Industry Analysis

Branding Strategies for Tourism Industry post COVID-19 Pandemic

Mohd Raziff Jamaluddin
Institute of Business Excellence
Universiti Teknologi MARA, Shah Alam, MALAYSIA

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Introduction

The global travel industry has been severely affected by the COVID-19 pandemic. Bookings on airlines and hotels have plummeted by more than 90% worldwide, and cruise ships have been ordered not to sail. In April 2020, more than 90 percent of the world’s population lived in countries that imposed travel restrictions on visitors from other countries, while almost 40 percent lived in countries with completely closed borders. Individuals’ routines have changed due to prolonged lockdowns and staying home order, which puts news and content in the spotlight. Media consumption habits have shifted drastically, where there has been a huge increase in readership that results in record traffic and subscribers. Writing convincing content copy, using striking imagery and graphics, making ads interactive and more engaging, and testing out different designs are the best ways to produce mobile ads that get more clicks. Branding has suddenly become a necessity in the business world. The most important role of branding is to find, engage, and transform customers into valuable assets that generate long-term cash flows.

In an era of homebound consumers, social distancing, and an unpredictable climate that has forced many businesses into crisis management, marketers have had to rethink their strategies. Customers’ top priority during this unprecedented crisis, according to experts, is trustworthy partnerships. Despite the economic downturn, the majority of advertisers believe that consumers will prioritise “trusting relationships” over “low price.” For instance, UNWTO has initiated a conference with the theme “Recovering Tourism. Rebuilding Trust.” Governments and international organisations must support tourism in order for it to continue to grow stronger and more resilient, benefiting millions of people and businesses around the world. People engage with and purchase products from brands they recognise, like, and trust. In fact, more than 80 percent of consumers today say they need to trust a brand to do the right thing, which involves both social and political action.

Correspondence: Mohd Raziff Jamaluddin; Email: raziff@uitm.edu.my
Humans are inherently social, but during this pandemic, the ability to have activities in a group is prohibited due to lockdowns and travel constraints. Thus, there has been an increase in social media use to get news and updates on the progress of the COVID-19 pandemic. According to a report, more than 50 percent of adults in the United States have increased their use of social media since the pandemic began, and the average amount of time spent on the mobile internet has increased by an hour per day during the crisis. After a year of the crisis, almost half of the world population regularly uses social media, accounting for roughly 80% of all internet users worldwide.

In the tourism industry, the way the tourism players handle the crisis now will directly impact their future business. Tourists look to trusted brands for safety and security while assessing brands that deliver value and act responsibly and morally. Destination marketers who engage with their prospects and followers now will win the customer’s heart and be the first to be visited once the markets recover. During the pandemic, e-commerce and the gig economy have gained popularity by offering a wider range of products and services. Established brands like Food Panda, Shopee, Lazada and Amazon were highly demanded due to social distancing rules that require them to avoid long lines and crowded areas.

Last year, the European Travel Commission suggested that the new normal of travel would focus on personal wellbeing, air quality, and humans’ impact on the environment; a strong preference for domestic travel; a desire to spend time in open spaces, with fresh air, and private accommodation; and a preference for active holidays, including fitness and outdoor activities. Another study found that travellers would assess a country’s ability to handle a crisis based on two factors: the pace at which it reacts to the crisis and the efficacy of the government’s actions. Actions were taken during the pandemic, such as donating food, facilitating repatriation, and opening doors to the homeless, domestic violence victims, frontline staff, and those ill or quarantined due to COVID-19 help to elevate the brand image. Several travel & tourism companies reported that their staff were obtaining medical training, sewing masks for the community, and taking painstaking measures to keep travellers safe.

Policymakers must carefully prepare a systematic approach to address the challenges caused by the crisis to support the containment of COVID-19 and promote a robust recovery of the tourism sector. As seen in the news report, several general plans were outlined, including handling travel restrictions, offering tax rebates and fee waivers, and subsidizing training to avoid layoffs. In the short run, policymakers should look into repositioning and upgrading products and services to stay competitive. To optimize digital channels and technology, online travel and tourism services should be improved. Additionally, budgets for promotion and marketing should be restored to pre-crisis levels, and additional funding should be used to support international outreach and ‘openness’ policy. To promote intra-market cooperation, ASEAN members should leverage regional promotion and coordination and establish communication, branding, and market positioning strategy.

In the medium run, unregistered companies should be expected to attend training and register to gain access to financial incentives, subsidies, and updates, which would help implement potential initiatives targeted at small and medium-sized businesses. Since they lack access to traditional banking, most informal businesses depend heavily on social networks and community-based funding. Social security, microfinance, and fintech solutions may be the most effective means of addressing these issues.

Finally, the tourism industry should use green branding as a marketing tool. Travellers should be encouraged to carry their own food and beverage containers in order to minimize the use of plastics and improve sanitation. During this global tourism pause, destinations and companies have an opportunity to reset their intentions and restore a tourism sector that is more sustainable, valuable, and beneficial to local communities and the environment. Contactless technology, such as biometrics, may be required as a minimum requirement for a safe and seamless travel experience in this new normal.