



# **International B2B status report**

**- in connection with the Covid-19 pandemic situation**

**March 2020**



**Great Britain**

# The current situation and biggest challenges for the leisure segment



**Many of the UK tour operators have furloughed a big percentage of their staff,** some until end of May and some until July. Some we were not able to get hold of at all.



**The biggest challenge for the tour operators** is dealing with the amount of cancellations and people demanding refunds. They are encouraging people to re-book but not everyone is interested. People want their money now, as they're not sure what is going to happen, and many are in difficult financial situations.



**One tour operator says** they are approaching people who are going to transfer them money in June, who are nervous to part with their money even though their trip is not cancelled. They are trying to reassure them they'll get the money back if the holiday is cancelled at a later stage. They are taking it day by day dealing with clients that have trips booked. One tour operator said let's focus on 2021.



**Some say they're lucky April was always a quiet month for them, whilst others say Easter was busy for them** with a lot of repeat customers that they have managed to re-book for next year. Ideally, they would have wished the customers could re-book for later this year, but there seems to be too much uncertainty and people seem afraid to commit to anything too soon. Some say they really hope the situation has changed by June/July which are crucial months for them.



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**One tour operator says business is strange, but not fatal.** They're busy at the moment chasing suppliers. All are pretty much dealing with excising clients and bookings and trying to get their refunds secure. They say airlines and train companies are the biggest hurdles and it seems to take a long time before they get any money in the bank, some say between 12-14 weeks.

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**Many are looking into the financial situation** and how loans might work, how to apply, when they'll get the money etc.

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**Customers have the right for a refund after 2 weeks** but many of the tour operators haven't got their money back from the suppliers, however some say that actually the clients have been understanding. EU countries have changed their rules, but the UK hasn't which puts tour operators here in a difficult situation.

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**Many say the key to dealing with this is keeping the dialogue** going with the customers and to be transparent. Some offer travel vouchers to their customers, these can be used for travel in the future and are protected by ATOL.

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**One tour operator say they will roll over credit,** but ski hire and ski lifts have been paid out for and they don't know when the money will come in from them. Most say the Norwegian suppliers have been accommodating and letting the tour operators keep the same rates for next winter.

**ABTA is advising tour operators to keep the money in the business and not refund the customers** until they had money back from suppliers. One tour operator have contacted all customers and offered refund credit notes until the 31st July – and they have been amazing and understanding.

### **UK is a resilient market**

- we saw that after 2008 financial crisis. Some think the market will start coming back late autumn, possible after a period of caution, and we have to be prepared, the last thing the Brits will want is a staycation – they will be on a plane as soon as they can and take all the holidays they didn't get to take! They will want to get active and want experiences.

People might be more mindful - and possibly Scandinavia will be in a strong position for next winter.

# The current situation for the MICE segment

- Generally all companies and individuals were extremely worried. But the ones with a marketing department, studios and digital capabilities less so.
- One company stated that the Coronavirus is much worse than the financial crash in 2008.
- One of the people I contacted had been made redundant before the furloughing (UK job retention scheme). Given the poor social security in the UK this is very worrying. Another was in the process of changing jobs, but her new employer had delayed her starting date 1 month.

## **What are the biggest challenges right now?**

- Most of the companies were busy with cancelled events and working with furloughing staff. None of the people interviewed were furloughed yet, but many of their colleagues were. The ones left had a lot to do as they were picking up everyone else's work. Also, a lot of time is spent on brainstorming to come up with solutions, but it is very difficult due to the enormous uncertainty. General agreement is that live events are dead until September at the earliest. Most people are only working on events for Q4 or 2021 and most focusing on UK market.
- The biggest challenge for the small companies is running out of cash.

## **How has the cancellation process with Norwegian suppliers been? Have you experienced any changes in cancellation terms and conditions as a result of the situation we find ourselves in at the moment?**

- Only one company reported to have planned an event in Norway and this has been put on hold rather than cancelled.
- With regards T&Cs, there were a lot of people saying that these will have to change in the future. Agencies will draw their own contracts rather than rely on the supplier's contract.

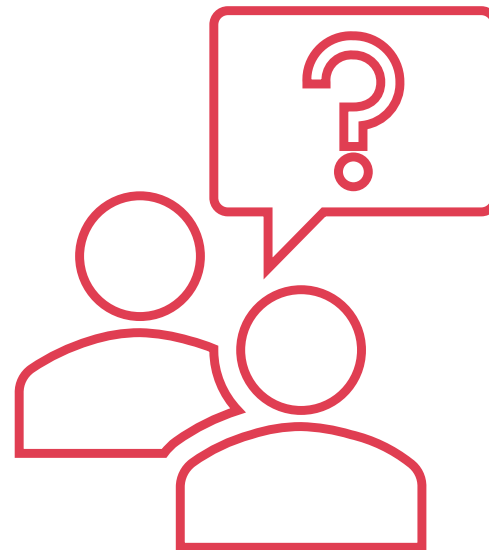
## **When speaking to your customers – have you been encouraging them to rebook for later? Have they wanted to rebook or cancel completely?**

This varies from client to client, but smaller events are more likely to be cancelled whilst the larger postponed. There is a view amongst some clients that even if restrictions are lifted and the company finances are good (tech companies), the companies are hesitant to plan anything as they have to be seen to be responsible and arranging an event could be both insensitive and potentially pose a health risk.

There are likely to be new health and safety demands on suppliers once this is over i.e. How close people are seated, sit down meals rather than buffets etc.

Other agencies said clients have postponed incentives rather than cancelled but highlighted that the size of the incentive groups will be much smaller as the company is laying off staff.

Everyone was very concerned about their own roles as there is a belief that the market will shrink considerably going forwards.







Tusen takk!  
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