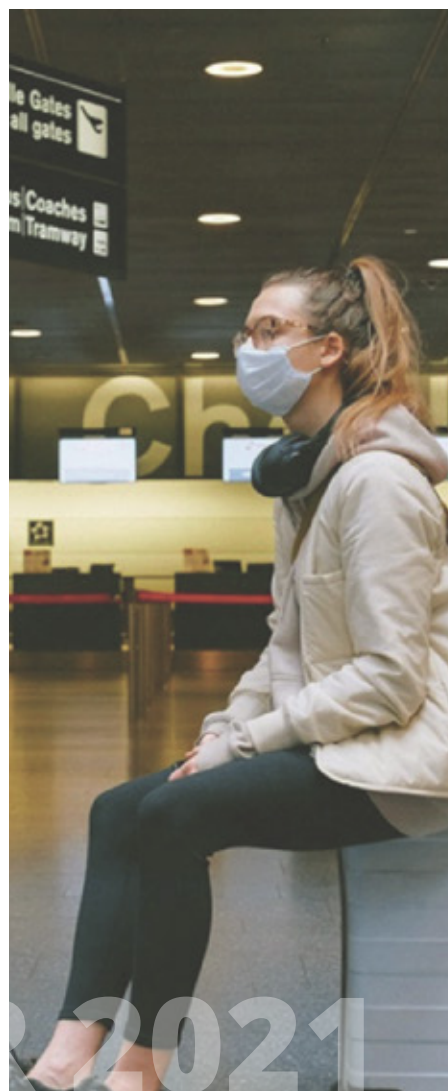


Number 7, December 2020.

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WHAT DID 2020 LEAVE US THAT CAN BE USED FOR A BETTER 2021?



**Practical study of the moment that travelers and
the tourism industry are currently living in Mexico.**

STUDY REALIZED BY:



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EDITORIAL



When we started **Radar Turístico** eight months ago, we wanted to contribute to our tourism colleagues with a clear understanding of the moments that the industry and travelers in Mexico have been living throughout this time. Since then, we have **generated information and analyzed the most relevant and reliable information that we have found in the global market** and, from this, provide our interpretation, conclusions and recommendations that can be put to practice.

Associations, hotels, tour operators, destinations, travel agencies, airlines, other tourism providers, public officials, authorities and specialized media have cited and recognized our work, so we are very proud of the project we have achieved and even more motivated to continue **innovating and contributing to the industry**.

The year-end will not magically bring a complete recovery of tourism in Mexico and the world, but it certainly represents an opportunity to **rest, reflect on our life and business, renew energies and rethink our objectives to live a 2021 more focused and with more hope. Let's give ourselves the time to do it.**

May this last issue of the year serve as a recognition for the entire tourism industry of our country, so battered but so resilient: for those who reinvented themselves; for those who had to pause their projects; for those who are resisting; for those who fell and are gathering the strength to get up. **We are with you!**

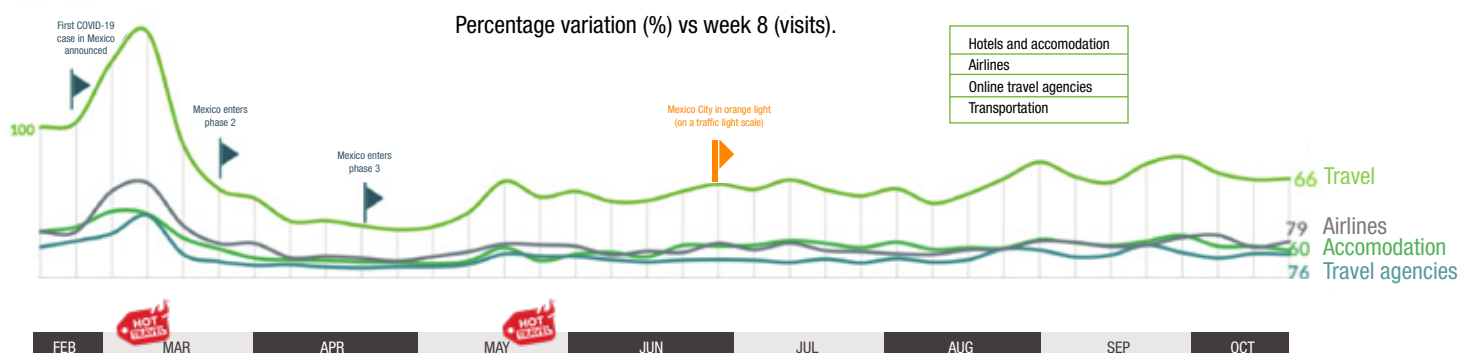


Considerations and conclusions to take off in 2021

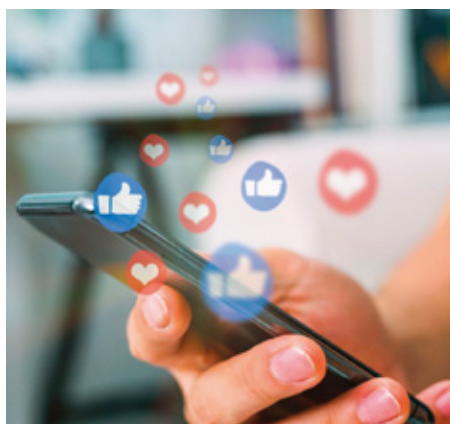


■ Search and social media

- The current web search volume **recovery reached 66% of pre pandemic levels** (COVID-19 Impact on Online Sales in Mexico, Amvo, November 2020)
- Hotels are looking after and answering **44% more messages than a year ago** (Why We Still Believe in Travel, RateGain, September 2020).



COVID-19 Impact on Online Sales in Mexico, Amvo, November 2020.

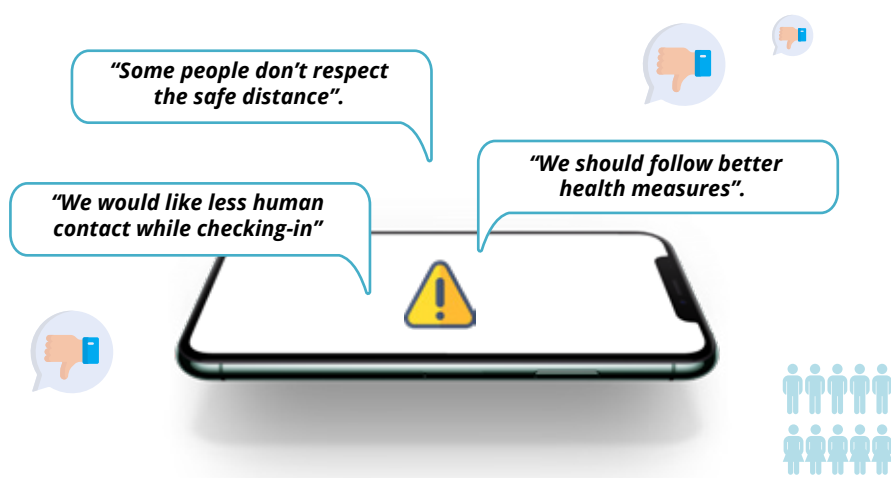


✓ FINDINGS:

Searches for tourism products declined when the pandemic began, but never stopped and have been steadily increasing. Currently the trend is toward **greater curiosity and detail in planning by consumers, who interact more with hotels and other product suppliers in social networks. Digital channels are a priority for this interaction.**

■ Traveler's behavior

- The greater the spend on restaurants and hotels, the greater the number of infections. Regardless of the measures implemented by hotels and restaurants, **users must be more careful because they facilitate the infection spread** (BrainTrust, 2020).
- When it comes to **negative sentiment on social media**, they are mainly travelers complaining about other travelers' lack of respect for safety rules. **Another important trigger of negative comments is the few precautions airlines have to avoid physical contact during check-in** (Social listening, Radar Turístico, November 2020).



✓ FINDINGS:

Tourists were afraid to travel and expressed it on social media as a concern for the health measures implemented by the destinations, when it is a shared responsibility; that is, what travelers do at the destination is also important. **Their safety depends as much on those who travel as on the suppliers and service providers.**

Suppliers should worry about the health measures they implement and in the **same degree about the execution of these measures by travelers** (wear a mask, hand sanitizer, hand washing, safe distance).

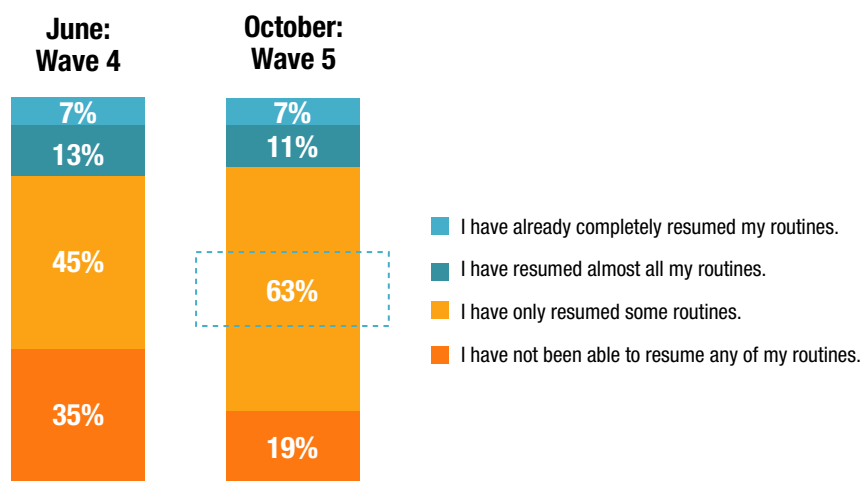


■ The market

- There is still an **uncertainty regarding the market's consumption behavior**. Although routines are gradually starting to be resumed, tourism presents atypical behaviors.

Consumer feelings about the pandemic

- After 9 months of the pandemic, some of the previous activities are beginning to resume, but **2 out of 10 have not yet been able to resume their routines**.

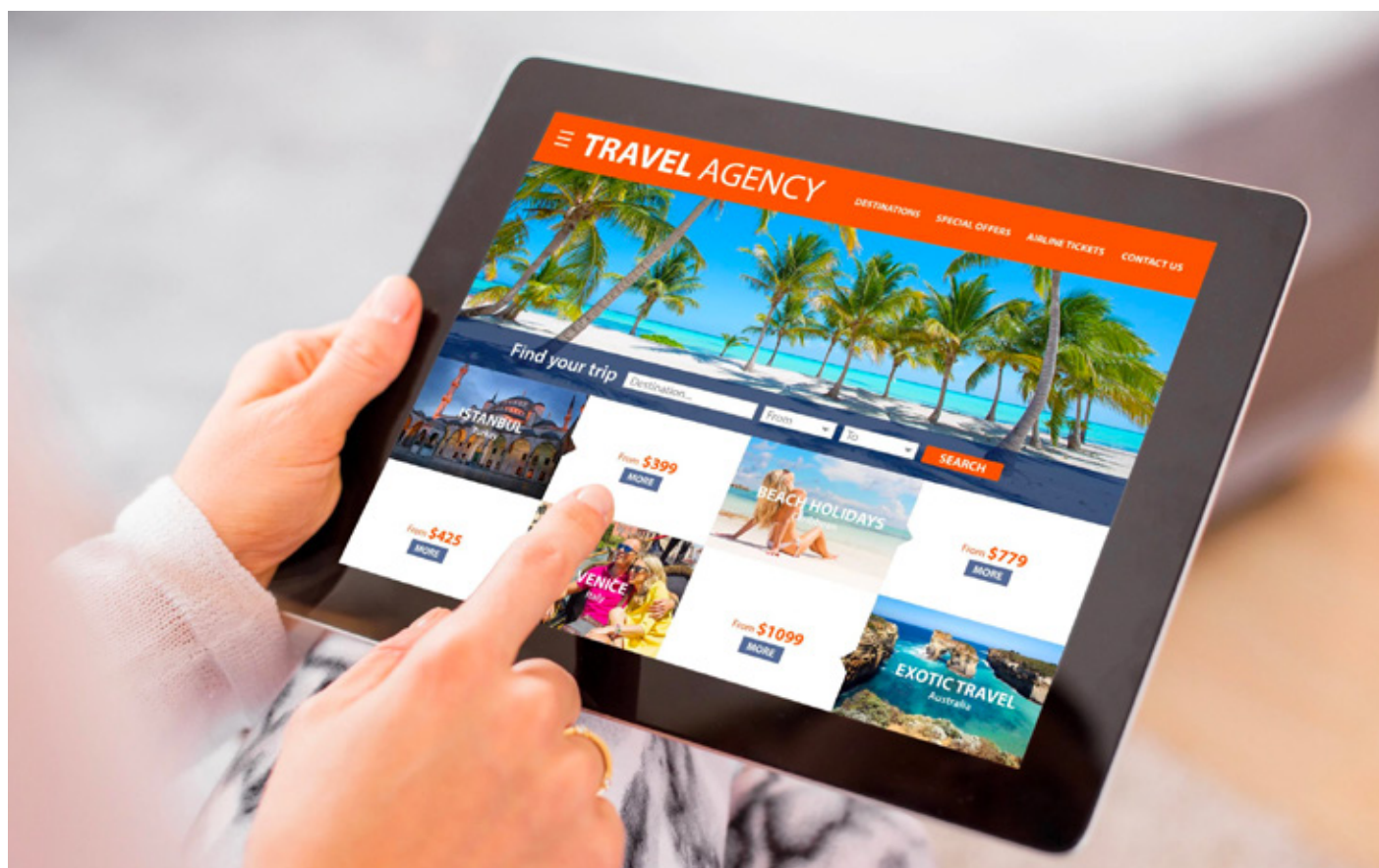


COVID-19 Impact on Online Sales in Mexico, Amvo, November 2020.

✓ FINDINGS:

Given the difficulty to travel now and the concerns of travelers, more people have chosen to vacation from home (**Staycations**). When it is possible to travel, a longer stay and greater planning in remote destinations (**Longcations**) or less planning in nearby trips (**Fastcations**) is observed; incorporating other elements that were not considered before such as the **way to travel, WiFi, Tag, pet friendly, comments and experiences of other tourists**, among others.





■ Behavior of tourism providers

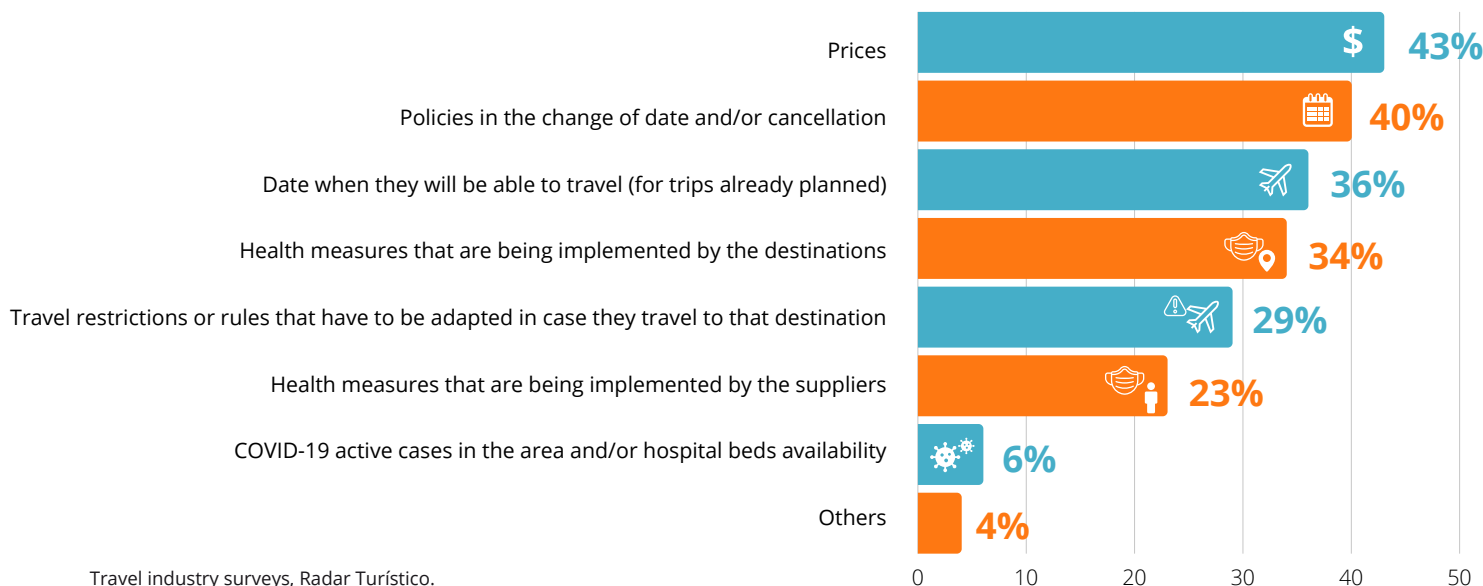
- As we saw in previous editions of Radar Turístico, **25%** of the tourism destinations analyzed at that time, replied to our request for information through digital channels and did so in a matter of hours, of the rest we did not get an answer (**75%**). (How to be a high-performance tourism actor, Radar Turístico, September 2020).
- As for travel agencies, **46%** had updated publications in their social media in the last 30 days while **54%** had no social networks of the company and **26%** had no digital presence. (How to be a high-performance tourism actor, Radar Turístico, September 2020).

✓ FINDINGS:

This year put in evidence that the tourism industry is not moving forward in digitalization at the same pace as the market. Every day consumers go to digital platforms to facilitate both their purchasing process and the experience itself, while small businesses and destinations are staying behind when it comes to **adapting to digital tools for acquisition, marketing, service, payment and operation.**

■ The cost

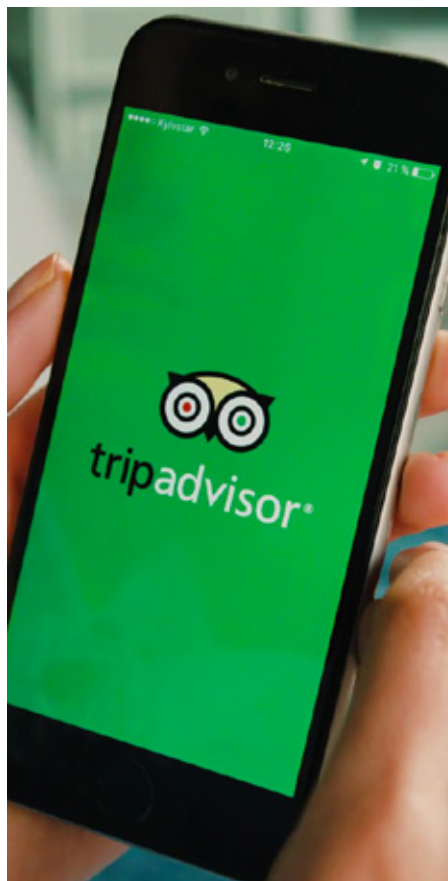
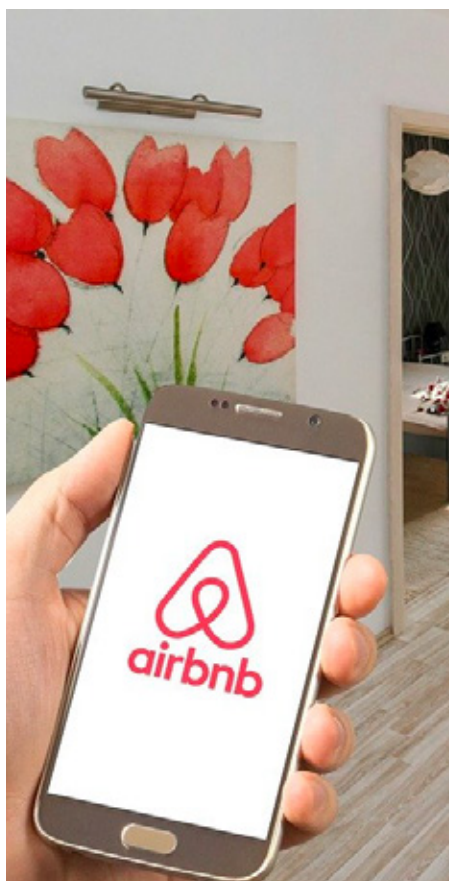
- It is regaining its **pre-pandemic purchase decision relevance**, now accompanied by other topics such as health measures and flexibility policies.



✓ FINDINGS:

- Tourism will start to be **decommodified**, it is no longer a competition only about prices, now companies can **offer a pricing strategy along with flexibility policies, security and others benefits**.
- To be able to offer added value, **tourism providers** will have to work hard on **costs and efficiency in addition to seeking profitability**.





■ Large companies

- They have adapted to new trends. **Airbnb** has changed its product offer by adapting it to longer stays, **Trip Advisor** has studied the traveler and responded with personalized offers. Likewise, technology giants have joined the industry's digitalization by offering experiences in the destinations, such as **Amazon**, or by capitalizing on searches, as **Google** (A Deep Dive into Tripadvisor, Skift, 2020 and What hotels can learn from Airbnb's response to the COVID-19 crisis, eHotelier, September 2020).

✓ FINDINGS:

The companies that have read efficiently the market during this crisis and those that did it previously are the ones that are overcoming the current challenge along with those with a **strong culture of innovation and decision making based on the analysis of their client's behavior.**

■ Hotels focused on high-end tourists

- They have seen their **RevPar** increase compared to 2019 (STR).

✓ FINDINGS:

Some industry players will choose to **focus on a luxury niche**. While it is smaller than when targeting the mass market, it can **pay high prices and is much more profitable**.



■ Perception of e-commerce consumers

- The strongest impact the pandemic has had is the anguish about the **economy (40%)** and the uncertainty for not **knowing what will happen (40%)** (COVID-19 Impact on Online Sales in Mexico, Amvo, November 2020). Despite this, **strategies based on price offers, promotions and added value are well received**.

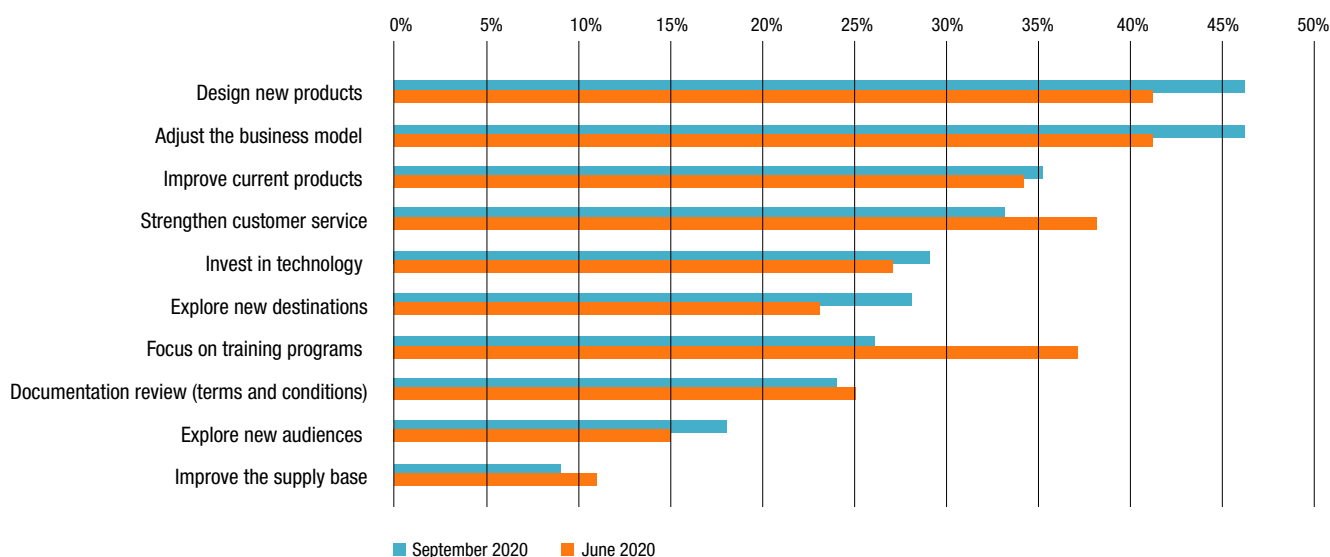
✓ FINDINGS:

The service providers that **offer products on sale or as added value**, in limited periods of time, and that are also safe and flexible, will be the ones that **will attract the consumer because that is where their attention is focused**.



■ Measures implemented by travel companies

- The main measures that travel companies are implementing are: design new products and adjust their business model.



Global Travel Distribution COVID-19 impact, Travel Consul, November 2020.

✓ FINDINGS:

- In previous editions of **Radar Turístico** and in the recent survey of Travel Consul (Global Travel Distribution COVID-19 impact, Travel Consul, November 2020) business model and product redesign highlight as a priority to have more competitive alternatives by 2021. This is a very convenient moment to do so, since only **40% of companies report having progressed at least 60% in their 2021 marketing plan, while 11% have not yet reached the 20% of their planning.** (Travel industry surveys, Radar Turístico, November 2020).





■ According to Global Travel Distribution, the three most requested actions from Destination Marketing Organizations (DMOs) are:

1. **Introduction** of a health and safety certification.
2. **Presentation** of useful and well-timed data.
3. **Marketing campaigns** for consumers (Global Travel Distribution COVID-19 impact, Travel Consul, November 2020).

✓ FINDINGS:

Destinations have a great opportunity when they **provide tourism intermediaries with three factors decisive for their competitiveness**. As protagonists of the travel industry, it is time for them **to give the example of a culture driven by data and innovation**.



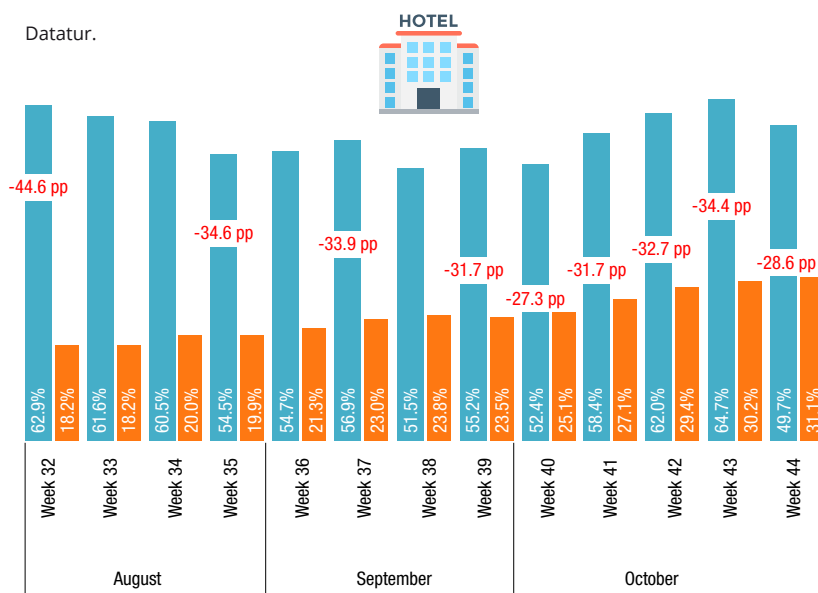


Recovery in numbers

■ Hotel occupancy in Mexico

- Its recovery trend continues, but at a slow pace. At the end of **week 44** (November 1) it is reported **at 31%, 28.6pp less than the same week in 2019**.

Datatur.



- **Beach destinations have a better occupancy rate than large cities** and it is expected that by the end of the year there will be greater occupations, if health restrictions allow it. **Los Cabos, Puerto Vallarta and Mazatlán are the destinations that have done better followed by Cancún** (Datatur). **Los Cabos, Cancún and Vallarta** are also the most popular destinations mentioned among users in social media during November (Social listening, Radar Turístico, November 2020).

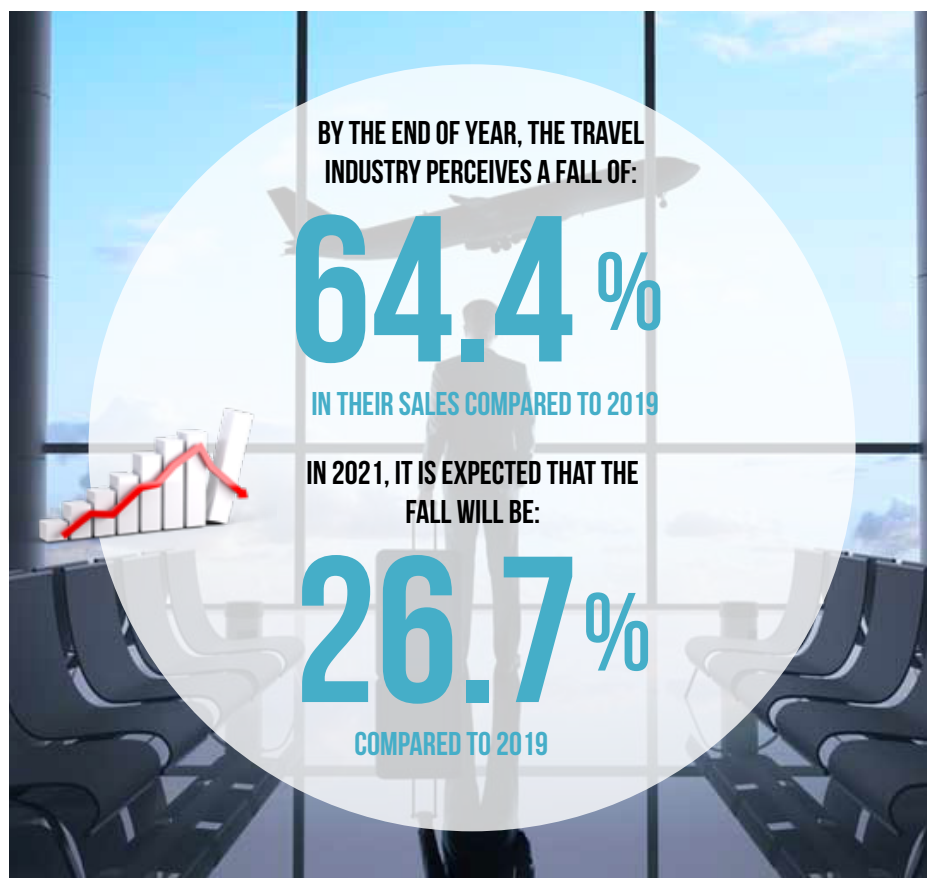


■ Airport activity

- The largest share, **73%**, is of the domestic market, which also has **16% more passengers than those registered in September** and **36% less than those registered in October 2019**. The international market shows **51% less passengers traffic** compared to October 2019. By the end of October, passengers traffic increased by **22% compared to passengers registered in September 2020** (ASUR, OMA, GAP. Total information of the three airport groups; Mexico City information not included).



ASUR, OMA, GAP. Total information of the three airport groups; Mexico City information not included.



2021



- The change of year does not imply a change of the current situation nor a change in the conditions of the market. **2021 is a year to reach for recovery and not wait for it, a year to apply all the lessons learned.** The markets will continue reconfiguring themselves and the service providers who better know how to adapt to these **continuous changes will be those who survive.**

15 questions to take off in 2021



In this issue of **Radar Turístico**, we suggest you answer with your team the following questions to determine if you are doing an adequate 2021 planning.

1. If we are asked what is our purpose in 2021, what would the answer be and how much is the answer inspiring us?

HUMAN CAPITAL

2. How will we keep people in our organization motivated and engaged?

COLLABORATIVE WORK

3. Have we formed partnerships to reform or achieve our goals in 2021? And what alliances do we need to make or strengthen to achieve them?

TARGET MARKET

4. Can we describe in detail what the clients we currently serve will need and want in 2021? Will we be able to offer it to them in a very competitive way, or do we need to attract new profiles?
5. The data we have (of our markets, customers, satisfaction levels, commercial campaigns, own resources, sales, operations and finances) are helping us to do business or do we have to review them to put them in our favor?
6. Are all the changes in the customers and the tourism industry requiring us to have a new business model or to adjust and improve the one we already have?

PRICE AND PRODUCT DESIGN

7. Do we have the products and services necessary to attract and satisfy our 2021 target customers?
8. Do we have a very competitive pricing strategy that also integrates the new needs of travelers?

DIGITAL PERFORMANCE

9. Do we have the digital level that markets, and customers are already demanding, including an updated and functional presence and a good reputation?

SALES STRATEGY

10. Is our commercial strategy (ON and OFFLINE) generating enough leads and sales or should we analyze it and improve it?

11. Do we need to train our sales team and improve their materials to increase our closing rates?

COMMUNICATION

12. Do we have a strategy that guarantees our clients a fast as well as effective service and response by any communication channel?

13. Do we have a communication strategy that really connects with what our 2021 goal customers want?

COMPETITION

14. Have we analyzed the successes or mistakes of the companies with which we compete or that complement us, whether they have done well or badly during this 2020?

STRATEGIC AXES OF THE PLAN

15. Based on the above, on what activities should we focus our attention and resources for 2021?

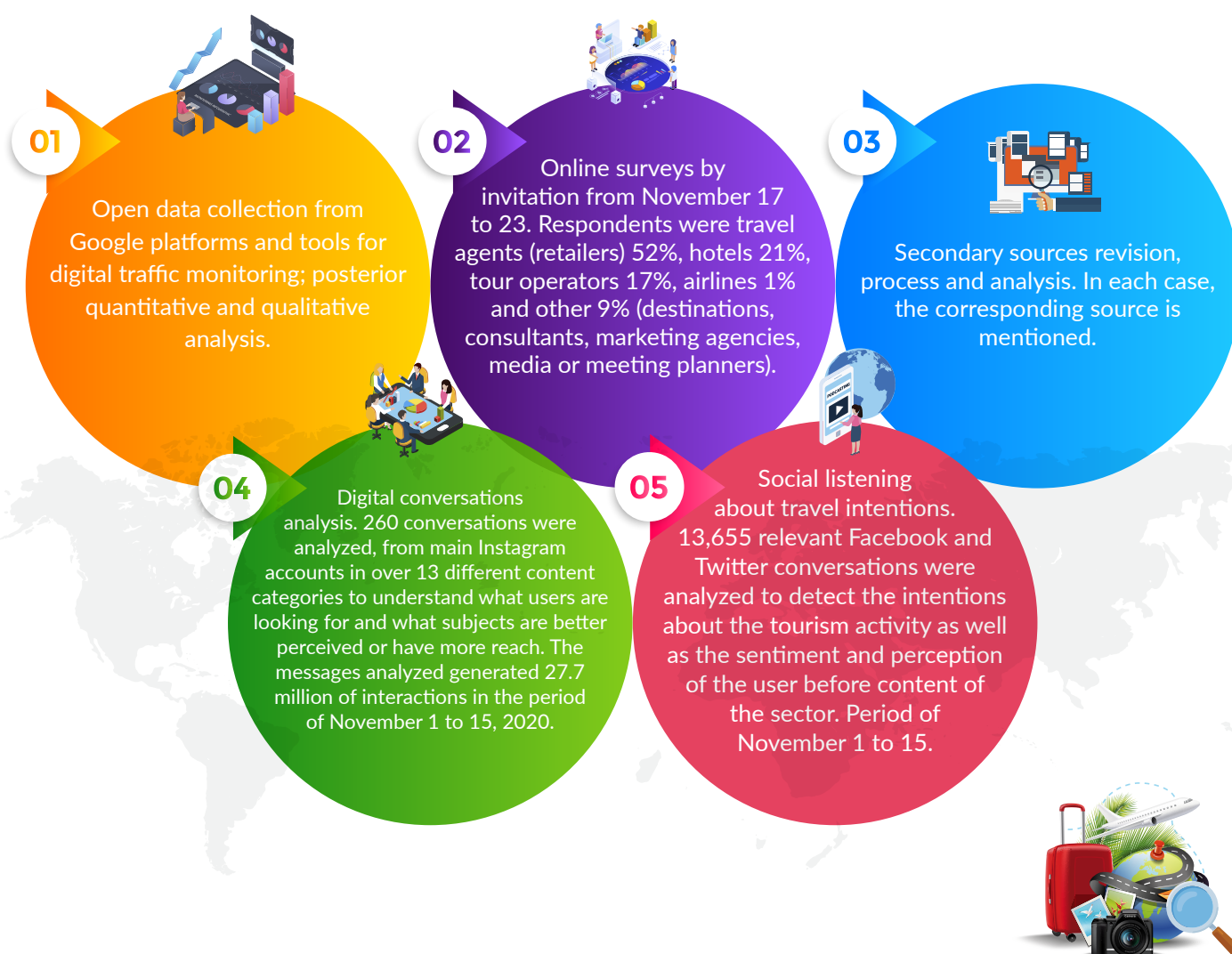


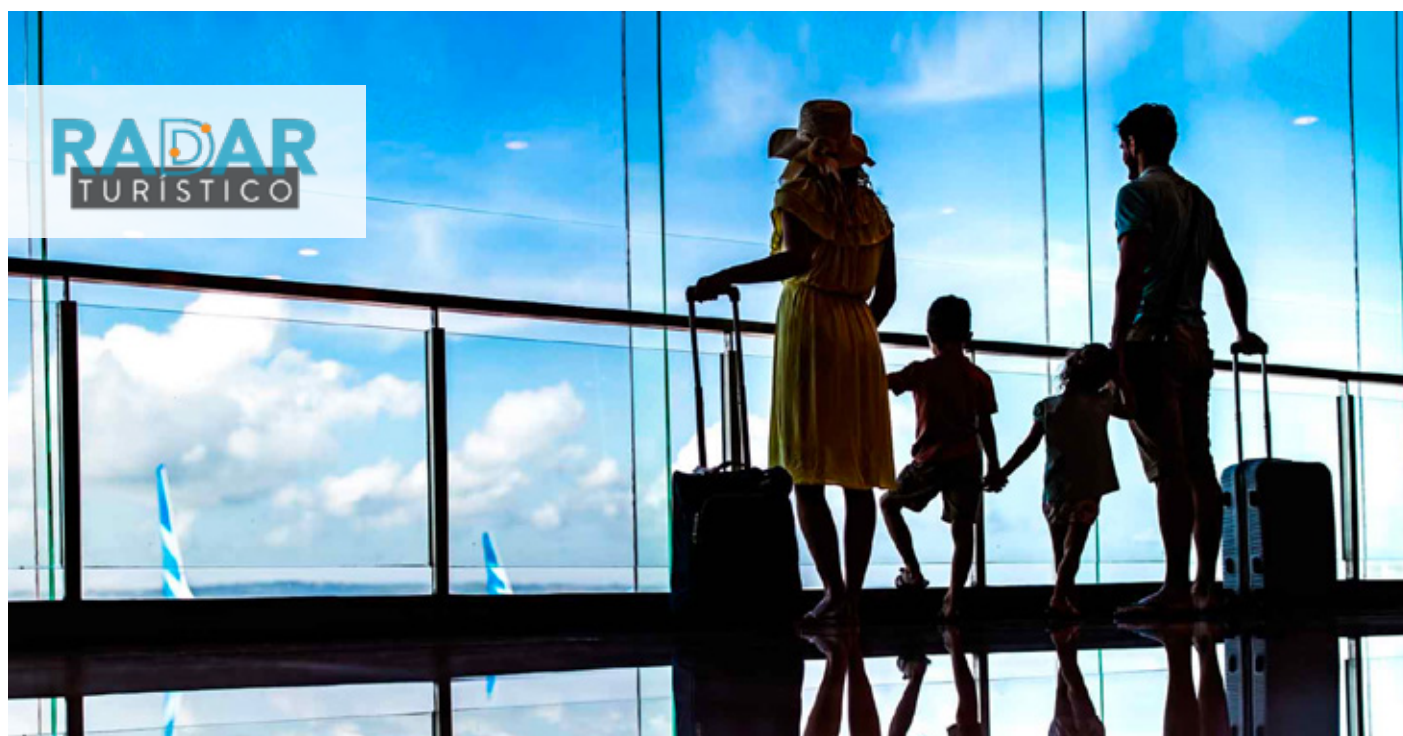


Methodology:

Radar Turístico is designed with a strategic combination of analysis and information generation techniques, both quantitative and qualitative. All the information used comes from authorized, renowned, and updated sources with proved and reliable methodologies.

The information is supervised and analyzed by a panel of **multidisciplinary experts with more than 20 years of experience in the tourism sector at a national and international level.**





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RADAR TURÍSTICO includes digital behavior of travelers, data directly related to the industry, polls to travel agents and expert opinions in the subject. This study of regular publication is developed to guide and facilitate present and future decisions for destinations, companies and professionals that depend on tourism in Mexico.
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