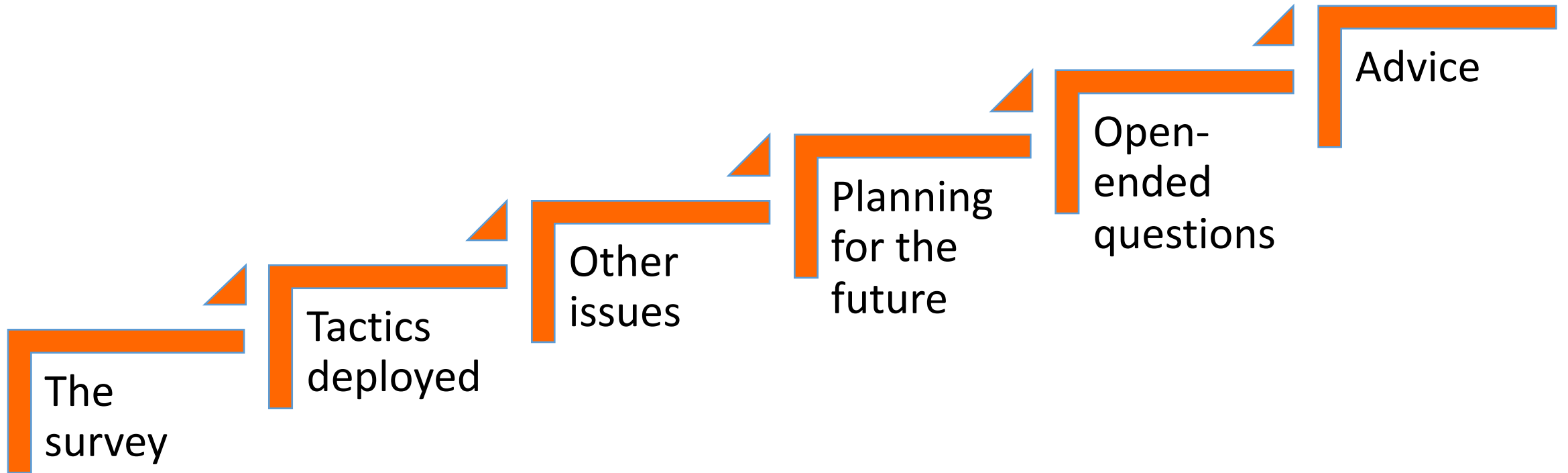


Coronavirus: How Are Hotels Responding?



Survey #2 Results

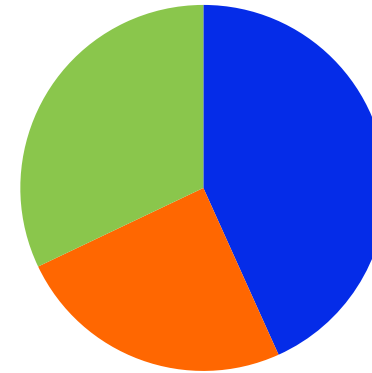
Report Flow



The Survey

Survey Basics

- 893 responses
- Survey from 13 - 25 April
- 94 Countries
- Sources: LinkedIn, HSMAl, Revinate



- Americas (AMER): 43.3%
- Asia-Pacific (APAC): 24.7%
- Europe, Africa and Middle East (EAME): 32.1%

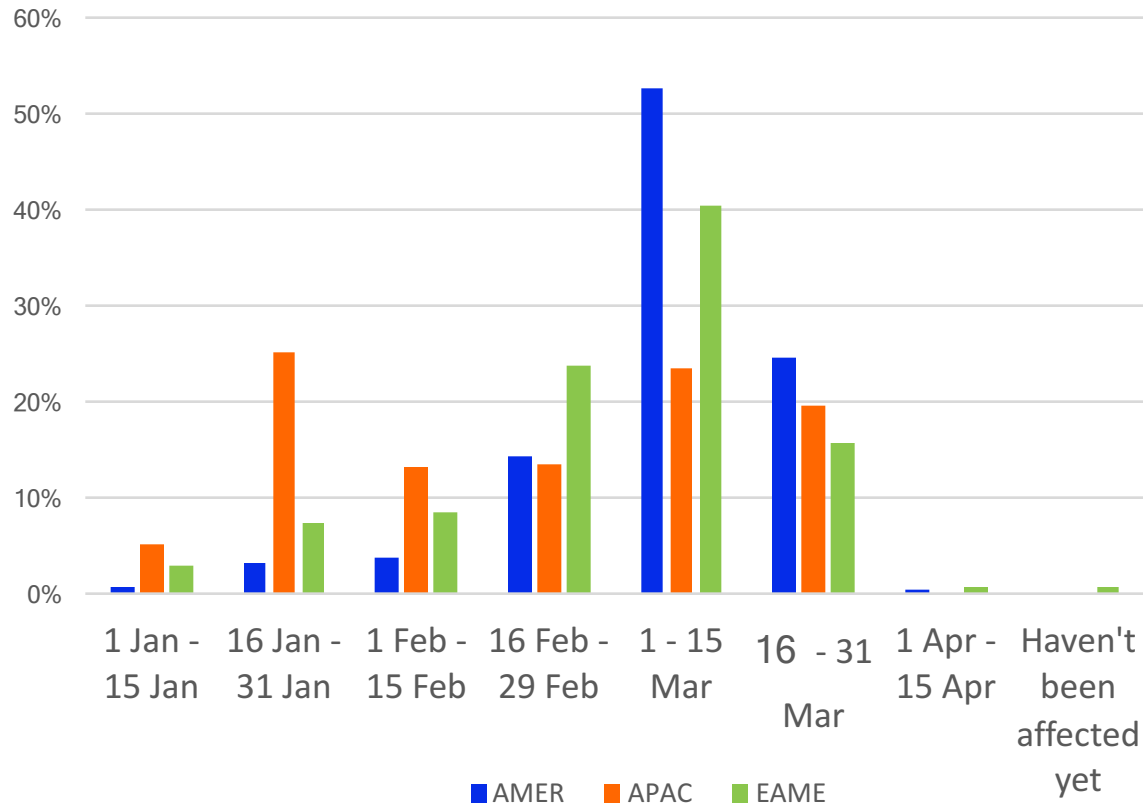
Types of Questions

- When noticed
- Tactics deployed
- Refunds and subsidies
- Planning for the future
- Open-ended

Advice

- Reflections on initial response
- Things that worked well
- Things to avoid doing
- Advice for the future

When Impact First Noticed



Regions Affected at Different Times

- Not surprisingly, APAC respondents were first noticed the impact earlier.
- 64% of EAME respondents first noticed the impact from 16 Feb - 15 Mar
- 77.3% of AMER respondents first noticed the impact in March.

Comments

- The responses of those from regions that were affected earlier may differ
- Less than 1% of respondents had not noticed the impact yet.



Tactics Deployed

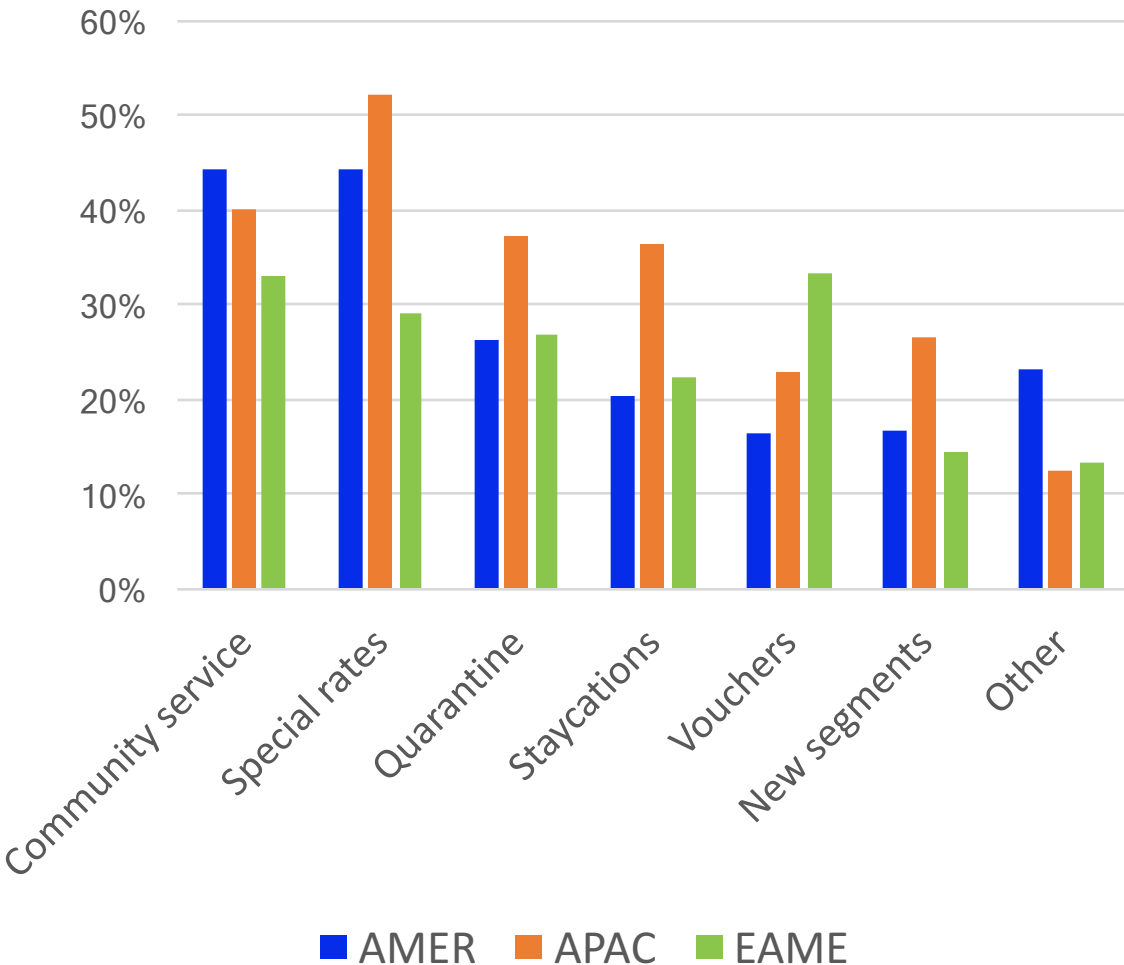
Marketing

Operations

Cost-cutting



Sales and Marketing Tactics Deployed



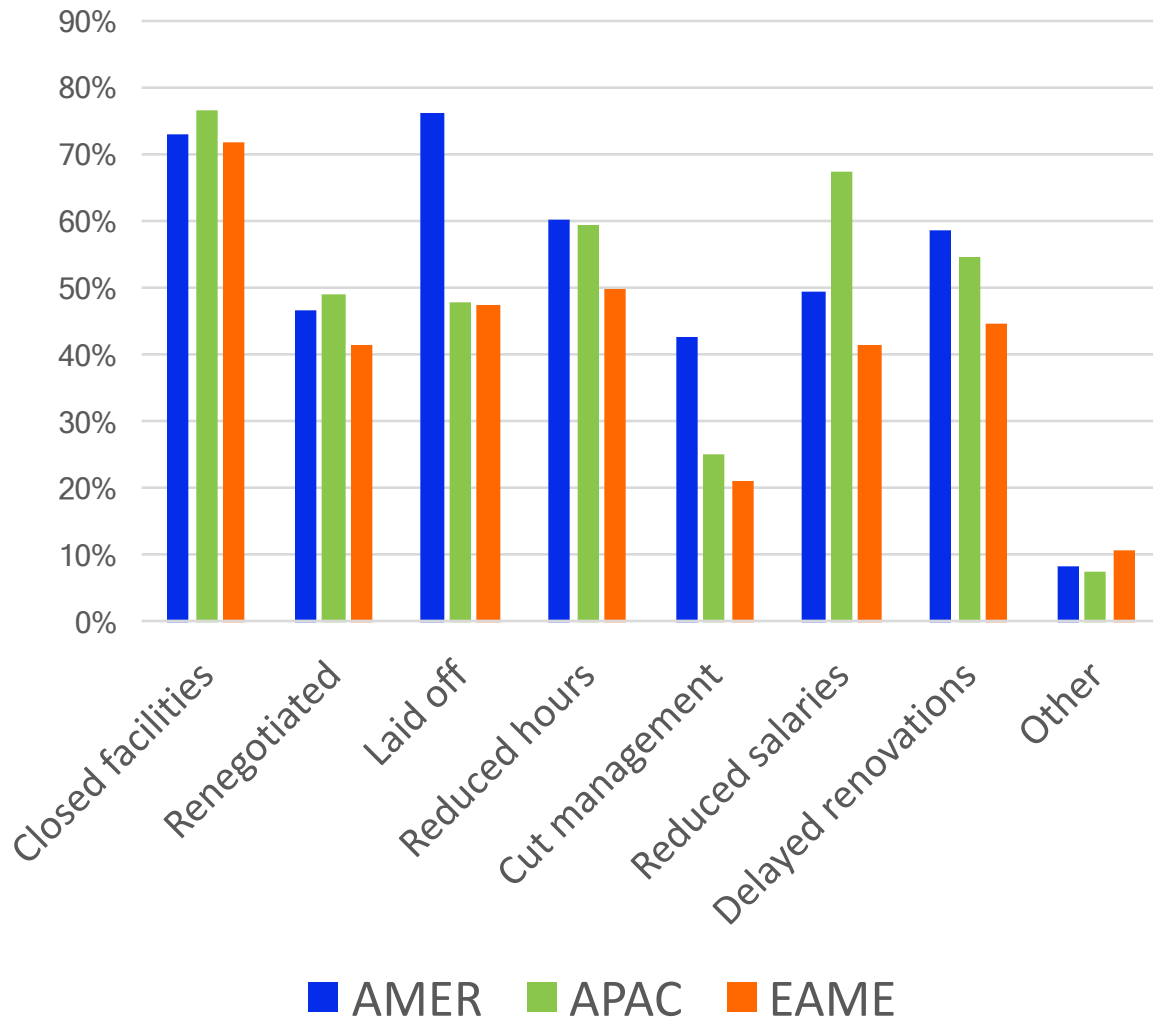
Regional Differences

- AMER: More likely to have done community service
- APAC: Significantly more likely to have done community service, offered special rates to certain market segments, served as quarantine hotels, offered staycations, and developed new segments
- EAME: Significantly more likely to have offered prepaid vouchers

Observations

- Some of the tactics deployed by APAC may be more prevalent in that region (for example staycations and quarantine hotels)
- Also, given that APAC has been more affected by disruptions in the past, they may have a more developed 'play book' on useful tactics to deploy.

Cost-Cutting Tactics Deployed



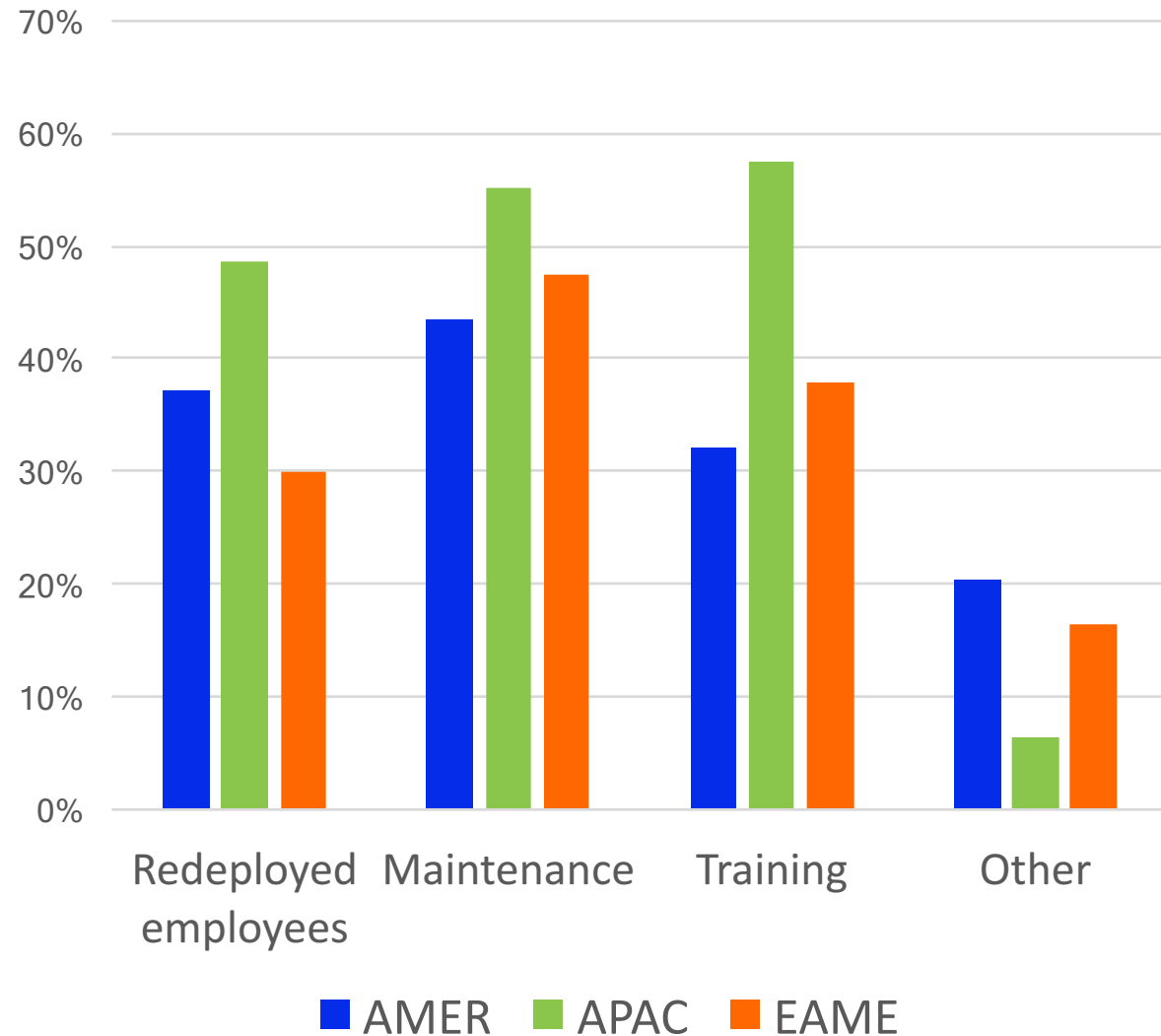
Observations

- Over 70% of respondents had closed some of their facilities, while over 50% had reduced their hours of operation. About half had delayed renovations.
- AMER respondents were significantly more likely to have laid off employees and cut management.
- APAC respondents were significantly more likely to have reduced salaries.

Interpretation

- Given that APAC has been more affected by disruptions in the past, they may have a more developed 'play book' on useful tactics to deploy.
- Also, as we'll see later, APAC respondents were less likely to have laid off employees than respondents from other regions.

Operations Tactics Deployed



Regional Differences

- APAC: Significantly more likely to have redeployed employees, scheduled renovations and maintenance and offered employee training
- AMER and EAME: Significantly more likely to have used other operations tactics

Observations

- Given that APAC has been more affected by disruptions in the past, they may have a more developed set of useful tactics to deploy.
- Also, as shown on the previous slide, APAC respondents were less likely to have laid off employees than respondents from other regions. As a result, they may be more likely to still have employees who can be redeployed or given additional training.



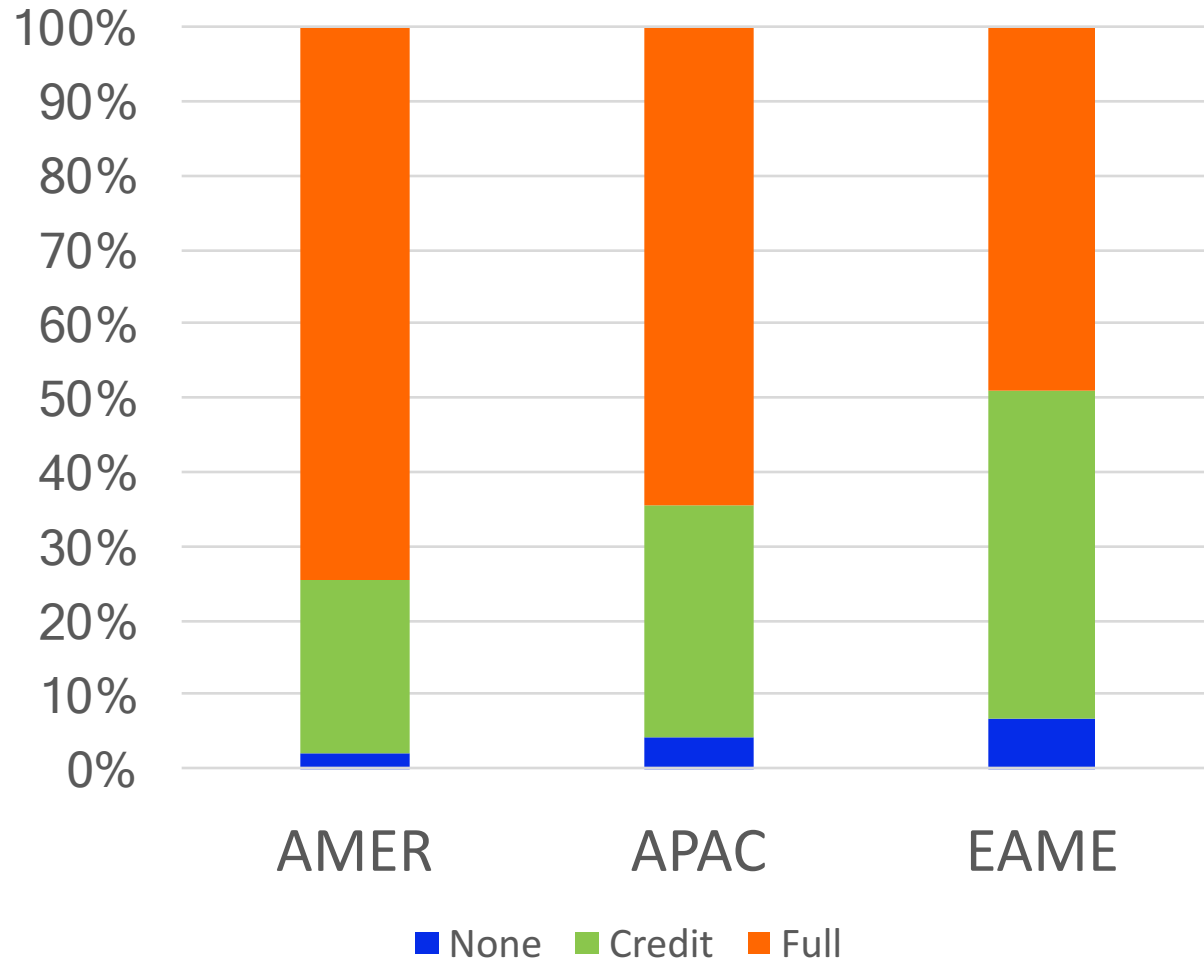
Other Issues Studied

Refund Policies

*Government
Subsidies*



Refund Policies



General Comments

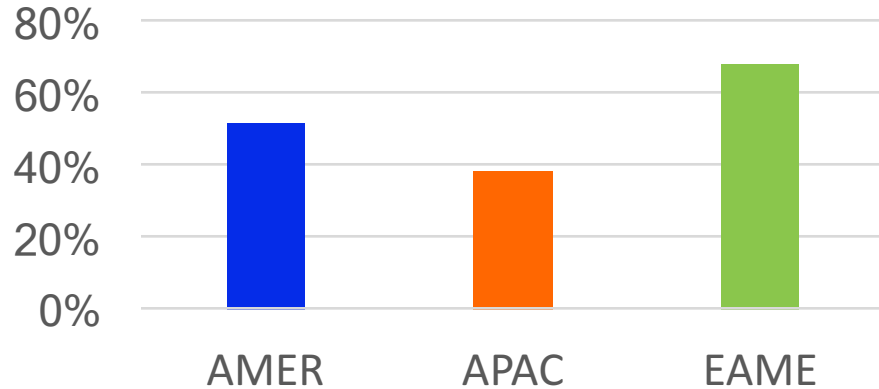
- Not surprisingly, many guests have wanted to cancel or change their reservations.
- Less than 5% of respondents did not offer any sort of refund
- About a third (31.9%) offered a credit for a future stay
- Slightly less than two-thirds of respondents (64.1%) offered a full refund.

Observations

- The refund policies varied by region.
- The fact that deposit and cancellation policies may vary by region may affect the results.
- Nearly three-quarters of AMER offered a full refund, while about two-third (64.6%) of APAC respondents offered a full refund.
- EAME respondents were less likely to have offered a full refund and more likely to have offered a credit for a future stay.

Government Subsidies

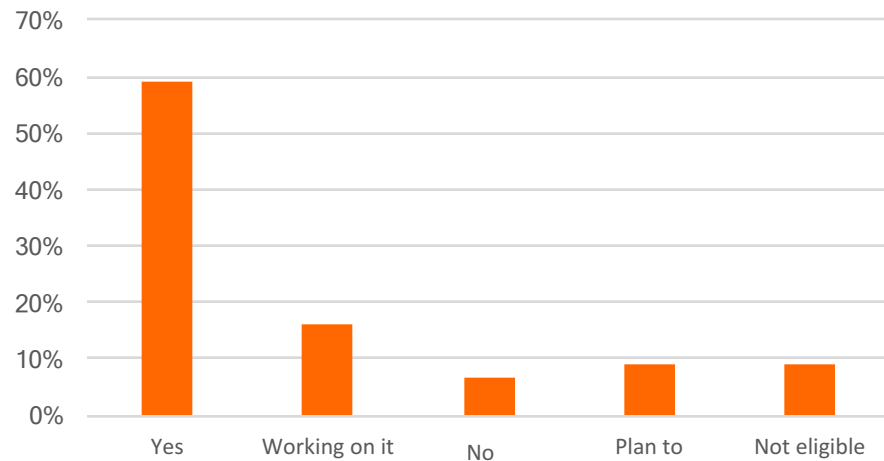
Government Subsidies Available



General Comments

- EAME respondents (68.3%) were significantly more likely to indicate that there were government subsidies available.
- Government subsidies were less available for respondents in AMER (51.5%) and APAC (38.6%)

Application Status



Observations

- Nearly 60% (59.2%) of respondents who indicated that there were government subsidies available had applied for a government subsidy.
- An additional 15.9% were working on their application and another 9.1% were thinking of applying.



Planning for the Future

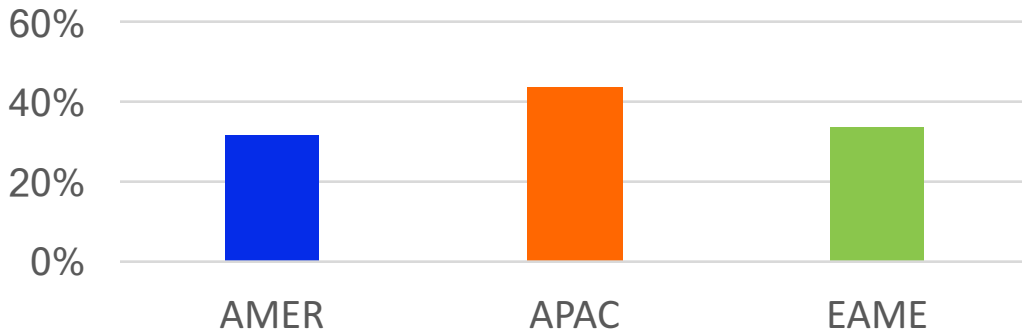
Contingency Plans

Thinking of Recovery



Contingency Plans

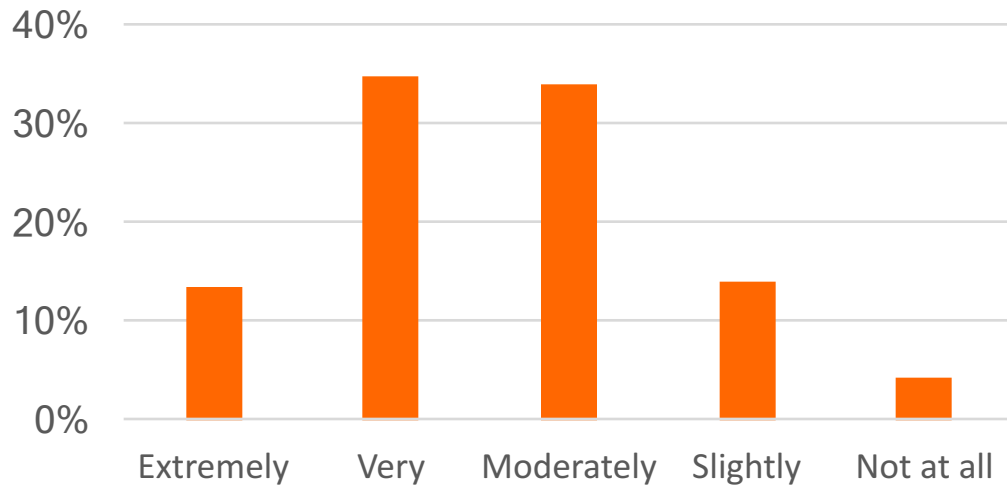
Had a Contingency Plan



General Comments

- Only 35% of respondents indicated that they had had a contingency plan in place.
- Respondents from APAC were significantly more likely (44.1%) than respondents from AMER (31.7%) or EAME (33.8%)

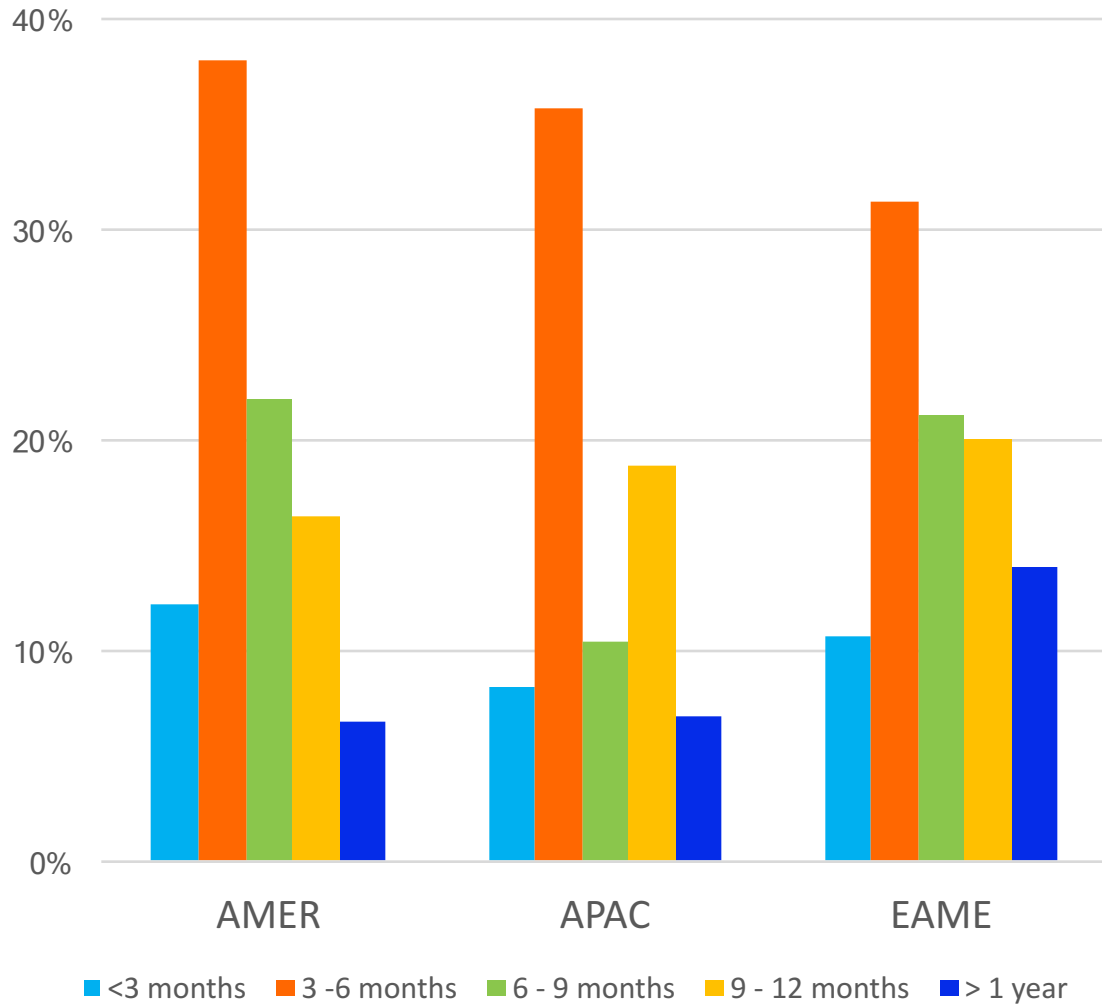
Usefulness of Contingency Plan



Usefulness of Contingency Plan

- The majority of respondents stated that their contingency plan had been at least moderately useful.
- Only 4.2% indicated that their contingency plan had not been of value.

How Long Until Recovery Begins?



General Comments

- 45% of respondents believed that recovery would begin in the next 6 months.
- 11% did not think the recovery would begin for over a year.

Observations

- EAME Respondents were the most pessimistic with about 55% indicating that they thought it would take at least six months before recovery began.
- 44.8% of AMER respondents and 36.0% of APAC respondents thought it would take at least six months before recovery began.
- APAC respondents may be more optimistic because of the fact that they were affected by Covid-19 earlier .



Open-Ended Questions

*Reflections on
initial
response*

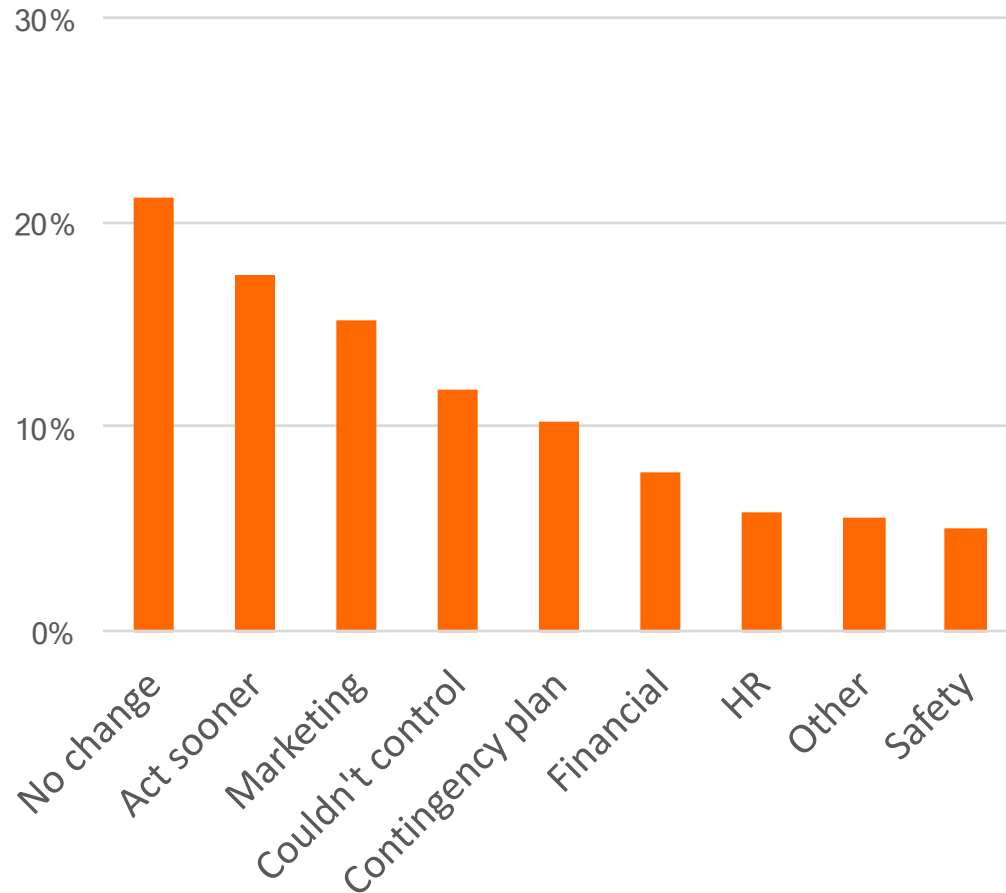
*What's
worked*

*Things to
avoid*

Advice



Reflections About Initial Response



General Comments

- About 40% (386) of the 897 respondents provided feedback on their initial response to the Covid-19 situation.
- Statements were categorized into 9 different categories.

Observations

- The most frequent reflection (21.3%) was that respondents would not change their initial response to the situation..
- The second most frequent (17.4%) was that respondents wished they had responded more quickly.
- Other frequent types of statements included various marketing approaches (15.2%), that respondents had no control over the initial response (11.9%) and the desire that a contingency plan had been in place (10.2%)

Sample Comments

"We have taken the same approach as we do during a hurricane however the extended loss of revenue is something we did not plan for."

"Deploy cost saving measure early, don't predict if you don't know. It can definitely get worse- go by this mantra."

"We shut down like we should have, so no regrets besides it hurt."

"I would have been more prepared to pull the trigger on items as I feel we tried to remain positive in the early stages longer than we should have and ignored the problem which only made us feel more unprepared."

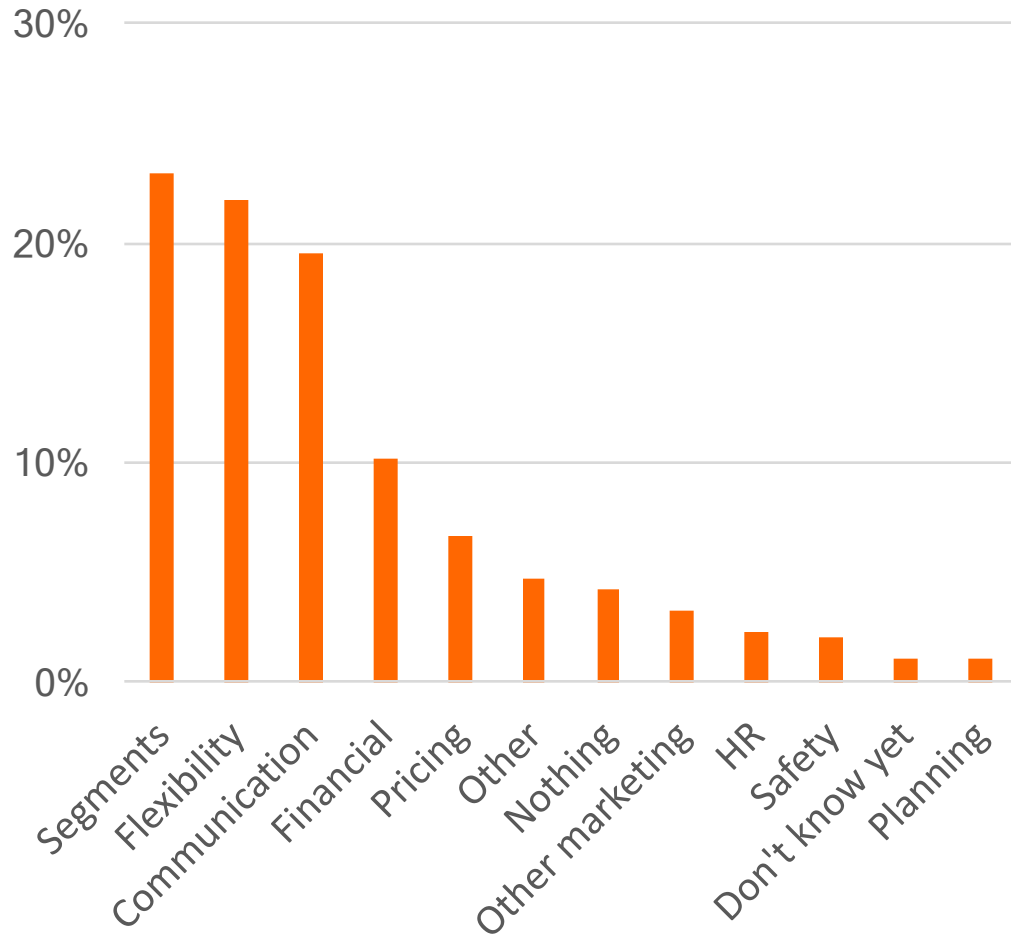
"Lessons learned in 2009 were helpful to immediately move to substantial furloughs all at one time. In 2009, this was done in waves expecting conditions to improve. There is not much one can do with the economy closed."

"I'm glad we shut down the hotel to all travelers. We are using the opportunity to finish an enormous renovation project we were in the middle of. Now, the renovation can happen without Guest disruption."



What Worked Well

Strategies that Worked Best



General Comments

- About 55% (492) of the 897 respondents provided feedback on the strategies that had worked well during the Covid-19 situation.
- Statements were categorized into 12 different categories.

Observations

- The most common type of strategy (23%) was targeting new segments such as health care workers, quarantine hotels and long-term stays.
- Other frequent types of comments were the need to provide flexibility to guests (22%) and the importance of regular communication (20% with clients and potential guests).

Sample Comments

"We've picked up the phone and called our repeat guests and clients. We've been genuine and authentic. We've sent our favorite photos of the property and asked guests to share theirs along with favorite memories. "

"Worked with county to set up a temporary homeless shelter, covering costs of day-to-day hotel maintenance with a very limited staff.."

" Supporting our staff and community by closing and be flexible with guests as much as possible - its all about maintaining brand and ensuring we come out the other side as much as possible with our brand in tact. "

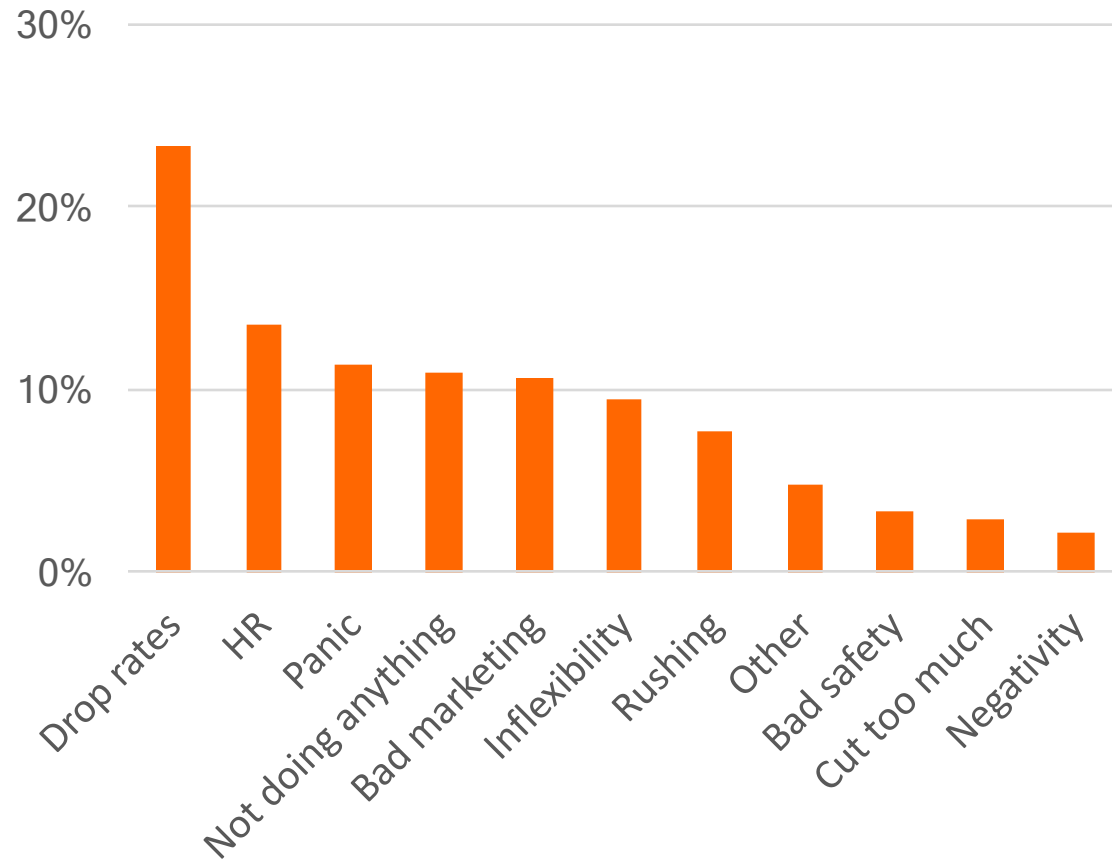
"With a plethora of global travelers in the state of Goa and across India, one of the key actions our hotels took was liaising with consulates once it was made clear that the city's airport would be used as one of the 3 evacuation platforms across the country. This allowed us to not only offer a viable option to stranded guests, but also take care of them providing a sense of safety in this rather chaotic time. Finally, that also trickled down to the bottom line with fixed costs not moving away and the revenue generated here allowing us to offset some of this.."

"Flexibility on Cancellations and amendments. Make every Guests a happy and stress-free, during Covid19, they will appreciate".



Things to Avoid

Strategies to Avoid



General Comments

- About 36% (313) of the 897 respondents provided feedback on the strategies that had worked well during the Covid-19 situation.
- Statements were categorized into 11 different categories.

Observations

- By far the most frequent thing (23%) that respondents suggested to avoid doing is dropping rates.
- The second most frequent recommendation (14%) was to avoid not taking proper care of staff members
- Other key things people mentioned were to avoid not doing anything (11%), engaging in bad marketing practices such as over-communicating or spending in inappropriate ways (11%) and being inflexible with guests (11%).

Sample Comments

“Don't fixate on doom and gloom. While this is a frustrating and depressing time, positivity from leadership is very important.

Stay in touch with your furloughed employees, We are going to need many of them to come back and be part of the recovery.”

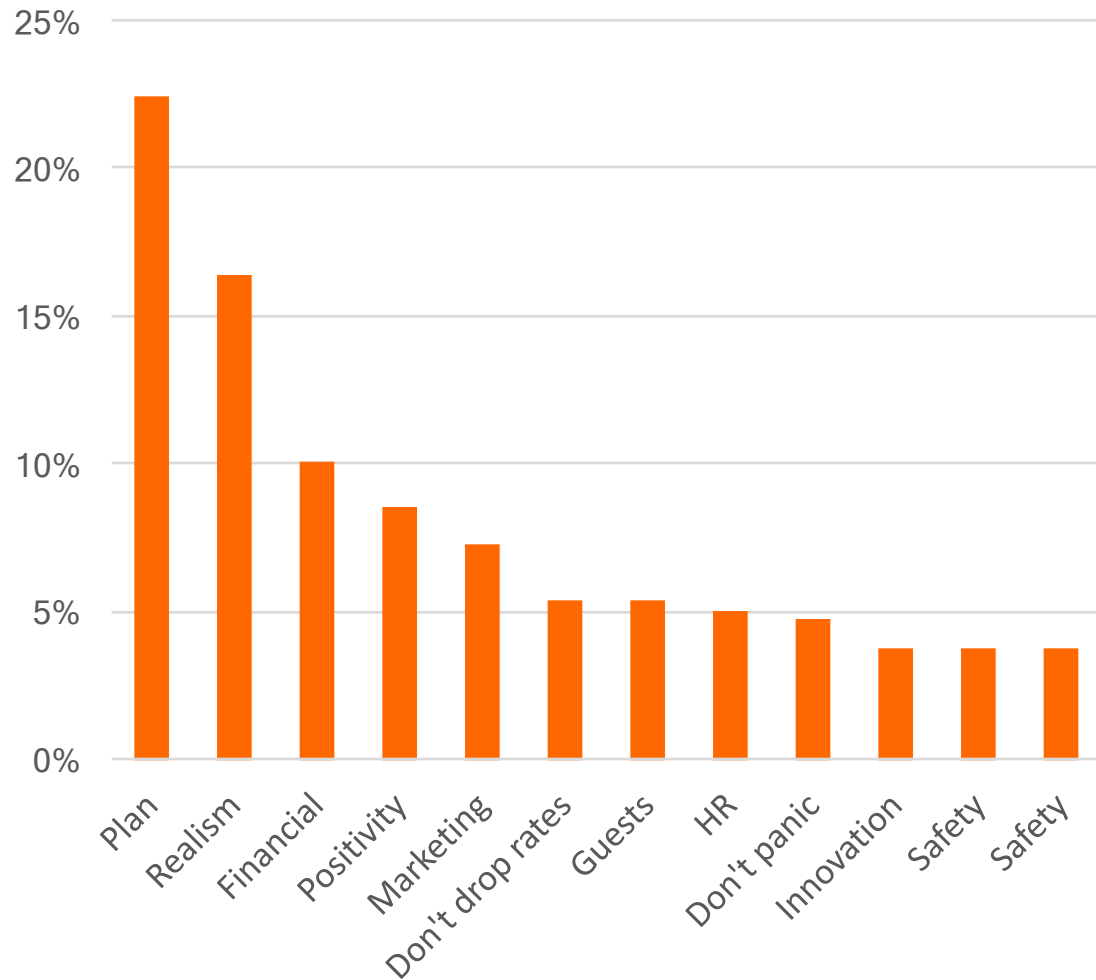
“Relying on the way we have always done things.”

“ Don't discount; it will not induce demand.. aggressively cut cost and manage cash flow. Plan for a reopening / recovery. Think about how you can make the operating model more efficient on the other side of Covid-19.”

“I am concerned how easily hotels reduce headcount and furloughed staff - especially in the USA . I believe that the real be a permanent breach of trust between staff and management, and that our industry which is already at a constant war of talent will increasingly struggle in finding bright young colleagues to join the ranks. I think many operators have betrayed their staff. People after all weren't their first asset..”

“Price cutting! Its not going to make a difference right now and even during recovery. It will just slow the industry down to going back to normal patterns. ”.

Advice for the Future



General Comments

- About 35% of the 897 respondents provided feedback on the strategies that had worked well during the Covid-19 situation.
- Statements were categorized into 12 different categories.

Observations

- By far the most frequent thing (22.4%) that respondents recommended was have a contingency plan for the future.
- Another common suggestion had to do with realism (16.4%) and to not assume that things would be the same.
- Other advice people suggested included the need to have a strong financial reserve (10.1%) .
- Respondents also recommended (8.5%) that hoteliers retain a positive attitude throughout this sort of situation and to be sure to avoid negativity.

Sample Comments

"As difficult as it seems, think about the future and try to be empathetic with your guests. This is the time to be flexible and receptive. Think outside of the box and find different approaches to boost your hotel, get the most of your social networks, everyone is there right now. Update your content EVERYWHERE (Website/OTA/Social Networks). This is also a perfect time for training, learn as much as you can and teach as much as you can and apply that knowledge to improve.."

"I recommend planning for all possible scenarios. For every situation, there should be a communication plan for all interest groups that clearly responds to basic questions: Who, Where, When, How, and Why. .."

"This pandemic has taught us hotel occupancies can fall off a cliff very quickly and get to the single digit range within a matter of days. Make sure you have a contingency plan to respond to an event like this in the future."

"Be decisive and move quickly. Plan for the worse. You can always bring people back to work as your business slowly ramps up. Be realistic, not optimistic."

"Plan for the "new normal". Things may not be the same again."

"Think outside the box early and start planning. Think about how you can give back to the community...strong PR opportunities. ."

"Reinvent your strategy."

What Should You Do???



Lessons From Our Survey....

Have a plan

Have a contingency plan for future disruptions

Develop a recovery plan. Don't just assume that things will stay the same as before.

Maintain a strong financial reserve

This is not always possible, but be sure to have a reserve just in case you are affected by a serious disruption in the future

Maintain a positive, but realistic attitude

Don't assume that things are going to stay the same. They aren't

At the same time, don't succumb to negativity. Try to maintain a positive attitude.

Focus on building relationships

Build and maintain relationships with your community and your clients

Think of your guests and treat them with hospitality. Now is not the time to be inflexible.

Try not to drop your rates

If possible, try not to drop your public rates.

Lower rates will not bring in more customers

If you decide to offer lower rates, be sure that they are tightly targeted.

Thank You!!



For More Information



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