

European Alliance Against Coronavirus

Wednesday 22nd July 2020 at 8:30

Clusters proposals for Tourism

Working format is based on “Gilles Rules”:

1. conceptual framework
2. needs and disruptions
3. solutions

Speakers:

- Gorazd Čad, Toleranca Marketing
- Teodora Jilkova, Veritas Cluster

[Link to session's recording](#)

1. CONCEPTUAL FRAMEWORK

Marketing strategies for overcoming the coronavirus crisis

Gorazd Čad from Toleranca Marketing opened this session with a special focus on the meeting industry within the tourism sector. In order to set up a good strategy, it is important ask to yourself three questions: What direction should I take and way? Which skills do I need to succeed? Which marketing tools should I use?

During the pandemic, most of the companies were unsure about the communication strategy to adopt. Gorazd Čad developed a series of surveys to collect data among European meeting planners with the following results (see all results in the presentation):

- Company's reaction to the outbreak was promptly for 51.6% of the survey participants, while only 8.6% was not able to act proactively.
- 94.5% said that they are concerned about the future of the meeting industries because in March 2020 every European meeting planner cancelled 7,86 events and postpone 9,59.

Now, the most important thing is to make events not just safer, but better, and to improve the engagement with clients. Before the Covid-19 crisis, nobody thought that wearing masks at events is a possible future, but now it is necessary to restart marketing activities and find creative ways to face the major challenges after the crisis.

For the tourism sector, it is necessary to find answers to the costumer's need of safety. It is one of the most important criteria when choosing a destination and belongs to the primal emotions, which also include reciprocity (“receiving something creates the social obligation to return it”).

Importance of live events

Teodora Jilkova presented the Veritas Cluster. It was established in 2013 and is specialized in business consultancy. The cluster is part of the TCI Network, which has 65 organizational members and 450 active members in 46 countries. Teodora Jilkova underlined the role of clusters in the tourism sector. To move forward, it is important to create good occasions to make business and have ideas, like the Black Sea and Balkans Conference World Summit, in which is possible to work together, share experiences, and consequently develop strategies and build valuable partnerships.

2. IDENTIFICATION OF DISRUPTIONS

First disruption: Marketing strategies for Business Event Organization sector

Evidence: The Business Event Organization sector have been disrupted heavily and even faster than other industries. Firstly, restrictive measures completely stopped this business during quarantine periods; secondly, social distances measures still act as obstacles to the business recovery. According to the surveys conducted by Toleranca Marketing, almost 70% of European meeting planners expect a decrease in the Marketing budget, and more than 30% express as top priority in 2020 to carry out postponed events.

Major challenges have been brought by the post-crisis situation, changing the customer's behaviour towards travelling and meeting participation:

- **Distrust and fear of travelling abroad**
- **Security problems with transportations**
- **Security problems during events with many people:** distrust in live meetings
- **Disinfection of hotels and restaurants**
- **Information overload:** due to excess of advertising
- **New formats for events:** cheaper and more flexible
- **Market segmentation for recovery:** not all markets will recover at the same time
- **Lower budget**

Policies and changes in habits require to re-target the customer using different marketing strategies and adapting to the current situation.

Geographical impact: EU

Stage of value chain: Marketing

Character of the disruption: Disruption in marketing approaches for business events

Time frame: short/medium term

EU actions needed:

- **Funding:** specific funds to grant equal recovery among different markets
- **Regulation:** Reliability in norms for travel

Recommendation:

In this volatile situation, new marketing strategies for events organisation prove to be necessary, including:

- **Communication Personalization:** in terms of content customization.
- **Flexibility in planning**
- **Shift to digital and mobile environments:** Optimize online meetings
- **Adopt agile approaches:** Including trial-and-error cycles and early contact with the customer
- **Hybrid Events:** it may represent a rising trend in the future Event planning and organisation. As data from the survey show 45.1% of respondents chose Hybrid Meetings as preferred way to event organization. Clearly Face-to-face meetings cannot be replaced entirely, but a mix of virtual meetings and live meetings could be a cost-efficient and time-efficient solution, without losing the communicative impact of live meetings.

Second disruption: Lack of business opportunities fostered by collaborations

Evidence: The pandemic and consequent restrictive norms of the last few months reduced opportunities to establish new or foster existing collaborations among clusters and associations, which have been previously successfully done during business events. Given the closeness to the market that it is given at these events, it is harder to follow this practice purely digitally.

Geographical impact: EU

Stage of value chain: All stages

Character of the disruption: Lack of business opportunities due to the pandemic

Time frame: medium – long term

Recommendation:

- Provide enough opportunities for people to mingle and discuss during hybrid events

Third disruption: Rising competition between tourism countries

Evidence: For some European countries, tourism plays a major role for their economies. Due to the travel and mobility restrictions in the current crisis, the tourism sector has been one of the most effected ones, suffering from loss of clients and having to adapt to the safety

measures. With the restart of travels, these countries find themselves in fierce competition over the tourists who go on vacation this year.

Geographical impact: EU

Stage of value chain: All stages

Character of the disruption: Increase in competition

Time frame: short/medium term

EU actions needed:

- **Funding:** support for the tourism sector to soften the repercussions of business losses

Recommendation:

- As pointed out in the session, every region has its own highlights to offer. This specialisation of tourism could be a way to sharpen target groups and attract business.

3. POSSIBLE SOLUTIONS

- Targeting small groups of tourists could represent a solution to income loss and low budgets for tourism ecosystem: given the presence of trust issues for hotels and restaurants, targeting small groups of tourists by means of digital technologies could represent a new source of value. Also, targeting them with special offers through online channels can potentially attract customers within a wider geographical range (*Teodora Jilkova*)
- Realization of footages to be uploaded on social platforms, like Youtube, may represent a solution in order to raise the attractiveness of the territory, to enhance trips and people movement exploiting an existent and well-established online channel.