

Strategic tourism planning and recovery after COVID-19

An elite athlete, jogging across the road, is hit by a speeding car. As she lies seriously injured in hospital, concerned doctors and nurses won't decide on treatment by following the athlete's training and nutrition plan for the Tokyo Olympics.

Tourism in the wake of COVID-19 is that elite athlete. We've been hit by a car. We have to stop the bleeding.

In tourist destinations and markets around the world, strategic plans that were carefully crafted before coronavirus hit are no longer fit for purpose. New interim strategies – concise plans drafted specifically in response to COVID-19 – should instead provide direction for rebuilding tourism and related businesses. Brave governments and industry leaders should acknowledge this new reality and be decisive in putting past strategic plans on ice until better times return.

Suspension would not imply criticism of existing strategic plans. No matter how good they may be, or how carefully they were constructed, destination tourism plans written before COVID-19 (**existing strategies**) were never intended to be the life-saving medicine we now need. Continued deference to these existing strategies might even *slow* the recovery, like an injured athlete who over-trains instead of following a specific rehabilitation plan.

Time to re-visit tourism strategic plans – fast!

The tourism and hospitality industry is in urgent need of government support and leadership. Emergencies cry out for clarity, focus and speed. To stop the bleeding caused by COVID-19, tourism authorities everywhere should review existing strategies and take the following actions:

1. Identify which themes, goals and actions are no longer relevant to the overriding imperative of industry recovery after COVID-19. Re-set priorities in light of changed circumstances.
2. Suspend existing strategies for a specified interim period, accepting that past planning was never intended to deal with recovery efforts of the type needed following COVID-19.
3. Create concise, adaptable and actionable COVID-19 recovery plans that take priority over existing strategies. Streamline all tourism-related decision-making processes.

COVID-19 recovery plans should focus on demand generation above all else; without visitation, the rest is irrelevant. While consultation and engagement are essential components of policy-making, it's important for regulators not to overemphasise engagement at the expense of action.

Paralysis by analysis, or no new analysis at all, would guarantee worse outcomes than at least attempting to make specific plans for the 18-24 months ahead. Industry participants would much prefer policymakers to plot a course and make corrections as needed, rather than sticking with old strategic plans or spending too long creating new ones. A concise and flexible recovery plan, together with an estimated timeframe for returning to pre-coronavirus strategies, is the best combination to help businesses, employees and other stakeholders move on after COVID-19.

The importance of destination tourism strategic plans (in normal times)

Destination tourism strategic plans are an important and valuable tool in our industry. Top-level national or city-focused plans are often born out of thoughtful, multi-year processes involving various government departments and drawing upon consultation with tourism businesses, indigenous and community groups, employee representatives, asset owners and other industry stakeholders.

Strategic planning starts with two fundamental questions:

- Question 1: Where are we now?
- Question 2: Where do we want to get to?

The best destination tourism strategic plans identify priorities, set goals and establish timelines in the following key areas:

- marketing and demand generation
- policy/regulation and industry coordination
- employment, training and productivity
- infrastructure and amenity development
- product and destination development
- indigenous engagement and authenticity
- environmental sustainability
- data capture and analytics

Strategic planning helps align industry participants around common goals and measurable targets. Good planning and wholehearted implementation is transformative. The problem with existing strategies is this: in the wake of COVID-19, the answer to *Question 1: Where are we now?* is so fundamentally changed that all follow-on analysis and recommendations are no longer helpful.

Case study – New Zealand

For many years, New Zealand has rightfully been acknowledged as a leader in destination marketing and for the quality of its tourism strategic planning. The “100% Pure

New Zealand” international marketing campaign has been active for over 20 years and a new [national tourism strategy document](#) was issued in May 2019. [Tourism is vitally important to the New Zealand economy](#). In the year to March 2019, it was New Zealand’s biggest export industry, representing 20.4% of all exported goods and services and generating almost 6% of aggregate GDP. Of the total number of people employed in New Zealand, 8.4% of them worked in tourism.

Lockdown and uncertainty

At the time of writing, New Zealand has started a staged process of exiting from lockdown conditions. Under Level 4 of the New Zealand Government’s [four-level alert system](#), stay-at-home orders applied nationwide for all but narrowly-defined essential workers, schools were closed and all restaurants, cafés and bars were banned from trading.

Currently, at Level 3, just 60-70% of the economy is thought to be functioning: restaurants and cafés can offer only takeaways and delivery, 90% of students are studying at home and most tourist attractions remain closed.

Levels 2 and 1 will see a return to something approaching normality in New Zealand domestic life. However, even at Level 1 (when physical distancing is fully relaxed), New Zealand’s borders will remain closed to foreigners. No timeline has been set for exiting Level 1, and of course, it’s impossible to forecast how other countries will fare in their own responses to the COVID-19 pandemic. The modern global tourism industry has never faced greater uncertainty than in 2020.

Assessing the post-COVID-19 landscape

New Zealand’s lockdown has certainly been a medical success ([so far](#)). At the time of writing – and these encouraging numbers could change quickly if there’s a second wave of infection – New Zealand has recorded fewer than 10 new cases in each of the last seven days, down from a peak of 148 new cases recorded on 28 March. Total cases (including recoveries) are under 1,500 and only six people remain in hospital – a great result in a population of five million.

Economically, it’s too soon to calculate the full cost of COVID-19, but it’s not looking good...

Hotels languish with occupancy rates in single digits, essentially empty other than minimal room nights quarantining international arrivals or serving essential workers. Air New Zealand has reduced capacity by 85% and announced potential redundancies for up to 300 pilots and 1,500 cabin crew – it’s also turned to the Government for a bailout loan. Auckland International Airport has slashed operating costs by 35%, cancelled or suspended most capital expenditure and raised an additional NZ\$1.2 billion in new equity. Industry stalwart Ngāi Tahu Tourism has announced

the loss of 300 jobs and temporary closure of iconic attractions such as the Shotover Jet in Queenstown, Agrodome in Rotorua and Dark Sky Project in Tekapo. Across the country, there’s talk that one in 10 restaurants might never reopen after physical distancing and movement restrictions end.

Does New Zealand’s tourism strategy help?

What can tourism industry businesses, employees and other stakeholders expect from Government? Can New Zealand’s own pre-COVID-19 tourism strategy help drive the recovery?

New Zealand’s May 2019 tourism strategy (the **NZ Strategy**) champions “productive, sustainable and inclusive growth” achieved through better partnerships with Maori tourism enterprises, iwi, hapu and tangata whenua. It outlines five themes, being: the economy; the environment; international and domestic visitors; communities; regions. The economy theme’s main focus is “the type of growth that we want tourism to deliver – with an emphasis on lifting the productivity of the sector”. The NZ Strategy states that Government will “take a more deliberate and active approach” to New Zealand tourism and contemplates an “all-of-government” response involving nine different Government agencies.

A key feature of the NZ Strategy is that from 1 July 2019, most international visitors entering New Zealand pay a \$35 levy, earmarked for investment in sustainable tourism and conservation projects.

The NZ Strategy reads as a thoughtful and considered piece of work with laudable goals. It is hard, however, to find in its pages any useful guidance for the industry after COVID-19. Almost all targeted outcomes appear to assume that the good times of 2017-2019 would continue indefinitely. New Zealand felt ready to choose only “the type of growth” that helped advance other, non-economic goals.

COVID-19 has been a painful reminder to us all that without demand and revenue, the rest doesn’t matter. No one would argue against sustainable outcomes being a cornerstone objective of most tourism strategies, but short term orientation has to be geared towards viability – we need “bums on seats”! Is the industry best-served by “deliberate” action involving nine Government bodies (plus numerous external stakeholders), or is the situation crying out for clear leadership and timely action? Are multi-year conservation projects the best use today for tourism levy receipts, when instead these might be spent on targeted advertising or other demand-generating initiatives to drive the recovery? Now that international travellers are locked out, what steps will be taken to attract domestic travellers instead?

Where are we now? Knocked over and bleeding. Where do we want to get to? Back to where we were when preparing our last strategic plan would be nice...



More than six weeks have passed since New Zealand had its first domestic COVID-19 case, and over four months have passed since the disease first hit China (a major tourism source market). The possibility of vaccination continues to be talked of as “18 months away” and it seems likely that international travel and tourism will be affected for many years to come. Make no mistake: there will be winners and losers in the way that different tourist destinations rebuild after COVID-19.

This is the key consideration that should drive all tourism policy-making today: *Unless we successfully drive demand and revenue, more tourism businesses will fail and jobs will be lost.* If every section of the NZ Strategy is re-read with that mindset, it quickly becomes apparent that real change is needed in policy-making priorities.

Lessons from the New Zealand lockdown implementation

In any emergency, the best leaders are those who act with clarity, focus and speed. Led by Prime Minister Jacinda Adern, New Zealand moved quickly into lockdown conditions in response to COVID-19. Parliament was suspended during lockdown, but a cross-party committee of 11 MPs, chaired by Leader of the Opposition Simon Bridges, was established to hold the Government’s decision-making to account.

Government communication during lockdown was streamlined, with Adern and Director General of Health Ashley Bloomfield providing concise updates on national TV at 1 pm daily, together with a dedicated website and distinctive yellow-and-white branding on billboards, print media, written communications and online advertising.

Minister of Finance Grant Robertson moved quickly to announce various forms of economic relief, in the process making it clear that New Zealand’s next Budget (17 May) would also focus squarely on the economic recovery from COVID-19. Expect the previously announced focus – a “Wellbeing Budget” – to be quietly dropped or at least significantly downplayed, which is the right thing to do.

The example given by New Zealand’s highest political leaders begs to be followed by the agencies responsible for tourism; COVID-19 has changed the landscape. Past priorities need reassessment and new goals should be set.

The NZ Strategy should be suspended to be saved. There will be a time when it makes sense to pick up the NZ Strategy and once again be guided by its themes and aspirations. In the meantime, all focus should be on recovery.

As with all things temporary, perfection need not be the standard expected from a COVID-19 response strategy. Regulators should take comfort from always having the “backstop” of the existing strategy and use that freedom to adapt plans as circumstances change.

25 key questions for the tourism industry after COVID-19

1. How do we save jobs and ensure top talent is not permanently lost to the industry?
2. What critical infrastructure, attractions or amenities are in need of immediate financial support?
3. How can we capture demand once our destination reopens?
4. What attractions/destinations/countries can work together to drive demand and respond to new COVID-19 challenges (e.g. testing, physical distancing and quarantine)?
5. How picky should we be about sources and types of future demand?
6. What interim pricing strategies are worth exploring?
7. Are we communicating current status – e.g. border closures, restrictions on movement, health and safety advice, closure or limited operating hours – in a way that helps people plan future visits?
8. Will our Government’s COVID-19 response help, or hurt, future tourism prospects? Can the medical response be leveraged in future marketing?
9. Is current destination marketing consistent with the impact and consequences of a post-coronavirus world?
10. Should existing marketing campaigns be continued, suspended, or replaced with something else?
11. What interaction is needed with health regulators? How can health screening be carried out in a manner that contributes to a positive impression of our destination?
12. How do we give assurance that appropriate health and safety practices are in place?
13. How can we prioritise cleanliness?
14. Are we emphasising our positive physical attributes in a post-COVID-19 world – e.g. fresh air, low density, sun?
15. To what extent can our destination play to wellness themes such as rest, rejuvenation and health?
16. What role will MICE play, bearing in mind social distancing rules, limits on gatherings and other COVID-19 regulatory responses?
17. Can MICE infrastructure be repurposed if unneeded?
18. What long-term expenditure and investment can be deferred or delayed? What adjacent infrastructure projects can be accelerated?
19. Are we communicating with displaced or delayed visitors about when our destination is “back in business”? How do we capture early enquiries?
20. Are we using our websites and other platforms to capture and respond to visitor enquiries, even if we cannot accept visitors today?
21. How can we dial up domestic visitation? Are there accessibility and/or pricing concerns for that consumer?
22. What role for sustainability? What compromises can we live with?
23. Does contrarian thinking help? Example: what about older travelers, cruise passengers and backpackers?
24. How do we ensure stakeholder buy-in, while at the same time acting with speed, clarity and conviction?
25. How do we streamline decision-making?