



Season1-Episode2

Travel and Holiday in Spring 2023

Journey to the future

A three-week holiday at the beach! Melanie and Christie the little daughters are totally excited. Xenia her mother has checked online suitable apartments in Croatia. Before making the final booking, she had video chats with some providers. She said Chris from Sunny Holiday had created this great atmosphere. Where such a person works, it could only be a nice, chilly holiday.

Video animator is the job title for people like Chris, who use video chat to support customers before, during and after a holiday booking. Chris is helping with the packing list, giving information about the necessary travel documents and events they might attend during the stay. Thomas her husband is shaking his head. You could have read all this on the website. Boy that's marketing, he gets paid for that! Xenia laughs, who reads some boring stuff!

Chris will stay in contact even after the holiday, the internet and video chats will make it possible. He organizes hangouts for the sociable ones so they can chat and swap pictures. For those who are on the quiet side, it's simply a few posts and likes on the guests' profiles. For youngsters chats and gaming sessions. And when autumn gets cold and rainy, he spreads further sunshine.

Should you plan to go somewhere else the following summer, Chris has friends all over the world he can recommend for small trips or the family holiday. However, Melanie the older one thinks Chris is cute and she wants to go back to Croatia next year. Thomas wants to go to Spain like before Covid-19. Recently while surfing he noticed how much has been invested in the hotels in Mallorca since Covid-19. And that he was flirting with the video animator Ines from Palm de Mallorca, is just rubbish only Xenia could have imagined.

Agnes:

We still live on the times of CoVid-19; 7 million confirmed cases, over 400.000 people have lost their lives from CoVid-19. The hotspots are moving from Western Europe to Us, Brazil and Russia. According to a British pharmaceutical giant, a vaccine will be available in large quantities as early as September 2020. Today is Monday 8th, June 2020. Today we speak to Tamara Bojanic from Croatia, from Tara-Travel, in Rijeka. Tamara, you described yourself as traveler, philosopher and explorer. You have lived in the UK, Switzerland, Italy, Japan, Croatia and Qatar. You have travelled over 40 countries worldwide. You focus on project management, travel planning and promoting tourism in Croatia. Currently you have over 500 properties placed, optimized and managed online. You own a travel company, serving B2B and B2C clients as well. So, I guess you have a quite cosmopolitical view on the travel and

hospitality business worldwide. It is no secret: travel and tourism are hit very hard by CoVid-19. So, Tamara, what is your personal experience with CoVid-19?

Tamara:

Hello Agnes. First of all, thank you very much for having me in this podcast, it is a pleasure to be here. Also, thank you very much for the representation. You summarized it very well. In regard to the CoVid-19 impact on my business, it has been as monumental as the rest in the travel industry. I served it really sooner, actually in February, because I service B2B to my clients all over the world, including the Chinese clients in Beijing. So, my work was stopped on the February 15th. All the contracts I had are either put on hold or cancelled. By March 12th, I am actually left without any work and with a very uncertain future. Again, not just me, but all of us in the travel industry. Currently we are supported by the government. We estimate that it will continue for the next 2 months. But, as optimistic as I always am, and I am seeing some changes, the borders will be opened from 1st July not only in Europe but also between third countries such as USA. So, we have seen some progress for the travel situation. I already have some summer reservation. Due to the academic reports, we will and are expected to be one of the hotspots for the summer. So basically, I am very optimistic in regard to the future that we built in a way.

Agnes:

So, it might be a quick U-turn for Croatia; it will be one of the top travel destinations and, as we said before, people respond so different to the closed borders. What is the range of your clients in this situation-do they want to travel again?

Tamara:

It depends on many factors, such as age, mentality, business travelers, travel bloggers. Basically, all of us in the travel industry have a response to this stop. I would divide the response in two groups; the ones that are minimizing the aspect of CoVid-19, the ones who want to come and the ones, who are experienced and are eager to continue with their travel. Now, here I would add the digital nomads ,millennials, families, travelers and tourists, mostly that eventually and sensibly evaluate the situation and carefully choose how, when and if they are going to travel. And then you have the group of other extreme, that applies to digital nomads as well, who because of the impact of Covid-19 might completely change their life. Meaning they will stop with work travelling and work from remote areas, where I would also include business travelers. So, these are the groups that I have noticed from my clients. But, all in all, there is a group, which is very eager to travel.

Agnes:

I am more on the careful side-not going into unnecessary risks, but I can understand that people are very different. Some are really waiting to travel as you said, which is good for the business.

Tamara

You would be part of the group, which is sensible, as myself. This is the group that ponders travelling.

Agnes:

That is correct, but as I have also travelled before as a business traveler, I do understand that after all this time of being in lock down, you get eager to travel again. When I look in the pictures, the beautiful sea I get really tempted. But, as we talk about the beautiful coast in Croatia, government handled CoVid-19 and opening of the borders different. When we talk about Mediterranean countries like Spain, Italy, Croatia, Greece or even North Africa, how do you think tourism would look like in spring 2023? Will tourism in these countries be the same or do you think tourism in these countries will be different?

Tamara:

Well, I think for the travel industry that this is unprecedented-this situation has never happened before. We had the borders closed, the world stopped. In the summer of 2023, the government, guided from the health experts and international WHO have a major role in the situation. First, they saved our lives, now we are trying to save our economy, which I also mentioned earlier. Until we have a vaccine to the threat of CoVid-19, government will play a major role in the situation that goes in the Mediterranean, as well. If you look at the cases in Croatia and Greece, they are lower than in Italy or Spain. Nevertheless, customers tend to look for safe countries, which cost less, and they get the maximum quality of service. So, the impact of the CoVid-19 in tourism is depended on the vaccine. That means, in 2023, if we do not have the vaccine and we get another CoVid-19 wave, it is going to be exactly as this year; it is going to be limited, lots of things will vanish, personal contact, hotels, receptions and travel airlines will continue to struggle year after year. It will be a whole new level of travel, tourism and life. I really do not wish that to be the case, as I am optimistic that we will get the vaccine until 2021, which will allow us to get back to travelling. Also, some aspects such as raised health levels and digitalization will be a part that remains. I am also expecting lots of digital startups to come out of the CoVid-19 situation. Although I am optimistic of the summer 2023, we should not disregard the option that we might still be in the CoVid-19 era by then.

Agnes:

In the opening sequence, we played a little bit with the idea of a video conferencing gaining importance in the field of travel and tourism and maybe in the planning, organizing and caring for the customers. From your perspective as a practitioner, how realistic are these ideas?

Tamara:

This is quite interesting. Here we are basically talking about upgrading the visual contact of our presentations to the potential guest, which is actually participating live. This is definitely a market there, but one thing that concerns me the most is the privacy. Due to the EU regulations we abide by, we observe usually guests that really like the privacy and are not interested in getting involved too much with the service provider. In the concept of video conference, you follow them before, during and after the trip, they basically become part of the family. So, privacy is my main concern regarding the idea, but it is an interesting one. In

regard to practicing it, it would depend on what we are presenting. If we were presenting an apartment, it would have to be prepared, cleaned, have a date and then give the video presentation to the guest. In regard to marketing, I would find it quite difficult to attract a wide part of market with this type of service. You would have to invest time, you could reach out to the guest with the idea or they would already know the apartment, or maybe the video presentation would be needed from new guests. So, maybe social media would be an option, or you could show it to the guests, but you would need a set date in advance. So, it is definitely a concept to consider.

Agnes:

So, you would not rule it out completely, but you are absolutely right as there are some difficulties with it. What I would suspect is maybe this chatting, as I can see now as possibility in many medias, that might be upgraded by visual elements. You would not only talk, but also write to people, maybe some booking options and if you like, have more contact with people. Maybe, in some way it could be looked as a high-tech travel agency. You could go in a booking site, make contact with a real person-like you did in earlier years, where you could go in a travel agency in person. As you said, I am pretty sure we will see more technological events, start up and ideas. Some will be very important, some will go away as they will be just a gimmick. Do you see any other technical innovations? When you now look at these apartment business and to this area where you are specialized, do you see other technical innovations that might gain strong foothold in the next 2 to 3 years?

Tamara:

Absolutely this is far from the upgrading enhanced cleaning standards. I think technical innovations, digital discoveries, artificial intelligence will absolutely boom. We have that already but what we we will try to keep the contact with it, for example online chatting , we will have more of it, self-checking, free receptions, various chat booths as you mentioned. But you know what the major issue with online chatting is, you have to show your email address, and people are just simply not ready to share certain info; because of marketing and receiving emails. So if we approach this smartly, yes I like this idea specially for small travel agencies like us. We anyway offer a very personalized service , I as travel agency owner am very involved in all parts of my business maybe unlike bigger businesses, they have special departments. For me it will be a great idea to try it out.

To go back to your question, not only in regards to the hotels but also in airports various IP cameras with night vision and many more technical innovations are already used, but will be upgraded to a certain level.

Agnes:

we will talk now more about the front end, the interaction with customers when you think about the backend; controlling, book keeping and all those parts that could be automatized,

could this mean that big companies will have advantage over smaller companies or standalone hotels, apartments, complexes and that type of business?

Tamara:

That part to mention is done already speaking personally professionally as well, you have many various softwares online available for templates, message templates, smart DND etc. Price websites for example, where you can determine prices for your region that are available, not especially in Croatia but also in the US and worldwide. Currently we all have these options available and big companies are using it, not to mention the remote work.

Agnes:

And the smaller companies or the standalone owners of apartment and hotels are they able to participate in these processes of automation or are the big chains Arco group, holiday in Hilton groups etc, have an advantage?

Tamara:

Oh they have an absolute advantage, starting from media to numerous fundings that they receive from numerous resources. But now to talk about small property owners, it depends; you have some new ways that are very smart and you have elderly property owners that have very good knowledge of the online process, and here they will benefit from using travel agencies like myself :D

Agnes:

(laughs) yes! That is what I think, an expert like you could bring great value to these people.

Tamara:

Some of the property owners now in Croatia, are interested in automation others are still old school. But you know they are missing out. So here comes property manager in this case and talk about integrated hotels, we have the knowledge and the resources, which are very dynamic and always in change. There are always new innovations and better options. So it requires dedication, it requires you to be in the business to know when to change, improve or go through optimization, as you have many perspectives to consider. It is not possible now ,as property management section, to just place your apartment on airbnb and wait. No things do not happen that way.

Agnes:

(laughs) no I know that is not quite the way it works.

Now that you have general view on the economic climate for the hotel and apartment business, and let's have an optimistic view, that we will have the vaccine by the end of 2020, as they are working all around the world, giving that we are good at scientific solutions so the situation will be saved . So with the optimistic scenario; we have vaccine at the end of 2020 not only on the paper but in people's bodies, at least here in western Europe we have the chance to once get a vaccine so in this area Europe-Mediterranean we are safe from that side, but of course we might be working on the economic fall outside. When we consider the next 2 to 3 years, will we still have some over capacity maybe as people are reluctant to travel or will it be cheaper, will it be more expensive to travel will hotels and apartments earn more or less money ,will people invest in the sector or will people leave the sector, as it is no longer of interest, so what would be your guess in optimistic medical scenario?

Tamara:

With the optimistic scenario you have to determine that in the last 3 months, and the next 3 most probably, have left and will leave really huge impact economical and financial on most of us in the travel industry. When we talk about large hotel chains maybe they will be saved by the government or they will be caught by another investor or big chain. These are different types and styles of financial support.

Now when we talk about apartments for vacation rentals. This year alone 8,000 apartments have been closed just in Croatia. In the US ,based on some information that I have, people have decided that they will not rent anymore until there is a vaccine, maybe not even rent anymore.

We will see now if that would justify the sentence, that some people said, that prices will be at its best. I cannot agree with this completely, I do agree that in the market of properties, speaking of Croatia at least, the cleaning and service standards should have been upgraded basically long before covid. When you have a categorization in the country purely technical; It needed improvement even before this ,so in spring 2023 I'm really thinking it will be higher quality as it should be.

Not to be mistaken but not everybody is in hospitality business and should be in hospitality business, like any other business. It is not like I have an apartment or ok look at my neighbor he is earning this I want earn as well. You do have to have some security, but Tourism is about the motion first of all. You have to take care, of course it is profit but if you look at it only as profit in my opinion that's wrong. For me that's not business those are people. You are moving people, full families, from one side to another side of the world and we have to care about the wellbeing. You work really hard to take a one week holiday and then you end up in some really bad apartment or owner who does not really care?!

So one thing it will show industry professionals definitely , it will show people who care but also do their best. Let's focus more on guest interest and not talk only about profit. So that's my optimistic view.

In regards to the prices, luxury travel I think will decrease a lot, even until 2023; because the economic effect is illustrated for years. We cannot exclude tourism prices only, we have to look at them in global economy as well, with salaries etc. The best guess I can make the prices might go down, but if they go down in other industries as well. It not going to be just tourism because we cannot support it otherwise you will be paying other service the same price and offering hours, then you are breaking the chain of finance.

Definitely the certifications for the hotel sanitation and the certification by WHO are important. As a hotel guest, I will be much more confident to sit in, when the hotel is clean and safe with this certification, which they have to have other than that certification for the whole country, as the WHO issued some authorization for accommodation.

Agnes:

So when we draw some conclusions I understand that you're saying, even when we have optimistic scenario on the health side, it will be tough time for tourism in the next 2 to 3 years. We will have in any case much more concerns of customers about hygiene standards, service requirements etc. You say, that this will hopefully improve the standards of this industry all round the world, that we will see a quite busy private holiday segment, but people will be price conscious due to the economic situation, being partly employed for example, that we will see technical innovations, that video conferencing might be part of it we are not sure it is quite demanding but maybe startups rise in that area. We might see some advantage for bigger companies which are able to automatize processes even more and invest more in the brands and customer loyalty and promoting standards, and that it's maybe good time for families to travel when they can afford it, that they might find better standards, that they might find technical innovations that they come to Rijeka and enjoy summer time and a good holiday in Croatia!

So I would say from my side I hope that you have big U-turn, that your schedule is full with appointments again, and that you have a nice autumn, when it is nice weather in your country as you have a lot of sun in the autumn. As I guess; September October November people will start traveling again if we have the medical aspects resolved.

I would suggest Tamara let's stay in touch! We still have some time till spring 2023 and it could be very nice and interesting maybe in half a year or one year to talk about our guesses and our ideas and how it all went out and how then we will do as a guess for spring 2023, what do you think about this ?

Tamara:

Absolutely!! we are all really curious to see what will be the new normal in 2023. I am pretty sure the technical advancements will be there but the psychology of the traveller and well the psychology of all of us, how it will change and how long will this industry will take to heal.

Agnes:

One thing Tamara from my side, as a person who stayed in lockdown for a long time, we want to travel!

So good luck and we stay in touch thanks a lot Tamara!

Tamara:

Thank you very much Agnes, bye-bye thank you!