likely as of the end of May.

According to report, based on an optimistic viewpoint, the process of returning to normality in tourism will start with the Easter season in 2021; according to these predictions, the German tourism industry is estimated to reach its 2019 baseline level in September 2021. It is thought that it may be as late as summer 2022 for the German tourism industry to reach its former capacity and start to surpass its former figures.

Predictions and Plans for the Aftermath of the Coronavirus Outbreak

Predictions of DRV on German Market

As a result of the communications made by the Association of Turkish Travel Agencies (TÜRSAB) with the German Travel Association (DRV), the evaluations obtained from DRV about the expectations in the German market for 2020 have been as follows:

- It is hoped that a certain level of recovery will occur in summer months, which is predicted to be observed mainly in domestic tourism. It is estimated that the international visits will be made to the countries neighboring Germany after the lifting of the travel restrictions.
- It is hoped that flight traffic gains some momentum after 14 June.
- It is expressed that currently, operations of tour operators are completely stopped, and it is quite difficult to estimate when they will recover. It is stated that it may be possible to achieve 30 percent of the tourism operations carried out in the previous year's late summer, fall and winter seasons.
- Although some Germans might think of going abroad for summer vacation, it is expressed that travels abroad for summer vacation are not much likely at this stage due to the existing travel restrictions and the absence of any medicine or vaccine. It is thought that mainly domestic tourism and travels to nearby countries such as Austria, Denmark, Poland, and France will prove to be more popular this year.
- It is stated that, if everything goes extremely well, there might be some tourism activities to Turkey from the German market in the late summer, and it is hoped that the situation will have recovered a little bit more around the fall.
- In the aftermath of the lifting of the travel restrictions, it will be of importance to tell travel addicts that Turkey complies with the hygiene standards and that the possibility of catching Coronavirus in Turkey is not more than the possibility of catching the virus in Germany, and to emphasize that the capacity of the emergency health services is adequate.
- It is underlined that families and young travelers who have budgetary concerns are generally the segments who first want to go on a travel and relax and take part in the market again following a crisis, and that Turkey will not lose its appeal with its wonderful holiday options full of sea-sand-sun.

Predictions and Plans for the Aftermath of the Coronavirus Outbreak

- It is recommended to pay attention to taking additional measures in the normalization process, to avoid open buffets as far as possible, to preserve foodstuff, and to concentrate on packed goods. Moreover, it is emphasized that it will be necessary to rearrange premises of touristic facilities by paying attention to social distancing in their sports and entertainment areas.
- It is stated that currently, the priority is the lifting of the travel restrictions, and then, with respect to promotion and marketing, it should be explained that traveling is safe and its risks can be coped with.
- It is expressed that international travels may start slowly in fall 2020 and a slight recovery will possibly be seen in 2021.
- It is predicted that travel restrictions will be lifted first to the countries neighboring Germany, and then to other EU countries and Mediterranean countries, in stages. It is also estimated that travel restrictions will be lifted not on a destination basis, but on a country basis.

Antalya is Ranking First in the Searches in Germany

Despite the current negative picture, German travel addicts indicate their longing for a vacation in travel searches they perform online. According to the data gathered by the German company Traffics which offers booking software to travel agencies and online vacation sale sites; based on the vacation searches performed by German consumers, Antalya is the most searched vacation destination.



Predictions and Plans for the Aftermath of the Coronavirus Outbreak

The written statement made by Traffics indicates that, despite the Coronavirus outbreak, the Germans keep both searching for vacation opportunities and making bookings for July and August.

According to Traffics' data gathered upon examination of all system entries made in Germany since mid-March, Antalya ranks first in the vacation searches, and it is followed by Majorca, Hurghada, Izmir and Ljubljana.

According to Traffics' data, it is observed that Antalya ranks first also in the searches that resulted in an actual booking. It is seen that Antalya is followed by Rhodes, Majorca, Hurghada and Monastir.

Although the Traffics' data cover the period until mid-March and early April, it is consistent with the evaluation "If everything goes extremely well, there might be some tourism activities to Turkey from the German market in the late summer, and it is hoped that the situation will have recovered a little bit more around the fall", made by DRV as of April.

Predictions for the Russian Market

A survey conducted by "Otkritie Bank" operating in Russia demonstrates that about 60 percent of the Russians do not plan to take a vacation in summer 2020. The opinions of Russian citizens aged 18 to 60, with an average income of 30 - 60 thousand Rubles, were asked in the survey conducted on 11-12 May 2020 in the cities of Russia with a population of more than 100 thousand. 41 percent of the survey participants stated that they planned a vacation for the summer period, whereas 59 percent did not have a plan to go on vacation in the summer.

According to the survey, among those who will go on vacation, 19 percent will spend their vacation at home and 18 percent are planning to go to their summer houses. While 22 percent of the Russians who will go on vacation expressed that their destination will be within the borders of Russia, the rate of those who plan a vacation abroad is 14 percent. 27 percent of the Russians have not decided where to spend their vacation as of yet.

The World After the Coronavirus

The Process will Offer New Visions

Emphasizing that besides the fear it has created, the current situation also offers people a new vision to overcome such fear, Matthias Horx explains, "Neurobiologically, dopamine which is an endogenous drug of the future substitutes for the adrenaline of fear. While adrenaline pushes us to escape or fight, dopamine opens up our brain synapses: We feel excitement for being curious about what will come next and trying to predict it. When we have a healthy dopamine level, we make plans and we have visions prod us into taking proactive action."



The World After the Coronavirus

A Contracting but Still-Standing Economy

Making evaluations also about the economic repercussions of the Coronavirus, Horx explains, "Actually we will be surprised at how much the economy can contract without collapsing completely. Although there were deep economic recession and 50 percent decline in the foreign exchange, many companies went bankrupt, shrank, or completely transformed, we never hit rock bottom. The economy is like an organism that can breathe, take a short nap, fall asleep, and even dream".

According to Horx who expressed that global production processes will not be able to survive as before and they will be replaced by temporary storage facilities and reserves which will become more popular; local production will make a boom, the networks will localize and handcrafts will experience a renaissance. Horx's evaluation "The Global system is being pushed toward GloCalisation: localization of the global" is notable.

Localization Processes will Come into Prominence

Dutch Lidewij Edelkoort, who is among the names setting the future trends, expresses in an interview he gave to the architecture and design magazine Dezeen that the effects of the Coronavirus on our lives will be much more than expected. "The effects of the outbreak will force us to slow down our speed, refuse traveling, work from our homes, entertain ourselves only among close friends or family, and to learn how to be self-sufficient and careful. The true cost of the quarantine in Italy and Japan as well as in Korea and China will lead to a global stagnation of a size that has not been experienced before. This is not a financial crisis; it is a crisis of devastation. People are giving up on moving, going out, spending, going on vacation, going to cultural events, and giving up on even going to the church", says Edelkoort in his evaluation.

Although Edelkoort characterizes the process as a crisis of devastation, he expresses that a period will indeed come leading to new beginnings and bringing the localization processes into prominence.

Consumer Trends After the Coronavirus

According to the evaluation made about consumer behavior and trends by the Netherlands-based company "Trendwatching", which is active since 2002 and takes a close look at changing trends, the trends that will emerge after the Coronavirus outbreak will be as follows:

1. Virtual Experience Economy

While the Coronavirus locked people in their homes all over the world, the social isolation concept became very popular. Many events from concerts to sports competitions were suspended due to the social distancing practiced all over the world. This will result in a great sense of emptiness in the lives of people. The "experience economy" which was prominent in the former period will be replaced by the "virtual experience economy" that is developing with new technologies. Virtual experience will increasingly gain significance. It is possible to observe the best example of this by looking at the status gained by individuals as a result of virtual media such as social media and e-sports.

2. Shopstreaming

Online commerce and live streaming experience are two important domains coming into prominence in the digital world, especially in Asia region. The trend of "Shopstream", which is the combination of e-commerce and live streaming experience, became a trend that came into prominence in Asia, particularly in China, as of late 2017. While the "Shopstream" trend took quite a leap in China during the Coronavirus outbreak, within a much shorter period when compared to the previous years, this trend is expected to become popular around the world since people are staying at their homes.

3. Healthy Environment

Currently, when going about their daily lives, people are obsessively using hand disinfectants and paying attention to their hygiene. Once the Coronavirus is left behind, this obsessive attitude on hygiene will not continue and people will go back to their former habits. Nevertheless, the desire to feel safe and be well brought about by this period will still remain stronger than ever for a long time. This will create great opportunity for businesses which want to offer a healthy environment to their customers and take measures to ensure this.

Consumer Trends After the Coronavirus

4. Virtual Friends

"Virtual friends", one of the controversial trends of the recent years, will gain more importance in the upcoming process. As people get more accustomed to digital assistants and chatbots, their expectations will evolve and some people (but not all!) will start to seek virtual personalities which have entertainment, education, friendship and healing capability. In the course of the crisis, it will be seen that people will be tending more towards those virtual friends and this process will continue also after the crisis.

In 2020, Samsung introduced Neon, a virtual entity which looks and acts like people and can exhibit emotion and intelligence. The avatars introduced at the CES (Consumer Electronics Show) are intended to work with people by sharing experiences and teaching skills rather than merely providing data and information.

5. Master - Apprentice Relationship (Mentor to protégé).

While many people spend long times online, some quest for making this time they spend in the internet environment more productive. Aiming to learn new skills and improve themselves, these people quest for teachers, experts, and in some way, for mentors, in the online environment. Digital platforms responding to the needs of such people will come further into prominence in the upcoming process.

The cooperation of Duolingo, a language learning program, with the Twitch platform which allows the players in the online medium to perform streaming constitutes one of the best examples to this situation. Streamers who are speakers of 12 different languages and who take part in the Duolingo Ambassadors Program perform streaming on different topics via Twitch chat system and give the participants the opportunity to practice in the language they prefer.



Consumer Trends After the Coronavirus

6. A-Commerce (Automated Commerce)

A-Commerce (automated commerce), another important trend from a few years ago, has re-emerged in the recent period. In 2017/18, the increasing power and popularity of artificial intelligence became the main driving force of this trend, and the importance of contactless life that has been increased in the course of the Coronavirus outbreak, along with developments in robotics, brought the concept expressed as automated commerce to the agenda again. This and similar applications will come into prominence in the upcoming process. One of the exemplary steps taken in this regard was the application launched by the pizza company Domino's in 2019. Domino's Pizza and the robotics company Nuro announced that a pilot initiative was launched whereby a fleet of driverless robot automobiles will deliver pizzas to customers in Houston, Texas. Deliveries are performed by Nuro's driverless R1 car that has a width equal to half of the width of a compact sedan car. The vehicles are tracked by human drivers inside tracking vehicles.

7. Burnout

Although the Coronavirus outbreak which we are going through tires out people mentally and emotionally, it is not the only thing that causes people suffering in this process. Before the Coronavirus triggered a public health crisis around the world and caused the fear of a major economic collapse, people were already widely exposed to inequality, social competition, the approaching threat of a climate crisis that is imminent, and many more. Therefore, efforts of organizations aimed at ensuring people's mental relaxation will be of great importance and gain appreciation also after this period.

In this context, ASMR (Autonomous Sensory Meridian Response) videos, which were launched by Moxy Hotels owned by Marriott, may be shown as an example to the applications which will help people leave their concerns behind and which are some kind of "mental massage therapy". This application that was launched in April 2019 together with the company Whisperlodge offers theatrical performance videos that will help the guests sleep by ensuring their mental relaxation.

Consumer Trends After the Coronavirus

8. Open Source Solutions

Open source solutions, which are a bold and new boundary in terms of sustainability, allow sharing of innovative solutions for our most difficult common problems. As one of the most urgent transnational and demographic incidents of the near history, the Coronavirus outbreak has reminded people that the best organizations are those who cooperate generously with others.

The “SharedStreets” data platform participated by Ford, Uber and Lyft may be shown as an example for open source sharing. SharedStreets, a public-private data platform designed to help reduce urban transport problems, aims to ensure the sharing of the data such as those relating to sidewalk usage and traffic speeds and thus, to ensure that the cities take better investment and governance decisions.

9. Assisted Development

Many people who are spending more time at home due to the Coronavirus outbreak will be pushed to learn conventional life skills that have been neglected for a long time, such as cooking. With the recent growth of the economy upon the increased demand; the wealthy city people whose number increased had been relying upon temporary workers for simple houseworks. Once the crisis comes to an end, some of these city people will continue receiving these services from temporary workers, but others will discover that they like doing those works themselves.



Consumer Trends After the Coronavirus

10. Virtual Status Symbols

People are usually obsessive about their statuses. And as a matter of fact, one can make sense of how a substantial part of people identify themselves and their behavior based on the respect they receive from the society and their peers. Tangible assets had been the primary items constituting a status symbol for a long time.

On the other hand, virtual entities (augmented reality and Blockchain systems) were more popular than tangible assets among young consumers and video players. The Coronavirus crisis may ensure recognition by people from different industries and age groups of the fact that virtual entities may actually be a status symbol as a result of the desire towards sustainable consumption.



How Should Brand Positioning Be After the Coronavirus?



A study prepared by IPSOS, which is among the global leading market research companies, contains important clues regarding how brand positioning should be in the aftermath of the Coronavirus outbreak. Highlighting that every crisis brings about its own opportunities, the IPSOS study expresses that the way for creating a successful brand image in this process is empathizing with the consumers. Emphasizing the importance for brands to understand the change that is being experienced and offer solutions which will ensure people to cope with this new reality, the study mentions 6 steps that will strengthen brand image in this process. These steps may be summarized as follows:

Morale-Boosting Ideas

Brands should boost the morale of their customers by delivering them the message that this process too will pass and ensuring their customers to relax psychologically. IPSOS shows the message "Every paused journey will eventually restart. Louis Vuitton hopes you and your beloved ones stay safe and healthy", which was sent by Louis Vuitton for its customers in China via channels such as WeChat and Weibo, as an example in the study about brand message.

How Should Brand Positioning Be After the Coronavirus?

Charitable Initiatives

There are brands that take initiative for preventing the spread of the Coronavirus outbreak around the world or helping to stop it. Support and participate in the efforts made toward this.

Overcome the Crisis in Style

Although you are forced to wear face masks, you can turn this obligation into a style trend.

Many brands in various locations ranging from Shanghai to New York seem to be offering stylish printed and colorful masks in this process.

Get Virtual

The growth in the number of online media will further accelerate after this process. While sharp declines were sustained in automobile sales in the first week of the crisis in China, increase was observed in online car sales.

Help People Spend Their Time

People have locked themselves up in their homes due to the Coronavirus outbreak, and the brands may help people use their time at home in a more useful way. They may carry out entertaining and educational activities for this. For instance, Alibaba is providing its customers with online live concerts for free, and Ikea is offering daily tips on topics ranging from home and office decoration to cooking, which will help people spend their time.

Reduce Stress

In times of crisis, people resort to different mechanisms such as humor or meditation to relax. Surveys conducted reveal that the emoji that was most used by people in Italy in their messaging on the first days of the outbreak was the emoji that symbolizes crying out of laughter. This shows that people resort to humor for overcoming the stress. Hence, brands may also use other ways to keep people's minds away from stress and worry.

How Can Brands Respond to the Coronavirus?

The San Francisco-based company Adroll serving in the field of sales and marketing has publicly shared an analysis study including evaluations on what kind of course brands can follow in the aftermath of the Coronavirus outbreak.

The said study lists the predictions that will shape brands across the world after the Coronavirus outbreak as follows:

China's Decline

China has become the worlds' leading supplier of "everything" over the past several decades. China dominates many large consumer group categories from umbrellas to toasters and strollers. When it comes to raw materials, China demonstrates its unrivaled dominance. Moreover, it has a self-evident dominance regarding intermediate products, such as electronic components, plastics, processed metals, and similar products which are incorporated in finished goods but which are not required to be labeled with a country of origin. Almost everything that a modern consumer comes across probably took a break at first in China.

In addition, most of the production capacity of China shut down due to state-mandated quarantines on the first days of the Coronavirus outbreak. Factories sent their workers on leave, retail stores shut their doors and the entire country went into a temporary hibernation. The economic growth engine of the world fell asleep for a period of more than two months.

The quarantine measures of China proved to be incredibly effective in the fight against the further spread of the Coronavirus, but also made the global supply chains and production programs realize the great extent of the bottleneck which the country is in. Furthermore, it showed many companies how volatile and unpredictable the China market is.

We may think that, in the aftermath of the Coronavirus, China might lose its status as the most critical market in the world and that brands may look elsewhere to produce consumer goods. This does not mean that companies will no longer need to have a strong "China strategy" if they hope to become competitive in the 2020s and beyond, but it rather means that this strategy will need to be determined much more carefully.

How Can Brands Respond to the Coronavirus?

Death of the “Just-In-Time” Concept

Probably the second greatest trend shaping the product selling styles of modern companies is the “just-in-time” economy. As perfected in the 1960s and 70s, the basic principle is maintenance by companies of the lowest quantity of stock possible in order to meet the predicted needs. As the information processing technology has developed, the ability of brands to predict consumer demand has also developed, which shaped the process that is followed to market different products.

The problem with the “just-in-time supply” chain is that products are required to move fast and efficiently between countries and continents. Even giant names such as Amazon have difficulty in stocking when a substantial part of the world and many factories are slowing down their operations in the quarantine process. For marketing professionals, this means that conservatism towards matters such as sales, discounts and promotions should substantially change. As companies readjust their inventories to better isolate themselves from such shocks, it will not be surprising to return to the 1990’s post-vacation inventory gaps and for main items to be sold again at outlets and at sales spots where excess stocks are sold.

Increased Localization

In connection with the hardships experienced at international travel and in transportation due to the novel Coronavirus, brands are suffering significant problems in transporting products and people between regions. This situation causes great hardships in an interconnected global economy. Even those national products produced with pride in target countries have components purchased from a dozen of countries before their assembly stage. Brands that are looking for lessons out of the Coronavirus pandemic are starting to seriously consider integrating their local supply chains vertically and are ensuring that products carrying the label “Made in the USA”, for example, are made of products also made in the USA.

How Can Brands Respond to the Coronavirus?

The most important difficulty for the marketing professionals will be telling the consumers how the new generation hyper-local products will differ from the products "Made in X country". While advices have been given for many years on products produced locally, it will be challenging now to revert to the former claims and promoting even more "Made in X country" labels. This trend will probably further deepen the separation in the market. As in the example of availability of the same sweater in Japan, USA and Brazil; after the products offered to different markets have gained resemblance to each other after so many years, the hyper-localized production may lead to the kind of fragmentation between regions that were much more common in 1999 than in 2019.

Domination of Online Shopping

Online retail has been slowly gaining market share since the 1990s. In February 2019, online shopping managed to surpass the offline general merchandising stores for the first time. While many people are trying to minimize contact with the outside world, it is thought that this trend will gain great momentum in 2020.

What needs to be paid attention to are the sectors which are against the inevitable rise of Amazon and similar giant names of e-retail. There are product groups which many people can choose themselves more conveniently instead of relying on web, such as grocery, home appliances, drugs, and personal care products.

These product groups are resistant to the digital economy. Although the categories such as electronics and books are not purchased online too frequently, food and drinks find a place for themselves in the field of e-commerce with a market share of only 3.2%. Health, personal care, and beauty have remained at a market share of only 11.1 percent and could not have managed to proceed further. A long-lasting social distancing and quarantine period may create an opportunity for convincing people to try the web for buying food or shampoo.

As a matter of fact, demand for online grocery shopping is already on the rise; the number of people downloading the market applications of Instacart and Walmart and the applications such as Shipt is rapidly increasing.

How Can Brands Respond to the Coronavirus?

D2C to the Forefront

Brands providing direct to consumer (D2C) services have been taking a great leap for years as the future of the retail. These brands that are bypassing the standard distribution channels to focus on a path integrated from production to consumer hit almost every retail sector, from mattresses to fitness and health.

Although young consumers have easily embraced the D2C brands, old-fashioned consumers were reluctant in changing. At the same time, despite the brands that had a breakthrough by gaining admiration internationally (for instance Casper and Peloton), many D2C brands are still less known than their established competitors.

The global outbreak is changing this order. It is likely for D2C brands to increase as the consumers change more of their expenditure media to face-to-face online environment.

Everything Is Getting Digital

Upon restriction of gatherings in almost every metropolitan city around the world, it would not be wrong to say that any conference, event, meeting, and other face-to-face gathering will be postponed at least until the second half of the year.

During the Coronavirus outbreak, brands are striving to understand how they will recreate their face-to-face sale experiences online and are leaning toward to a mixture of webinars, presentations, teleconferences, group conferences, Twitter chats, and other digital communication channels. Everything is getting digital faster than ever.

It is too early to tell whether these approaches would work, but such a widespread change in companies' way of doing business has never occurred in the past. Although this obligation has resulted from practicality and need, it may ultimately go beyond conferences, etc. and turn into the power that drives the internet. This is true especially for the B2B industries where change is slow and the marketing professionals are reluctant about renouncing participation in congresses and meetings.

How Can Brands Respond to the Coronavirus?

Distributed Workforce: The New Normal

Are the employees more productive at home or do they spend most of the day goofing around? Does coming to office increase productivity or affect the employee motivation negatively? Business world's writers and sociologists are discussing these questions since the internet enabled a substantial part of the population to work from home. Although there are very diverse and different opinions, executives in the business world are creating their own ideas about the experience that is taking place.

In addition, the world is about to see whether WFH (working from home) is really possible with a great number of workers working from home. There are still serious concerns including in particular on whether the internet can bear this load physically. However, enthusiasm is the prevailing atmosphere among young workers who struggle to work with especially quiet old-fashioned bosses.

In the aftermath of the outbreak and following the reopening of the offices, it is likely that many companies will realize that paying for expenses of unnecessary office areas might not be the optimal use of company resources. Furthermore, they might notice many benefits of the remote working; such as access to broader talent pools, higher employee motivation, fewer sick days, and many other benefits of allowing the employees to work from home. Ultimately, it is likely for the distributed workforce to become more widespread in the aftermath of this outbreak compared to the previous times.

Looking to the Future

The Coronavirus pandemic is one of the most important incidents of the last 100 years. It has affected the world unprecedentedly and it seems likely that this effect may continue growing.

This type of occurrences that shakes the entire world tends to have consequences that are difficult to be foreseen and tends to create a generation that is difficult to understand. In both cases, brands need to prepare for the new world order that will emerge in the aftermath of the Coronavirus, as they did at the end of 2019, and be prepared to rapidly adapt to these differences.

What Will Travel Look Like After the Coronavirus?

Christopher Elliott, travel writer of Forbes that is one of the leading economy magazines of the world, lists the prominent predictions as follows in the article he wrote about how people's travel habits will change in the aftermath of the Coronavirus outbreak:

They will stay in their countries: People will want to be closer to their hometowns. So, international travel will become less popular.

They will not want to travel far from home: "Home vacation" and road trips will be preferred more than travel by air and sea.

They will go on shorter trips: The weakening in the economic situation shows that the conventional two-week summer vacation will be replaced by shorter weekend trips. Expressing that people will undoubtedly travel also after the Coronavirus outbreak, Elliott makes a few suggestions to holiday addicts:

Look for deals but focus on value: Assuming that Coronavirus crisis comes to an end, do not hesitate to make booking if you find a discount for the late spring or the summer. Do not focus just on price. Instead, look at the total value of the offer. For instance; are entrance tickets offered for attraction centers or are the meals included?

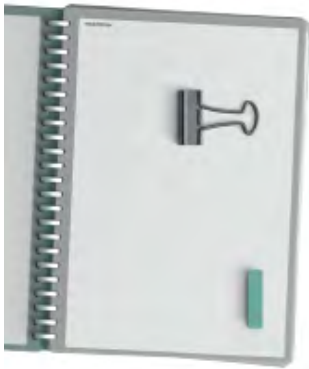
Focus on long-standing reputation: Avoid such offers of unknown operators that are too good to be true. Focus on financially stable, well-known brands.

Consider taking out travel insurance: An insurance policy from a reputable insurer will protect you in case the operator goes bankrupt before your travel. If you cannot find a good policy, use credit card to perform your purchase transaction. This method will also provide you financial protection.



10 Trends that Shape Travel During the Coronavirus Era

The research conducted by London-based trend research company, Globetrender, takes a close look at ten travel trends that were observed in the Coronavirus era and lists these trends as follows:



1. Discounted vacations

With the aim of attaining short-term income, many travel companies are selling fantastic packages to encourage people to book vacations in 2020 and even in 2021. For instance, Inspiring Travel Company is offering a 40 percent discount for the accommodations to be booked for the next year in Joali, the Maldives whereas Healing Holidays provides a 10 percent discount in the 2021 travels to Vana in the Himalayas.

2. Flight ticket sales

Easyjet stopped the operation of all its flight networks at the end of March, but this did not prevent sale of one-way tickets to various destinations in Europe for cheap prices such as 30 Pounds between October 2020 and February 2021. Thus, customers who acted swiftly were able to take advantage of wonderful opportunities.

Robert Carey, the Commercial General Manager of Easyjet, evaluates the situation as follows: "We decided to put up our flights for the winter season for sale with a discount in order to support the customers as far as possible in this period. For the first time ever, flight tickets will be offered for a fixed price of 29.99 Pounds including taxes and fees. Customers will also be able to change their current shedule or make a new booking if needed based on the assurance that no change fee will be applied additionally."

10 Trends that Shape Travel During the Coronavirus Era

3. Trips planned within a short time prior to travel date

Not everybody may exactly know the dates when they can travel in the long-term; therefore, alternatively, they should be prepared to make booking for trips which they might need to use within a short time after the travel bans are lifted. An environment of rush will emerge when everything returns to “normal” and a great number of tourists start to travel. Although there will be affordable options in the beginning, this may quickly change since “dynamic pricing” is adjusted according to the demand.

4. Luxury getaway destinations during lockdown

A wealthy segment going on luxury travels managed to find very nice isolated retreats to quarantine themselves by benefiting from remote working and compulsory leave advantages.

As will be seen on Instagram, privileged people who have locked themselves in their summer houses in peaceful rural areas and coastal regions and elite billionaires like David Gefen, who are protected from the virus on their super yachts and enjoy the quarantine in outstanding comfort, may be shown as an example to this segment.

5. Virtual travel

Many “virtual tours” have been introduced lately whereby travel addicts can experience travel while sitting in the comfort of their homes. For instance, you can take a virtual tour at Audi factory in Ingolstadt in Germany, or you can easily attend a live salsa lesson in Porto Rico from your laptop.

Besides those who have a passion for traveling, technology companies are offering important opportunities also to people who are interested in culture and art. Google brings the museums that stand out in the field of culture and art around the world to people’s homes through virtual tours. Thus, people do not only explore the famous art galleries, but they can also find the opportunity to have a close-up look at the works for a high-resolution examination of the colors and brush strokes, without lining up in the crowds.

10 Trends that Shape Travel During the Coronavirus Era

6. Dream Trip Planning

The days we are going through are an ideal time also for travel companies, social media influencers and magazine publishers to inspire people who have been locked down at their homes for weeks to plan their dream-trips abroad.

What is important here is focusing on destinations that will be safe to travel in the upcoming months; for instance, for those living in England; Europe will be a safer option than India, which is expected to be struggling with the crisis for a longer time. As a result of the postponement of the Olympic Games in Japan to 2021, more suitable accommodation opportunities will be offered in 2020.

While the news published about the outbreak are making people worried, thinking of vacation days is one of the best ways of focusing on more positive things. Although many new hotel openings will be postponed, this does not mean that the leading names of the jet-set do not want to acquire new information and ideas on where to spend their money once this becomes possible.

Consumers will also yearn for entertainment and will be able to spend more of their money on entertainment after spending a considerable time in quarantine and since they are not spending much during the quarantine, except for on shopping for kitchen supplies and doing online retail shopping. On this basis, longer vacations or travels might substitute for modest mini breaks in the aftermath of the Coronavirus.

7. Unprecedented booking flexibility

Airlines, hotels, and travel companies are compelled to offer unprecedented flexibility in booking changes since they face a great threat to their existence due to state-mandated travel bans. Many of them are offering the opportunity of changing travel dates free of charge, both in existing and new bookings.

10 Trends that Shape Travel During the Coronavirus Era

8. Extension of elite membership statuses

Many airline companies are providing the possibility of extending the statuses that are gained by their customers within the scope of miles and frequent-flyer programs to 2021. These decisions are notable as important steps taken regarding “customer loyalty”. In addition, this also means that they acknowledge that their guests will not travel as frequently as usual.

9. Travel gift vouchers

While travel companies are trying to persuade their customers not to give up on the idea of going abroad, many companies are selling open-date travel gift vouchers for future vacations.

For instance, Luxury Scotland is offering coupons with a value of up to £ 1,000 that can be used in accommodation, food, and similar experiences in various designated spots.

Atlantic Hotel in Jersey Channel offers its guests gift vouchers which give them the option of choosing between an elegant afternoon tea, three different Sunday menus or seven different meal selections.

10. Winter vacation boom

It is difficult to predict when we will be allowed to travel again, but a vacation booking for late 2020 or early 2021 seems to be a safe option. According to Sojern, a digital travel marketing solutions firm, “A considerable increase at the rate of 1.626 percent was observed in the searches for options of travel from England to Spain for January 2021 when compared to the same period of the last year. Based on the data, a trend of early search is observed for domestic travels in Spain, France and even England as of October of this year. In January 2021, the searches for options of travel from England to Spain show an early rise of 409 percent on annual basis, and even Italy shows a marked increase that is over 385 percent on average annually”.

Stages for the Post-Coronavirus Period

In an evaluation report it has prepared, the consulting company McKinsey serving in more than 65 countries around the world listed the steps that will bring the companies to the forefront in the difficult process after the Coronavirus outbreak. The McKinsey report highlights that the economic crisis caused by the Coronavirus is the greatest economic shock experienced since the IInd World War and considers that this economic shock will also lead to major changes in consumer behavior and accordingly in the way of doing business. The points mentioned in the report that are notable may be summarized as follows:



I. Form a Planning Team (Such As A Crisis Desk) in order to Come to the Forefront in the Post-Outbreak Process

Military institutions that have specialized in overcoming big crises usually form planned teams that will decide on key matters in crisis periods, although they have structures responsible for quite specific tasks such as operation, communication and intelligence.

A similar structure should also be created for companies during crisis. This team should be tasked with planning the actions concerning the alternative scenarios and the strategic steps required to be taken with regard to the future of the crisis and the company, and presenting the same to the senior management of the company.

Stages for the Post-Coronavirus Period

II. Instruct the Planning Team to Work In 5 Stages in Different Timeframes

The 5 stages in which the planning team will work may be listed as follows:

1. Acquire a realistic viewpoint regarding your baseline status

The planning team creates a status report by considering the company's financial status, the ongoing initiatives, and its strategic preferences toward the future.

2. Develop multiple scenarios for your future

There are two most frequently encountered cases in conventional strategic planning. These are ignoring the problems due to uncertainty (the approach of burying head in the sand) or being paralyzed due to unpredictability. We are now going through a period where facing the uncertainties is more important than ever. The way to ensure this involves developing multiple scenarios. In this process, the goal is to research what is possible and to prepare the company for a situation that appears reasonable rather than to discuss which scenarios are more likely.

The uncertainties may be managed by developing scenarios. It is ensured that the ones which really matter for your entity are listed beside the unknown ones. Creating scenarios also enables early recognition of the signals of developments that may be experienced.

3. Set your direction

One of the basic responsibilities of the planning team should be setting the direction in which the company will proceed after the crisis fades. Although a long and difficult recovery process is required for several companies, short-term opportunities may be found for others along with strategic moves. What is essential here is not to develop plans but to set the direction for the company, because it is important that you have a target in a world full of uncertainties.

Stages for the Post-Coronavirus Period

4. Determination of the actions and strategic steps to be taken within the framework of the scenarios created

In a world full of excessive uncertainties, creating a rigid and inflexible plan would not be right in the long term. However, making everything flexible may also result in significant costs. What needs to be done is to create a portfolio incorporating certain strategic actions that fit the cases in the scenarios.

This portfolio should include many strategic decisions, ranging from decisions which can be taken easily to decisions which will change the company's future irreversibly. Share the portfolio containing all these action points that will ensure making the right move in different scenarios, with all shareholders and executives of the company.

5. Determine the action points that will enable your entity to make the right move at the right time.

Making plans in a rigid framework in periods of great uncertainties, such as the period of the Coronavirus outbreak, might cause those plans to quickly become obsolete. The world undergoes a fast transformation in such periods. We do not know yet what kind of a scenario we will face with. In this period, we need to learn where the world is heading to and adapt to this situation. Hence, what matters is not having a perfect plan, but adapting to the new developments in the fastest way, because even a very great plan may become obsolete within a short time in a rapidly transforming world.

Even if the actions and the strategic steps to be taken within the framework of possible scenarios have been determined, inability of taking decisions or delay in taking decisions due to emotional reasons or the failure to arrive at a consensus in crisis periods are the situations experienced in many organizations.

The way to prevent such problems is to set a series of trigger points that are clearly expressed in terms of when to take each action and step. Deciding when the trigger points should be reached and when detailed planning and execution should start is the responsibility of the planning team and the company CEO.

In Which Direction Will COVID-19 Change the Consumer Trends?

The report titled “How is COVID-19 Affecting the Global Consumer Trends of 2020?”, prepared by Euromonitor International, takes a close look at the changing consumer trends during the Coronavirus outbreak and the subsequent period as well as the transformation expected to be experienced in the upcoming process. The top 10 key consumer trends are listed as follows in the report:

1. Beyond Human

The artificial intelligence-oriented technology which aims to improve daily life and which has become the main trend by being included among the long-term strategies of companies before the COVID-19 will gain importance also in the post-outbreak period with the increase of the need for services such as self-isolation and contactless payment.

2. Get in Touch within a Matter of Seconds

While, in the pre-outbreak period, people with short attention spans had more demand for personalized, attractive and authentic content that is made available in a shorter time and brands were required to determine the content that would be most useful; now, there are more distracted consumers who are complying with the social distancing practices and making less face-to-face interactions. In the medium term, these consumers will need assurance and appealing stories, and in the long term, short, fast, and multisensory messages will be in demand.

3. Unrestricted Mobility

While freedom to move and having access rather than having property were important in crowded cities before the COVID-19, the currently restricted freedom will turn into careful and cautious mobility in the medium term, and alternative sustainable solutions will be focused on in the long term.

In Which Direction Will COVID-19 Change the Consumer Trends?

4. An Order that is Inclusive for All

While the accessibility and responding to the changing needs of the society were important aspects located in the center of new product development before the outbreak, a high level of concern is observed in the current process. A community spirit will emerge in the medium term and handicapped groups will benefit from the technology in the long term.

5. Self-Care

While consumer concerns were focused on mental peace in the period before COVID-19, after the outbreak, importance started to be attached on creating a new normal that will rebalance the mind. Coping with stress will be of importance in the medium term, whereas consumer behavior and priorities will focus on self-care in the long term.

6. Multifunctional Homes

While, before Covid-19, homes were merely shelters protecting people from uncertainty, the outbreak process has led to switching to working from home and turning homes into new offices. People's homes have also become virtual socializing places in this process. While the report evaluates that Covid-19 will transform social media into social life in the foreseeable future and homes will acquire a more central status in the long term, it also states that businesses should be able to adapt to this situation.

7. Personalization on an Individual Basis

While brands were offering personalized products and experiences based on customer information before the Covid-19 process, in the process after the Coronavirus outbreak a situation has emerged that is rather dependent upon the willingness of the particular customer to share his information. According to the report, the concerns about the confidentiality of the personal information of people will continue in the foreseeable future and in the long term.

In Which Direction Will COVID-19 Change the Consumer Trends?

8. Proudly Local, But Also Global

In the pre-COVID-19 period, consumers were more fond of local features that also reflected a national identity, and niche brands were focusing on local features in line with this tendency of the consumers for achieving growth at a global scale. Stating that globalization has taken a step backwards in the period we are going through due to the COVID-19 process and that localization came to the forefront, the report evaluates that “hyperlocalization” will be experienced due to the safety concerns in the near future and that businesses will focus on localization in the long term.

9. Revolutionists for Recycling

While, in the pre-outbreak process, consumers who gave importance to ethical values demanded long-lasting products by wasting less based on the ‘sharing economy’ concept, this environmentalist approach has further elevated in the current process due to the COVID-19. Consumers will focus on their health and safety against the risk of recontamination in the near future, whereas the interest in renewable products will gradually increase again in the long term.

10. Clean Air Everywhere

Before the COVID-19, the young generation was seeking low emission and sustainable future and businesses were seeking clean energy against pollution. However, after the outbreak, people focused on cleanliness of indoor areas rather than on environmental awareness. While returning to a sustainable lifestyle will be ensured in the near future, methods for protection against pollution will gain prominence in the long term.

What Will the World Look Like After the Coronavirus?

As the Coronavirus outbreak is gaining an aspect that will lead to radical changes also in the economic and political domain in addition to its negative effects on human health, the common view of people from different countries and cultures is that the world will not be the same anymore. The views prevailing among political scientists and authorities around the world may be summarized as follows:

- As always, the history will be made by the “winners” of the COVID-19 crisis.
- The outbreak will strengthen nationalist feelings.
- Failure of western countries in the fight against COVID-19 crisis may speed up the shifting of the power from the West to the East in the medium and long term.
- The Coronavirus pandemic has caused a weakening of the globalization assertions not only politically, but also economically.
- COVID-19 pushes the governments, companies and societies into strengthening their capacities of coping with long-term economic isolations.
- COVID-19 undermines the basic principles of global production. Now, the companies will reconsider their multi-step and multi-country supply chains and scale them down. Profitability will decrease, but stability on the supply side will rise.
- The crisis may result in impairment of the USA-China relations.
- If the European Union cannot provide target-oriented assistance to its citizens particularly in economic terms, EU opposition will gain strength along with the rising nationalism movements.
- The international air transport that has developed rapidly in recent years with the acceleration of the globalization process might change radically following the pandemic.
- China might make sharp maneuvers for achieving global leadership.

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