



Minutes of UNWTO Webinar:
The future of the hospitality sector post COVID-19: Middle East Insights

Tuesday, 18 August 2020 (12.00 – 13.30 CET)

Agenda :

- Welcome by **Basmah Al-Mayman**, Regional Director for the Middle East, UNWTO
- Introduction and moderation by **Sandra Carvao**, Chief, Tourism Market Intelligence and Competitiveness, UNWTO
- **Setting the scene:** Current Trends in the Hospitality Industry in the Middle East
- Philip Wooller, Area Director Middle East & Africa, STR
- **Sharing Experiences Debate**
- Dr. Abd Al Razzaq Arabiyat, Managing Director of Jordan Tourism Board
- Ed Kastli, Channel Vice President, International Sales, American Hotel & Lodging Educational Institute
- Val Anthony, Senior Manager, Global Strategic Insights, TripAdvisor
- Kevin Hemsworth, Doctor in Tourism Management at the European University / ISCTE – Lisbon and Hotels Expert
- Q&A
- UNWTO Hospitality Challenge by Natalia Bayona, Senior Expert on Innovation and Digital Transformation, UNWTO

Main points from UNWTO :

Ms. Basmah Al-Mayman, -The Regional Director for the Middle East Department, welcomed the panelists and all the attendees of the Webinar from the public and private tourism sector in the the Middle East region and other regions. She expressed the readiness of the Regional Department to fulfill and reply to all their requests through the email: rdme@unwto.org .She mentioned that :

-As tourism slowly restarts in an increasing number of countries in the Middle East, the World Tourism Organization UNWTO emphasizes the need for responsibility, safety and security as restrictions on travel are lifted. The Organization also reiterates the need for credible commitment to support tourism as a pillar for recovery.COVID-19 has affected every sector across the globe, and the hotel industry is among the hardest hit. As the hospitality industry resumes operations, it has been the moment to adapt, redesign and implement new ways and ideas to help the sector accelerate recovery and reinvent the hospitality of tomorrow.

-Many hotels are wondering what steps to take, in what order, to make their properties safe, and demonstrate that to reluctant customers. How hotels are testing and learning to see what's effective all along the customer journey, from prebooking through checkout.



-Upon check-in, some hotels require guests to provide proof (via a QR code) that they have not been in contact with infected people. Some also measure guests' body temperature several times: at check-in, anytime they enter and exit the hotel during their stay, as well as upon their checkout.

-Hotels have modified their procedures—for example, by closing buffets and increasing the distance between tables in restaurants. Staff all wear personal protective equipment (PPE); some hotels even require it for guests, while others only encourage it. Many hotels have switched off their air conditioning and closed their gyms and indoor swimming pools.

-Ensuring hygiene (through devices such as disinfectants) of individuals and environments and interpersonal distance should be now a priority for hoteliers.

-Some leading chains have also added touchless or contactless elements to the customer experience, including contactless checkouts via app or email, and robots to deliver food, beverages, and the like. Some operators are limiting food and beverage options to prepackaged meals, to be consumed inside guests' rooms versus common restaurant or bar areas. Additional hotel amenities like gyms, spas, and laundry facilities may be closed.

-Ms. Sandra Carvao, Chief, Tourism Market Intelligence and Competitiveness, UNWTO moderated the discussion and shared the following points with the panelists :

1. *Current trends and prospects for hospitality in the ME*

Philipp Wooller : gave an update on Middle East Hotel performance :

-It is a tough time of the year for Hotels. We still have challenges as there are further outbreaks and further lockdowns around the world. However, the region is doing better than before. During Mid-May, most of the world was operating under 25% occupancy.

-Today the picture changed quite dramatically: the occupancy is between 50 -75 % (In the Middle East, 40 % occupancy based on existing supply and 33% occupancy if we consider all of the supply).

Containment of the situation during the 2nd wave: In the Middle East and during the 1st week of August, the main challenges are: summer temperature, high dependency on air travel on a local and international levels. However, 2 million rooms were sold from February till August (about 140,000 room per day). Now a million rooms are occupied in the region.

-Looking at the occupancy ranges, there are some challenges: especially with restrictions on Religious tourism. Medical Tourism could be seen in Riyadh, Doha and Abu Dhabi. The situation is improving slowly but surely. Amman has seen a little more business recently.

-Regarding room rates: Kuwait city and Jeddah are still posting good average room rates.

-in Dubai, the situation improved after the month of Ramadan and the end of the lockdown, especially during weekends. Beach and desert properties have done pretty well over this period. During Eid Al ADHA , 55 % occupancy rate was registered . The main beneficiary is the desert hotels where occupancy reached 51% compared to last year. The occupancy has grown 36.8% same week same month.

- Properties in rural and open air areas are a trend in this moment.

- In reply to a question regarding average daily room rate and the increase in cost: PW answered that the hotels are feeling that they have little options but to offer a sensational package just to try to develop confidence . With one million rooms occupied per week across the region, we can observe that confidence exists . People feel safe and happy with the norms applied in hotels.

-SC: the behavior of other clients in hotels is also remarkable.

2. *Opportunities in the current scenarios – new segments; new travel expectations/concerns; the domestic market, etc*



-**Val Anthony**: Travellers are more focused on one safety initiative, especially Hotel chains and properties (marketing their safety initiatives) . People are more nature focused. Families are interested in hiking, being by pool areas. Users are looking for different kinds of amenities. 25% of users are more likely to convert to book and stay with their property . Hotels are taking additional efforts to implement safety measures and market them.

-**Dr. Arabiyat** :In Jordan, the public sector took measures to train and educate their supply chain in the hotel sector and to launch the SOPs and implement them in a proper manner. The sector should be ready with all hygiene and safety measures recommended by WHO and the requirements of the consumers. JTB started to promote their touristic products, with a message that they are ready once airports are open, and their hotels are adherent to health procedures and measurements . All hotels in Jordan adapted quickly to the new norms and they have already their own SOPs, especially in International chains. Jordan is now promoting domestic tourism and there is a high demand from tourists in Aqaba, Petra, Dead Sea, Wadi Rum, during Eid Al Adha. All supply chain are commending the SOPs. The Ministry has it's own auditors for health and hygiene criteria to test the suppliers.

- **Ed Kastli**, a good example on what is happening in USA : the Institute launched a safe stay initiative , which is an advisory board of experts from all segments of Hotel industry to reach consensus to create a set of standards that can either can be layered into a brand, a specific set of protocols for hotels who don't have one . The hotels received the initiative with wide acceptance. Many of the chains used them into their SOPs. These protocols were also shared with other Hotel associations outside USA and ministries of Tourism. They created their own protocols and disseminated them in their markets.
- -As for education: The Institute organized online training based on the guidelines were disseminated to all hoteliers across USA. The public and employees positively received this initiative. The certificates received by employees were disseminated in lobbies, on social media and this helped to increase the general confidence that hotels are a safe place to visit and a safe place to stay.
- **Kevin Hemsworth** : Several changes were happening in hotels like the “no touch policy” . Hotels should show clients a “mise en scene” of the procedures applied. The sharing culture of dishes and meals will be constrained. People will be more concentrated on quality. Menus will be redesigned (one dish possibility, one dish to be served). The service will change, and servers will become more attentive to client. The whole concept of luxury will be changing (Minibars on demand). How should we prove that we are safe? In Portugal , a safe and clean certificate was established . How credible and safe a stamp can be? It is an optional procedure: companies could have an option to set it in place or not. Some Hotels will be certified and some won't , but it creates a buzz in the client perspective . If we want to show the client that there is control a special “mise en scene” should be shown to client. All certificates are more effective if they are coming from local Authorities, each country have their own specificities. because it is easier to see if there is a direct effect on the people who have to deploy it.

3. **Consumer Confidence – how to regain consumer confidence (travel restrictions, safety protocols & cancelations policies)**

Val Anthony : it is going to take time for international travel to receive inbound tourism and resume touristic activities . Intra -regional travel is happening. Saudi Arabia, Egypt, Dubai are all recovering domestically, especially for the luxury segment of users. We are seeing some intra-regional movement, and this is a perfect opportunity for additional market efforts. People in Egypt are not just travelling to Egypt but they are looking at Maldives, Indonesia. People are looking to travel to Saudi Arabia are not just sitting in Saudi Arabia : some come from UK, Indonesia and India .



- Travel plans are short term (within 30 next days). International inbound to the Middle East is more 90 days out. Now is the perfect opportunity to market that to audience. People are still interested, and the demand is happening internationally and countries should be prepared for 3 months out.

4. **Challenges and “one” advice going forward.**

Ed Kastli, the advice would be to come together on an international and regional levels to provide integrated solutions to the entire travel supply chain, so a holistic consumer experience could be provided to reassure the traveler. All stakeholders should implement a strategy involving the different segments to provide reassurance and confidence to the general consumer.

- The Hotel industry in the US employs over 2,5 million employees in 55000 hotels. Currently they are unemployed. While the recovery is ongoing, it is very important to engage and re-engage with staff that the situation is not working now in an effort to have them better prepared when recovery happens. One of the initiatives the association had is to make available their training and courses for free for all unemployed professionals. The response was huge with over a million courses registered for, not only in USA but in 150 different courses, this shows how resilient is the industry, the staff is more than ready to come back and we don't have to forget the unemployed professionals at this time.

-Kevin Hemsworth : It is very good for hotels to prepare their staff in a way they could work in a different way but cost effective. This could be also an opportunity for reorganization, train the staff and get them into a different mindset and control the cost within hotels. It could be a possibility to make the staff want to learn and the clients know that what they are doing is important.

Philipp Wooller: the recovery is long way off. Getting back to 2019 levels will take a couple of years if not more, there is a demand and leisure side of the business will get back mid to late next year. On a personal level, he went to an event in Dubai where 2000 people were invited. Dubai is one of the cities leading the charge and trying to get things back to normal. We will begin to see events in Dubai in the next few weeks.

Dr. Arabiyat, in a reply to a question on how come that Jordan reached 100% occupancy in Aqaba during Eid Al Adha. 100% of the allowed capacity was 50%, so the benchmark is 50%. In Jordan – especially Aqaba-Petra and Wadi Rum, considering the green areas, there are no COVID cases that were registered since the outbreak. An advice to the hospitality sector would be that hotels should work with other suppliers. The idea is to invite and encourage potential consumers from other cities to come to Amman – for example – ; to work with the shopping malls, entertainment centers, to redesign a package for potential consumers with 50% discount for shopping malls, cinemas, free entrance for children, discount vouchers, to encourage people from other cities to move to another destination.

- The government took some decisions to support the hotels by providing liquidities through soft loans from the Central Bank of Jordan with oneyear grace period and 2% interest rate. Employees were also supported by giving them 2 months salary. Other procedures were also applied from social security. they were given options to work remotely and keep the minimum just to protect them. The Tourism sector invested in its employees and need them after recovery. They are receiving online training to be ready to deal with the new situation. JTB is supporting the Tour operators who are also playing major role in the economy by bringing tourists because they trust the sector.

- **Q&A section :**

- In reply to a question about the segments that will be disappearing or emerging – major events or business conventions with big numbers, **Val Anthony** replied that business travel is coming back and conventions are happening. Convention Centers have to take larger precautions. We can see in the Middle East luxury segments. The most searched for types of stay are family stays. Looking to year-over-year recovery we see luxury stays and luxurious travelers and starting to recover faster. Luxury segment is going to be more popular in the new normal.
- **Philipp Wooller** : Northern Europe, Northern USA, Scandinavian countries those markets were improving at the detriment of summer destination in Europe . The new segments are the ones seeking the adventure, the rural, going back to nature and they will be doing very well. A significant business could be observed in UK in the coastal resorts and the new forest. New segments are beginning to evolve. The sector is very adaptive and creative.
- **Ed Kastli**, Hotels are creative in pivoting and offering something they didn't offer before like the “floor is yours package” where a group of family can book an entire floor of the property in order to be by themselves and not mix with other guests; or spend a whole day in a spa just for the family. With the new segments , there are sub-offers that are very interesting .
- **Basimah Al-Mayman** : the right hotels and the right destinations are doing well. There is a high demand on resort hotels . 100% occupancy was also observed in Abha in Saudi Arabia and case studies in the near future should be done about this period of the pandemic. Because of the closure of airspace in KSA, only domestic flights are operating and they were increased to Abha because of the high demand . Clients could not find one hotel for the whole period they are spending because of the high demand . Vacation homes and rented properties are also being used. A national Platform – similar to Airbnb – was created nationally, so people can rent their houses. Some few destinations in the Middle East are witnessing the same situation.
- **Kevin Hemsworth** , it is worrying that more businesses working around hotels , depending on tourism activities are going to change . Tourists – inside of a hotel- will still want to eat outside, visit monuments, contact the population, buy gifts. The awareness of the new normal can not only be directed to hotels but to all industry around the hotel. Creating a mindset for them is a challenge that should be taken into consideration. The consumer of food and beverage will be more food quality oriented.

Cancellation Policy :

- **Val Anthony** : the interaction with free cancellation filters in search engines has definitely increased in some regions. The situation is not the same in the Middle East. In UK and European markets, checking free cancellations has doubled. In the middle East, it is not as significant as other parts of the world. Domestic travel is more near term (7 or 14 days before the trip). The shorter that period is, the more confident the customer is that he don't lose a lot of money for the cancellation. On the other side, interaction with safety filters has gone up in the Middle East and users are interacting more with that type of filter. In Trip Advisor, the properties are promoted by having additional safety precautions.
- **Ed Kastli**: Since convention and meetings are not happening , the hotel sector in USA is counting on 2 segments: leisure travelers and business meetings. The latest forecast is showing 40% occupancy for the entire year. It will allow hotels to remain afloat and break even as opposed to being underwater and this is what they hope for. Travelers are still afraid to travel and many are asking themselves if they should spend their savings and travel right now with all the unemployment (10% in USA. It used to be less than 4% six months ago) or non -security. From a business standpoint, it is very similar: business corporation are asking themselves : should we afford to send staff out with all the risk and legal ramification of having employees becoming potentially sick. The recovery is happening but it's still very fragile depending on the state.

Message from the Panelists:



- **Kevin Hemsworth:** Take this opportunity to create policies and procedures and upgrade your client with the service, with quality service .
- **Philipp Wooller :**City destination collaboration and preparation for a brighter season (October, November and beyond should be a priority as things will improve .
- **Ed Kastli:** t here will be many brighter days in front of us in the hotel industry. The industry is resilient and it is going to come back, it's only a question of time. People travel, want to travel and will travel. It is just a question of time, we need to be enthusiastic and confident .
- **Dr. Arabiyat :**from a destination point of view , the destination should work to find another niches (movie industry is booming now, so they are looking for destinations to attract Hollywood and Bollywood productions). Medical tourism also could be another alternative with very strict SOPs.
- **Val Anthony :** whether you are a hotel, DMO, Airline this is your opportunity to stand out and speak to the audience . Don't just take these new safety precautions but tell people about them, market these efforts you are making , set your example from your colleagues and remember we are all in this together.

UNWTO Hospitality challenge:

Natalia Bayona : A hospitality challenge was launched by UNWTO . The organization is collaborating with Sommet Education is the financial group of four of the top universities on hospitality world wide (La Roche is one of them, ranking 2 or 3 on top universities regarding hospitality. With the start of the Outbreak, UNWTO joined efforts to launch the first UNWTO hospitality challenge powered by Sommet education, calling all entrepreneurs, startups, to solve challenges, recover and restart hospitality in four categories:

- 1-The new luxury: as mass tourism has stopped for a while ,
- 2- Food and beverage : how we can upgrade a better service regarding food and beverage
- 3- Hotel operations
- 4- Smart real estate including smart services, connectivity based on sustainability strategy.

The link of the challenge is available on <https://www.unwto.org/unwto-challenges>

-30 winners will be chosen by an internal committee and will receive scholarships from Sommet Education and granted funding to support their initial development.

-We encourage all interested entrepreneurs in hotel sector sustainability and innovation to participate at this challenge .

-**Basmah Al-Mayman :** concluded that tourism has proven its resilience and its unique ability to drive the recovery and development of societies and it will do so again. We will be witnessing this by acting early and flexibly. Hotels can better adapt to the changing needs of travelers and gain back their confidence. Free cancellation policies should also take place to encourage tourists to travel.