



# Hotel, cruise, meetings execs talk about ‘the new now’

Resilience and responsiveness will benefit companies across the travel industry, which face potentially permanent changes in the way they do business and attract guests.



REPORT FROM THE U.S.—The collective travel industry—which includes segments like cruise, airlines and meeting planners in addition to hoteliers—is at a critical turning point in the COVID-19 pandemic. Companies that can pivot their businesses to be highly responsive will come out ahead, according to travel executives speaking at a recent online conference.

“We all went through that initial shock and awe, and it’s the new now, not the new normal,” said Lindsey Ueberroth, CEO of Preferred Hotels & Resorts on a panel at the ISHC Annual Conference. “It’s all about taking the medium- and long-term view of how you pivot and shift your business to accommodate travel patterns around the globe now.”

## Hotels

For the hotel segment globally, Ueberroth said hoteliers who can capitalize on the growth of regional travel are enjoying more success than their business-centric, city-center counterparts, but those hoteliers must think ahead, too.

“We continue to see (domestic travelers) staying longer and spending more on-property and hotels have gotten creative around that,” she said. “So far, it’s been drive-to travel, but we’re

starting to see air travel pick up and I don't think corporate travel will be that far behind. Once people rip off the Band-Aid and get on the plane and realize it's safe, they'll do more."

She said hotels embracing technology have proven to be resilient in the pandemic and will reap benefits in the future.

"Hotels lagged in providing more and better technology," she said. "The pivot to being able to provide more technology on-property will be better for the bottom line, better for the guest and better for sustainability. It will be a long-term benefit."

Hoteliers that can successfully target different demand sources will come out ahead too, she said—particularly those that can meet the demands that may be unique to this pandemic period.

"Hotels have gotten smart and created environments that allow people to work and meet from hotel rooms," she said. "Think about it—companies are grappling with what to do with their office space, and hospitality has an opportunity to capitalize on that."

## **Meeting planners**

Sherrif Karamat, president and CEO of PCMA, said that while he's optimistic about the long-term health and economics of travel, those in the industry have to face reality.

"There's a feeling and hope that face-to-face events will come back the way they were," he said. "But corporations are evaluating the value of events as a strategy to drive objectives. It's OK for us to think everything will come back, but every industry has been disrupted."

He cautioned that all players in the meetings industry, from hotels to planners, "will have to come to grips with what that means," but should see the disruption as an opportunity.

"This didn't happen to us; it happened for us," he said.

The result is many organizations shifting to omnichannel events, Karamat said, which have their pros and cons.

Ultimately, he said this time is a chance for both event planners and hotels to expand their audiences and business models to truly meet people where they are—whether that's in-person or online.

"I see events as the catalyst to drive people to cities and destinations in the future, not the other way around," he said. "We all will require different skill sets."

## **Cruise**

Brenda Yester Baty, chief commercial officer for Starboard Cruise Services, also advocated for pragmatism, and said that while cruise activity is by and large paused, she's shifted her thinking to normalize challenges.

"Whenever cruises come back, we're one day closer to that every day," she said. "It's going to be two steps forward and three back for a bit. But we have some ships sailing in Asia and Europe now so that's positive. I wake up every day now saying there's going to be a new challenge, I don't know what it is, but I'll tackle it."

She said that once cruises start to operate again, guests can expect more time on the ship, where operators can better control the environment and minimize outside risk.

“They’ve created a bubble environment,” she said. “They’ll start with more time on-ship. Then they’ll move into controlled destination experiences, like organized shore excursions. Over time they’ll return to allowing more freedom and wandering around on land, but until then they’re working to control the environment.”

She said many cruise lines are reporting advance booking activity that’s as strong if not stronger than in the past, largely due to loyalists who want to get back onboard, but also because of the lure of revenge travel.

“We want more value and experience,” she said. “That’s maybe a silver lining coming out of COVID-19—people will be very demanding about wanting to travel because it’s grown in value to them.”