

Welcome to the fourth edition in our new series of 'Hospitality in Transition' bulletins, as part of HOTREC's strategic partnership with TOPOSOPHY. The series takes a look at the major issues facing Europe's hospitality industry now, and also provides a vision for the longer-term based on the need to shift to new environmentally and socially ways of working. 2020 will be a year to remember as the pandemic has changed so many aspects of our daily lives in ways that would have been unthinkable just eleven months ago.

It's also difficult to predict what the future holds; whether scars will endure and force societies and industries to shift expectations for recovery from 2021 to 2022 or the arrival of an effective and affordable vaccine against coronavirus will restore consumer confidence and allow countries to open their borders to vacationers over the next few months. Under these circumstances, this year's final bulletin is our dedicated outlook on the future of tourism and hospitality based on key takeaways from the most recent market and industry trends.

Small positive signs in the confidence of travellers

In the next few weeks and months, what consumers decide about their travel plans will be a matter of reassessing the status of ongoing restrictions and closely monitoring the progress of vaccine development. Although Europe's second wave is worse than the first, concerns on travel options have largely remained the same over the last four months.

According to the most recent results of the [Deloitte State of the Consumer Tracker](#):

- Approximately one in three consumers say they feel safe staying in a hotel and one in four consumers say they feel safe taking a flight.
- Confidence is particularly high among French consumers, with 41 and 33 per cent of them saying they feel safe staying in a hotel and taking a flight.

These results are derived from a series of longitudinal surveys conducted by Deloitte in multiple countries (19 countries in November) since mid-April 2020.

The online surveys included a sample of 1,000 consumers in each country and it was designed to be nationally representative of the overall population in each market. The following graph includes results from the survey conducted on the 2nd of November.

Safety concerns: I feel safe...

(*added 30th May 2020)



Source: [Deloitte](#) (November, 2020)

The road to recovery may be opening, with domestic travel maintaining a small advantage

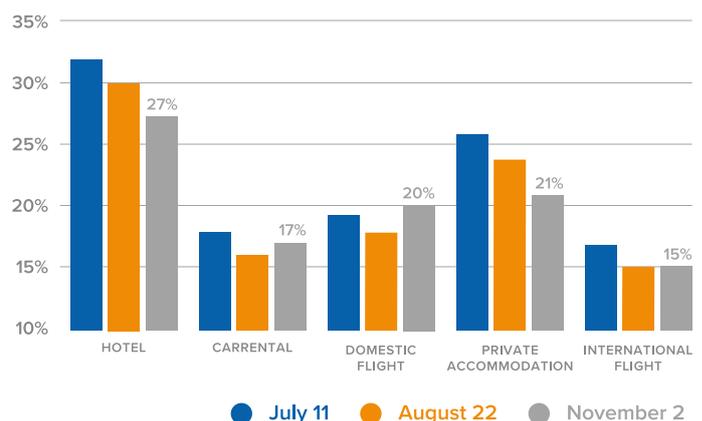
A second point from the [Deloitte State of the Consumer Tracker](#) is that consumers are reluctant to travel to a different country, with the score of international flights lagging behind the score of domestic flights in all surveys from July to November. Most importantly, hotels maintain a steady advantage over private accommodation among consumers who are interested to undertake a leisure trip in the next three months:

- In November, consumers were more reluctant to say they were planning to have a leisure stay in a hotel than in October and July. However, the lowest score for hotels (27%) in November was higher even than the top score (26%) for private accommodation in July.

The following graph includes results from the surveys conducted in July, October and November.

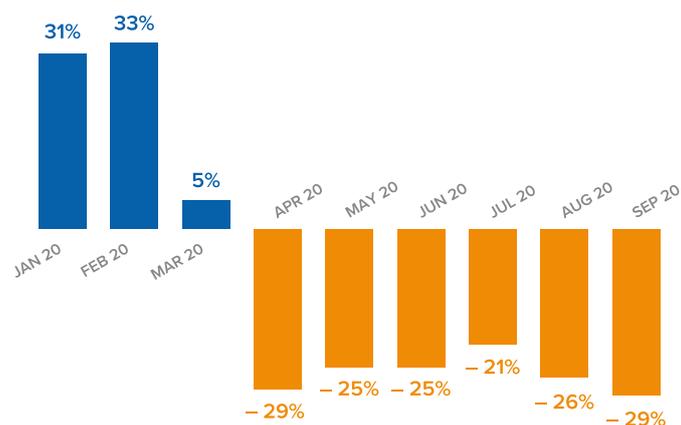
In the case of short-term rentals, additional evidence suggests that [the second wave of the pandemic has globally increased losses in bookings compared to the same period last year](#). In September 2020, the negative year-of-year change of listings booked via Airbnb and VRBO was equal to the respective negative change recorded in April 2020.

Planning to travel for leisure in the next three months



Source: [Deloitte](#) (November, 2020)

Year-over-year change in booked Airbnb and VRBO listings worldwide



Source: Airdna via UNWTO (cited by [Statista](#), 12 November 2020)

Pandemic-era travel habits are expected to stick around for some time

That is the common denominator among reports published in October and November by major travel industry groups with regard to the next year's travel trends.

The research of [Booking.com](#) among more than 20,000 travellers across 28 countries shows that over two-thirds of travellers (69%) will look to appreciate experiences such as spending time outdoors, while more than half (56%) will seek out more rural, off-the-beaten-track experiences to immerse themselves in the outdoors during 2021.

Mixing work and play will also continue to draw the attention of consumers who are interested in experiencing amenities they might not have in their own home. The research of [VRBO](#) among more than 8 thousand travellers from 8 countries shows that taking flexications allows consumers to fulfil their travel needs while adapting to remote working or facilitating e-learning for their kids. Previously 52% of flexcationers found the experience refreshing and 67% said they would do it again.

Finally, the results of a series of sentiment and consumer surveys published under the partnership of [Trip Advisor with Phocuswright](#) show that it is highly unlikely for any major markets to move from the Domestic phase of recovery to the International phase until a vaccine becomes widely available. Slipping back into the Emerge phase of recovery seems to be the most likely outcome, judging by the drop-off in demand for domestic hotel stays in September and October, even in most countries that had seen a summer bounce.

Hybrid hotels are increasingly ranked among top performers in the tourism industry

The trend towards efficient use of hotel assets and responsiveness to customer needs had pushed hotel brands to redesign their spaces and services before the COVID-19 pandemic. In their most recent blog post, [TOPOSOPHY](#) argued that hybrid hotels are essentially relevant to a series of wider trends in urban planning, architecture, and design, with hoteliers required to identify new opportunities for increasing revenue without putting more heads in beds. To draw new customers to their hotels, owners and operators need to reimagine the use of key assets (meeting rooms, lounge rooms, restaurants/bars, parking spaces, laundry facilities, membership services such as gym, pools etc) and adjust it to the needs of people who live and work in surrounding areas.

The design of conferences and business meetings is definitely bound to change due to social distancing requirements and innovative concepts from the model of hybrid hotels.

- In the previous bulletin, we had seen the ['Hybrid Services'](#) initiative by Wyndham's brand Dolce Hotels and Resorts including a blend of conventional meetings with virtual elements to suit new events' needs following COVID-19.
- More recently, Marriott International hosted a hybrid virtual and in-person event, "[Connect with Confidence](#)", as the first part of a global series. The event was attended by 45 in-person customers and 238 virtual attendees and it reinforced Marriott's commitment to helping meeting planners execute conferences under these unprecedented circumstances.

Airbnb's IPO involves important lessons for destination authorities

The platform's upcoming IPO could go public as early as mid-December following its [IPO filing in mid-November](#). Complying with the wide array of intricate regulations among different destinations will continue to be a key issue, the filing implied, because "there is increased governmental interest in regulating technology companies in areas including privacy, tax, data localisation and data access, algorithm-based discrimination, and competition".

In fact, it remains to be seen to what extent the forthcoming Digital Services Act will push Airbnb and relevant platforms to share data with city authorities and facilitate law enforcement. Also, to what extent initiatives such as [Airbnb's city portal](#) will enable more productive cooperation between the platform and city authorities.

For destinations around the world, developing and employing a combination of regulatory, negotiation and data strategies will also continue to be a key policy priority based on new facts, considering that the IPO not only will place the platform in a stronger financial position but also will increase the need to protect the brand's image against negative publicity.

Booking.com now requires STR property owners to commit to a Minimal Cleanliness Score.

[Booking.com](#) has recently notified owners and managers that their properties will be included in a warning list over the next six months unless they score at least six out of ten in their cleanliness rating. Since April, Booking.com has been running a pilot program ([Minimum Cleanliness Score Commitment](#)) combination of regulatory, negotiation and data strategies designed to standardize cleaning for short-term rentals in partnership with property management platform Properly. The benchmark will be an average of the cleanliness review scores received from all guests.