



STEPPING WITH CAUTION INTO 2021

*Vaccine distribution should ultimately indicate a return to relative normality but many challenges remain and a segmented approach is likely to be required, says hotel industry consultant **Melvin Gold FIH***

2 020, a year to forget, but probably to be remembered forever and with repercussions in the coming year. My forward-looking musings in recent years have featured the U-word, Uncertainty, as the hotel sector approached the top of a cycle. C-words Covid and Coronavirus brought the whole industry to its knees in 2020 and did far worse than confirm that the cycle had peaked. It seems the fortunes of the world in 2021 and beyond will hinge on the V-word, Vaccine.

Two vaccines have been approved for use in the UK and the plan is to inoculate the most vulnerable adult population by around Easter. The hotel industry's hopes for a return to anything like normality seem to depend on that as a catalyst for emergence from the cycle of lockdowns and tiers. The programme has made a promising start.

Simplistically, it appears that the industry will experience a year of two halves, or if all goes well, a tricky first third and then two more normal thirds. Even that rather understates the task ahead. Vaccine distribution in the UK may facilitate the domestic market – leisure and business – but the pace of distribution in overseas markets will determine the return of lucrative inbound travellers.

Conferences & events, and groups and tours, will probably be laggard segments to return, requiring confidence in vaccine distribution before multi-person activity resumes to its full potential. Weddings and social functions postponed from 2020 and already rebooked will likely take place and post-vaccine should be able to be the same size as prior to the pandemic. In fact, early vaccine distribution may facilitate a bumper



MELVIN GOLD FIH

year for functions, with those postponed from 2020 added to those already envisaged for 2021.

As in 2020, younger people may have more confidence in travel and are likely to be the most fruitful demographic for leisure marketing, even pre-vaccine. However a vaccinated 'grey' population, after an extended period shielding, may also be keen and free to travel, both as tourists but also to visit friends and relatives.

Hopefully, summer holidays might be relatively normal, but one question is whether staycations become even more popular than pre-Covid or will Mediterranean sunshine prove too strong a magnet? Perhaps it will be a combination of the two, with a main holiday overseas and short breaks in the UK, supported by word of mouth recommendations from those that did have domestic holidays last year.

Business travel is especially lucrative and important for hotels, supporting the majority of midweek trade in most properties. Will video-conference technology, working from home and other pandemic-influenced trends endure and have an impact? Economic downturn and an overhang of unemployment will also be issues that remain for a while.

Then there is Brexit and the environment. How we wish we were still talking about them rather than viruses and vaccines. The last-minute signing of a free trade deal with the EU will remove some uncertainty but although the UK has left the EU, it is unlikely that there will be no further negotiations. The B-word hasn't disappeared forever.

There are reasons to be relatively optimistic about 2021, especially post-vaccine; and at least it isn't 2020 anymore!