

# COVID-19 Tourism Impact Update



## Falkland Islands Tourism Sector Information and Guidance Concerning the Impact of COVID-19

*No. 16*  
*February 5<sup>th</sup> 2021*

## INTRODUCTION

As we pass the traditional midway point in the season, half an eye is always on the next year and what it might bring, what plans need to be made, and bookings to be counted to try to assess what demand might be like. And in some ways it's no different this year, albeit with more uncertainty in the air.

So we've been looking at trends and predictions for the year ahead, which will hopefully help provide some guidance for the plans we need to make for whatever the 2021-2022 season will look like. Irrespective of the business you're in, I hope there's something to take away from it all.

We've also included the latest occupancy data which shows how well the TRIP scheme is working, even though not everyone will benefit – but that was clear from the start. It's great to hear so many stories from Falklanders travelling at home. As you travel, please make as much noise as you can on social media...Facebook, Instagram, TripAdvisor, whatever you use. It all helps with our digital marketing and to raise the profile of these beautiful islands, onto which I hope we can start to welcome international visitors again very soon.

As always, please don't hesitate to contact the Falkland Islands Tourist Board for more details or any further assistance.



**Stephanie Middleton**

**Executive Director**

*5<sup>th</sup> February 2021*

*Next Update: Friday 5<sup>th</sup> March 2021*

## 12 PREDICTIONS FOR 2021

2020 was a difficult year for travel, but it was clear by the summer that very little movement was going to be possible for the rest of the year. In some ways 2021 is a little more difficult to predict, however we've gathered together 12 travel predictions for the year ahead. You won't need us to point out which ones work in our favour and which ones don't, however, hopefully there are some in there that will help you plan your business and be ready for what the year throws at us.

**1. The vaccination will release pent-up demand.** Well in certain countries where a sizeable proportion of the population has been vaccinated. But don't expect the second dose to be widely administered to a significant percentage of potential travellers until late spring/early summer in the main tourist generating countries in Europe and North America. Psychologically, that will be the "let-off-the lead" moment and trigger for travel. We can also expect many countries to require evidence of vaccination for entry.



**2. Vaccination will be patchy.** There will be a vaccination deficit between those countries that can afford the vaccine, are able to distribute it effectively, with a resultant take-up by the population, and those that either cannot afford the vaccine or are not able to inoculate a significant proportion of their population. Consequently there will be largely "no-go" countries for travellers who will avoid them in favour of countries perceived to be safer, even when these travellers have been vaccinated.

**3. Short-haul travel will boom.** Starved of warm sunshine for a year, vaccinated travellers in many of the large northern hemisphere markets will flock south in search of a vitamin D rush as soon as they can.

**4. Long-haul will take longer to recover.** Remoter and further-flung, long haul destinations will recover more slowly, partly as short-haul sunshine will be a priority, but also because of a fear about destinations that may not have handled the pandemic particularly well and whose health services may not inspire confidence (the Falkland Islands will NOT fall into this latter category). A resurgence in travel to these destinations is expected in 2022.



**5. SLOMO, FOMO, YOLO and BLISTO will be the first out of the traps!** These most resilient market segments will kickstart the resurgence in travel:

- **SLOMO:** Slow Motion Travel – this is staying longer in one place rather than relentless "destination bagging". Spending more time in one place also means making an effort to get under the skin of the place, seeking insights into its culture and character, tuning into its way of life (demographic: all age groups).

- FOMO: Fear Of Missing Out – these people want to be the first to experience the latest, cool travel experiences, which will undoubtedly emerge post-pandemic. They will also be amongst the least concerned about vaccination before travelling (demographic: under 30s).
- YOLO: You Only Live Once – the “raring to go” travellers, regardless of health concerns, and young enough to think the risk doesn’t apply to them (demographic: under 25s).
- BLISTO: Bucket Lister Ticker Offers – an older version of the YOLOs, albeit less cavalier and more concerned about health risks. They are becoming increasingly conscious of the number of places they still want to visit and the decreasing amount of time in which to do so (demographic: 50-70 year olds)

**6. Staycations (domestic travel) will sustain their popularity.**

Staycations were the only acceptable holiday option for many during the pandemic, and for many it will have unleashed an appreciation of their own country and a desire to travel there more in the future. However, in most countries it is more likely to manifest itself as additional short breaks rather than a substitute for a main foreign holiday.



**7. Prices will rise.** The main reasons for this are that demand will outstrip supply in several areas. Airline consolidation and collapses will mean fewer airline seats to accommodate the avalanche of pent-up demand. A similar scenario might occur with regard to accommodation in places where hotels have gone under. Travel insurance costs will also rise significantly, putting up to 25% on the cost of a 10-night holiday for a family of four.

**8. Rural will outpace urban growth.** That is not to say people will avoid city destinations because they are perceived as crowded and therefore higher risk. Their popularity will return, albeit perhaps gradually, particularly amongst the vaccinated, YOLOs and FOMOs. But a combination of the search for space and appreciation of nature, which have grown during the pandemic, is likely to fuel a continued desire for less crowded, rural, outdoor destinations.



**9. Booking lead times will increase.** For years we have seen the time between booking and travel shorten, as last-minute and impulse purchasing has increasingly been accommodated, and even encouraged by developing technology. However there is a possibility that this trend may slip unto reverse gear, if only slightly, with people planning further ahead because of the reduction in capacity of airline seats and hotel beds in certain destinations. Also advance booking became essential during the pandemic for many places such as attractions and restaurants, and may remain a habit as people want to be sure they get the most out of their trip.

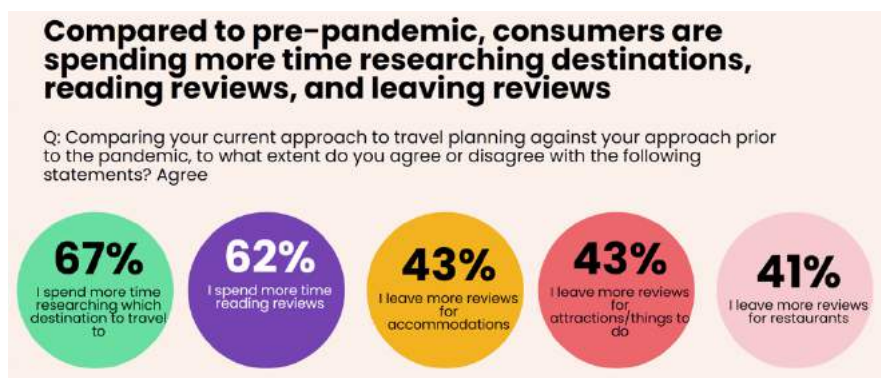


**10. The use of travel agents will grow.** With the chaos to travel plans that the pandemic inflicted, more travellers are likely to seek reassurance from experts and want to book with security. This is likely to mean a restoration of faith in travel agents at the expense of independent booking of dynamically packaged online products. It may be a small shift, but it could provide a significant boost to business for travel agents who have continually emphasised this benefit as one of their unique selling points.



**11. Technology will be vital.** Despite the use of travel agents growing, the use of technology will accelerate from two perspectives. Tourism suppliers, such as accommodation, attractions, and tour guides/experiences will be increasingly sought online by travellers. Also, these supplies will use technology more for managing their businesses, managing visitors and increasing profitability.

TripAdvisor research shows considerable increase in online research, reading reviews and leaving reviews since the pandemic.



**12. Flexibility will be important.** Despite the likely growth in longer-term planning and advance-booking, people will still want options to change and the opportunity to travel on impulse. In booking terms this means less draconian cancellation policies, flexibility on minor changes, and respecting refund rules.

TripAdvisor research still shows concerns about cancellations as being the principal worry of the traveller.



## Some insight from Chile...

It is interesting to point out some marketing that is coming out of Chile (thanks to Alex Olmedo for identifying the link), from one of the top operators, EcoChile. [Click here](#). It suggests five reasons why Chile has a tremendous advantage as a travel destination in 2021-2022, based on some of the trends we have identified above and in previous *COVID-19 Update* issues.

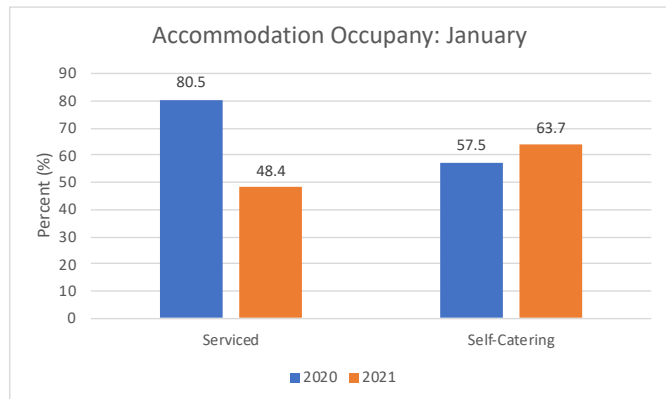
1. Restrictive Measures: the Chilean authorities kept restrictive measures in place after the first wave hit in May-June, and whilst they cannot rule out a significant second wave, the cautious approach has kept infections low.
2. Early Arrival of Vaccine: it is expected that 80% of the Chilean population will be vaccinated in the first half of 2021, and it was the first Latin American country to receive the Pfizer vaccine and start the process in December 2020.
3. Health Protocols: protocols have been rigorously applied, in particular in accommodation, restaurants, and transport services that tourists use.
4. Destination of Nature and Adventure: the trend is for people to travel to destinations rich in nature and adventure activities – Chile is excelling in offering this.
5. New and Better Services: tourism businesses have used the down-time from COVID to reflect and reimagine their products, giving greater personalisation, focus on smaller groups, and heightened awareness of the environment, helping to promote responsible tourism.



## UPDATE ON THIS SEASON

The impact of TRIP is certainly clear to see when comparing occupancy rates in January 2020 with those measured in January 2021 (last month). Typically, January is the busiest month for serviced accommodation, with room occupancy achieving 80.5% in January last year. This year it was around half of that, at 48.4%. However, without any international visitors, it is reasonably respectable.

However, self-catering occupancy last month **exceeded** that achieved in January 2020. It was measured at 63.7% last month, compared to 57.5% in 2020.



## Flights Update

The latest update on South America flight resumption pushes back the earliest start-up date due to the ongoing prevalence of the pandemic. Both LATAM flights, from Punta Arenas and Sao Paulo, are now suspended until **at least** 29<sup>th</sup> June 2021.

## TRIP Update

FIG have extended the Tourism Recovery Incentive Programme (TRIP) by two months. The scheme, which was due to end on March 31<sup>st</sup> will now remain in operation until May 31<sup>st</sup>. Falklands residents will have until that date to redeem their vouchers. The British Forces South Atlantic Islands TRIP scheme has also been extended to May 31<sup>st</sup>.

## FURTHER INFORMATION

### Tourism Recovery Incentive Programme

TRIP is a domestic tourism stimulus scheme that is open to everyone who is ordinarily resident in the Falkland Islands and will run from 1<sup>st</sup> October 2020 until 31<sup>st</sup> May 2021. More details can be found at:

<https://www.fig.gov.fk/covid-19/tourismscheme/trip-scheme>

### FIG Guidance and Information

For guidance and information for individual businesses operating in a COVID-19 environment, including restaurants, public houses and retail, as well as frequently asked questions see:

<https://fig.gov.fk/covid-19/>

<https://fig.gov.fk/covid-19/information/general-information>

<https://fig.gov.fk/covid-19/faq>