

# Country lockdowns, airline companies barely afloat. What's there for the tourism industry besides government bailouts?

Ubiquitous ads have lost their touch. Catching up with target audience insights is the key.



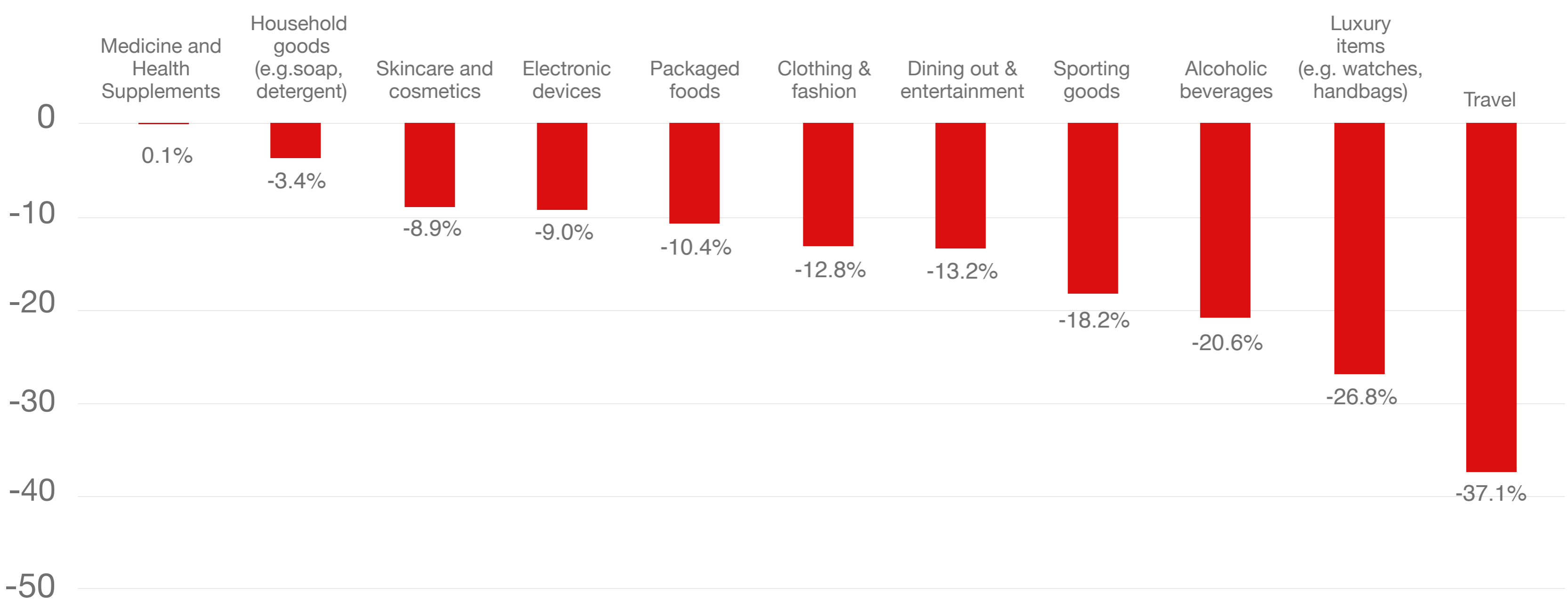
## Taiwanese are having a fall out with Japan in tourism and physical goods

Japan has always been Taiwanese top tourist destination. Yet the recent virus outbreak made Taiwanese shun away from travelling to Japan (drop 37.1%), even worse than luxury product purchases (drop 26.8%). Interestingly enough, other than the medical/health category, overall Japanese goods experienced a rare drop. The slight increase in Japanese medical/health products shows the trust is still there, but needs to be reminded. Furthermore, Japanese goods need to catch up with categories that are still growing, such as home care products (i.e., soap, detergents).

Perhaps Japanese tourism related businesses can team with other Japanese goods brands to engage with the “Japanese travelling-like” experience needs.



### Overall Budget Change on Japanese Products sold in Taiwan



## **Start engaging and leverage the power of opinion leaders and amplifiers for foreseeable growth**

Though Mckinsey said this turmoil might last till Q2 next year, our recent Taiwanese insight tracking shows Japanese travelling intentions will bounce back around October this year. Regardless of data source, now is a great time to plan for the year end to attract opinion leaders & amplifiers, as they are most likely to purchase once the situation is alleviated. Nevertheless, the COVID-19 is an unpredictable public health crisis, the best way is to keep up with dynamic insights for effective business strategies.

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## **Dear brands: Ad budget cuts calls for a stronger tie with your audience.**

What do you do when you don't have ad budgets to spend? Focus on your brand strengths. Taiwanese tourists generally DIY bookings and planning. However they also experienced first-hand the difficulties of cancelling/ rescheduling due to this crisis. This is a great time for the tourism industry to boast their professional service & customer support and build trust. For example, fast updates about related news, or measures to sanitize vehicles/ aircrafts.

In addition, teaming up with media or other industries to continue to release content (yes, zero budget marketing you can try now) to engage with your audience. You could tag on trending social media content of how people are using humor to deal with at home boredom. This can help to minimize stress but also increase attention to your brand. This is a time where brands are not fighting for share of voice, but who "gets" their target audience wins. EO essential oil brand teamed up with Lyft and gave out 200k hand sanitizers to bus drivers - great way to communicate their core values but also shown as top-of-mind choice.

Businesses are now experimenting new ways to engage with their audience during the lockdown. Theatrical plays are made free to watch online, gyms now offering online training programs. Recently, Chipotle hosted a Zoom group chat to let their fans virtually hang out with each other.

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## **Team up and get creative: New collaborations means new opportunities.**

The downfall in tourism and luxury product spendings not only shows fear of infection but income loss. Despite the outcry, there are industries growing stronger than ever, such as online education platforms (learning generally alleviates fear of job loss) and other location-free businesses. Perhaps it's a good idea for tourism businesses to team up with online Japanese language learning institutes. For example, "Get the Japanese language skills you need before your travel to Tokyo end of the year." bundles. It's also worthwhile to consider how to upgrade your core strengths, such as incorporating fun factors at a depressing time like this. KTV brands, maybe work with car rentals/ tourism agencies to offer in-car singing tours for one person or two to a scenic spot.

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## **Look for ideas globally, not just locally.**

Multiple European/US hotel businesses are already talking about the possibilities to communicate social distancing booking policies. For example, instead of full-booking optimization and in the same levels, spread out and put a cap on the total number of bookings. This "better less than none" momentum is just one idea found from referencing what other businesses in the world are doing. Some US tourism businesses are also calling for consumers to "delay/reschedule but not cancel" their current bookings, so the businesses stay afloat during this tough time. Meanwhile consultants suggest to offer new products at a lower price point rather than discounting current offerings, so that businesses would secure the profit they deserve once the economy bounces back.

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