

Don't panic - tourism in 2009

10 things you should know

1. Don't panic yet!
2. Consumers are currently holding off spending in a range of areas that include travel. Most forward bookings are down by around 30% and this is affecting both long and short-haul.
3. Economic forecasting has failed to predict current economic events and can't be relied on for 2009.
4. Consumers are being extremely cautious because they too don't know what will happen next year.
5. Many consumers have never experienced a downturn in their working life, and those that are old enough have 'forgotten' a downturn can happen.
6. Prudent to have marketing scenario for three outcomes:
 - i. back to normal
 - ii. real pain
 - iii. almost normal but need to encourage spend
7. If market requires pricing stimulus don't cut rates - value add eg extra nights, second person free, upgrade etc.
8. 'Value add' keeps your price base stable and is also more rewarding for customers.
9. In 2009 many consumers will have more money in their pockets.
10. Wait till February 2009 and then make your decisions.

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