DIGITAL INSIGHTS, TRENDS AND STRATEGY ON SRI LANKA'S HOSPITALITY INDUSTRY

Impact of COVID-19 Outbreak and Planning for Recovery

Volume 1.0
31st March 2020

2020

EXECUTIVE SUMMARY

With the Travel Industry becoming one of the most severely affected industries due to the current COVID-19 (Novel Coronavirus) Pandemic, Hotels and Travel companies across the globe have faced major operational and functional setbacks due to various lockdowns and travel restrictions imposed by governments across the globe.

This pandemic is rapidly developing into a major economic challenge for almost all the national economies in the world, irrespective of their financial or political stability, making it one of the most devastating events to occur in recent history.

Hoteliers and travel industry experts have no choice but to limit all business functions temporarily and instead invest their newly freed-up time and resources towards strategizing, planning and crafting their recovery plan for the future.

At EME, we have the luxury of being able to monitor the web analytics data of nearly 100 hotels and resorts in Sri Lanka of various categories and destinations, in order to identify the true impact of COVID-19 on the industry. This report provides recommendations on actions that can be taken during this time of disruption so that you can come out ready and ahead of the game once the situation is back to normal.

CONTENT

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INTRODUCTION

Lunar New Year, Wuhan, Italy and the Coronavirus: How it all unfolded

Coronavirus was first identified in Wuhan, China. Unfortunately this coincided with the world's largest human migration, which happens annually during the Chinese Lunar New Year across the globe.

Despite flights and other modes of transportation within as well as to/from China being limited, the virus started spreading in neighbouring countries rapidly. The outbreak is declared as a "Public Health Emergency of International Concern" in Jan 2020.

With the virus moving across Asia towards Europe and Italy becoming the epicenter, WHO declares COVID-19 as a "Pandemic" in March 2020. The stock market overall as well as travel companies' stocks have seen significant declines as fears rise regarding the threat of broader economic repercussions due to the virus' spread across the globe.

By the 3rd and 4th weeks of March 2020, Travel sector related companies across the globe are heavily impacted as the outbreak continues to spread and worsen across Europe, US and other parts of the world. Travel restrictions and lockdowns are being enforced in most countries, making travel almost impossible for everyone.

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APPROACH ON ANALYSIS

An in-depth study was conducted on the website analytics of nearly 100 hotels and resorts in Sri Lanka managed by eMarketingEye, which are located across the country.

Travel demand for Sri Lanka during a period of around 90 days was closely monitored using the metrics of website traffic, online bookings, revenue and conversion rate, and was compared against the same period in the previous year (2019).

Google Trends data was used to analyse and further evaluate the impact on overall travel related search behaviour on Google as well as the impact of this event on APAC and Sri Lanka.
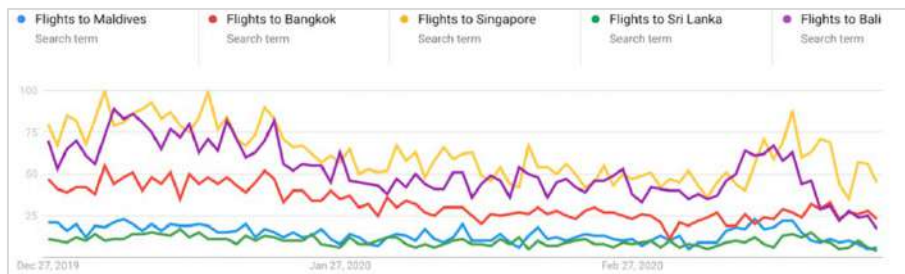
IMPACT ON APAC REGION

Travel demand in the APAC region saw a gradual decline in especially "Destination + Hotels" related search queries for various APAC destinations.

A similar trend was seen in queries related to the major OTA brands.
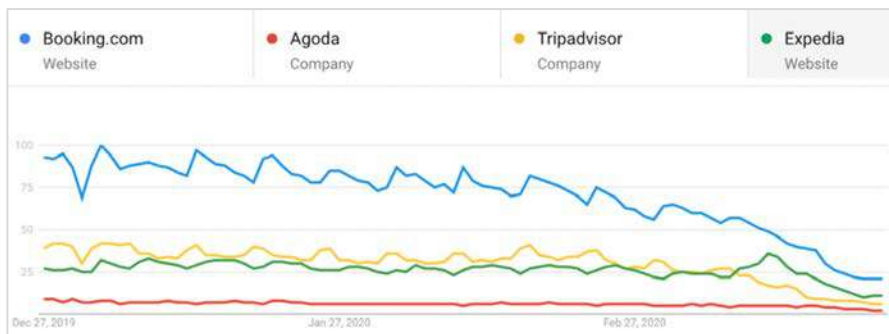
However, search queries for "Destination + Flights" still showed a significantly lower rate of decline compared to the same for Hotels for APAC.

Source: Google Trends – Last 90 Days Worldwide Data

IMPACT ON SRI LANKA TRAVEL & HOSPITALITY INDUSTRY

The travel industry in the APAC region as a whole has experienced heavy setbacks due to the consequences of the outbreak, and Sri Lanka, as a destination, is no exception.
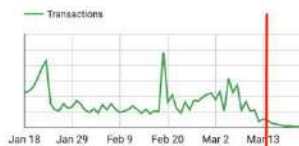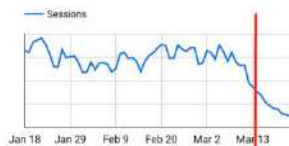
Did you know?

98%

Revenue Decrease

COVID-19 managed to wipe out 98% of the revenue from the Brand websites of Sri Lankan Hotels and Resorts during just a 7-day period.

(Data as of 20th- 26th March 2020 compared to the same period last year)

## Overall Situation from Jan 18th - Mar 22nd 2020

Brand.com Web Traffic and Revenue for Sri Lanka Hotels and Resorts

| - Travel Restrictions imposed by the SL Government

Although travel is mostly impossible in Sri Lanka at the moment due to the curfew and other measures in place locally and despite similar lockdown measures being advised globally, international travel demand only started to show a gradual decline from the beginning of March 2020.

After travel restrictions were imposed for several European regions around 14th March 2020, the web traffic and revenue for Sri Lankan Hotels and Resorts saw a more drastic drop.

Revenue (USD)
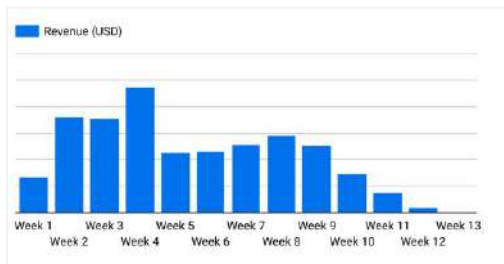
A gradual drop in Revenue for Sri Lankan Hotels and Resorts was observed each week since Jan 2020 till the 3rd week of March.

Over 50% YOY drop in all Travel related In-Market Audience* categories for Sri Lankan Hotels and Resorts

*In-market Audiences - Customers who are in the market, which means that they are researching products and actively considering buying a service or product related to yours.

	In-market category	Revenue (USD) ▼	% Δ
1.	Travel/Hotels & Accommodations		-54.6%
2.	Travel/Air Travel		-52.0%
3.	Travel/Trips by Destination/Trip...		-56.0%
4.	Employment		-41.1%
5.	Real Estate/Residential Properti...		-37.7%
6.	Autos & Vehicles/Motor Vehicles...		-27.7%
7.	Travel/Vacation Packages		-59.3%
8.	Financial Services/Investment S...		-65.5%

International Markets for Sri Lankan Hotels and Resorts

Revenue from top markets saw a decline starting from the third week of January 2020.
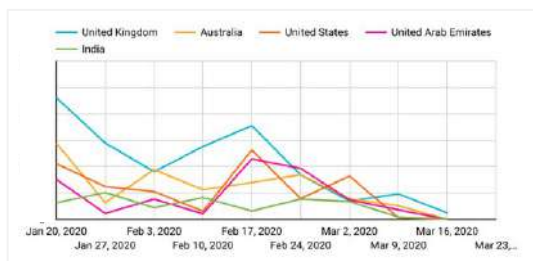
Declining Revenue from Top Markets

Revenue continued to drop from the key source markets for Sri Lanka since the third week of January 2020 compared to the same period last year.

Country	Sessions	Transactions	Revenue (USD) ▼	Ecom. Conv. Rate %
United Kingdom	-31.5%	-36.2%	-50.1%	-6.9%
Australia	-36.5%	-40.2%	-33.3%	-5.7%
United States	-10.2%	-35.0%	-42.8%	-27.7%
United Arab Emirates	-36.8%	-36.0%	-16.0%	1.3%
Russia	-26.4%	43.3%	16.5%	94.8%
India	-27.7%	-36.8%	-56.4%	-12.5%
Japan	-28.4%	-54.7%	-37.5%	-36.7%
Germany	-26.8%	-52.1%	-53.9%	-34.6%
Singapore	-5.0%	-55.7%	-58.8%	-53.3%
Switzerland	-47.8%	-54.4%	-64.0%	-12.6%

Jan 18th - Mar 22nd 2020

The United Kingdom, Australia and United States remained as the top international revenue generating markets for Sri Lanka despite the travel restrictions enforced for the region by the Sri Lankan government.

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March 2020

When considering data from 15th-31st March 2020, total website sessions saw a 77% drop while total conversions dropped by 97% compared to the same period last year.

Total Sessions	Total Transactions
-77%	-97%

Similarly, total revenue saw a 97% drop while the looker-to-booker conversion rate of the sites also showed a 84% decline compared to the same period last year.
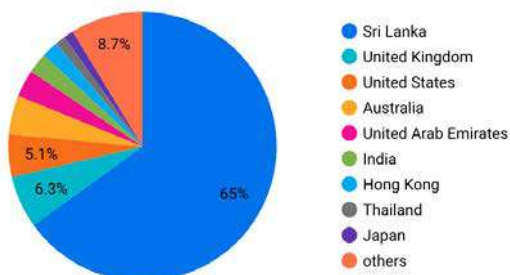
Total Revenue	Conversion Rate
-97%	-84%

The majority of Sri Lankan Hotels and Resorts saw a shift in revenue from international markets to the local market at the beginning of March 2020 as depicted below. However, this changed drastically, and everything came to a stand still as travel bans and island wide curfew came into play.

Jan 1st - Mar 22nd 2020

Local vs. International

Mar 1st - Mar 22nd 2020
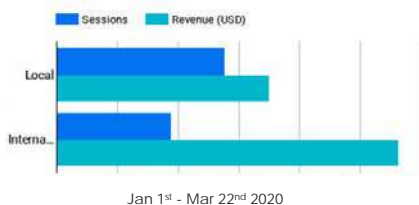
Over 65% Revenue was generated by the local market in March 2020*

*Data from 1st March 2020 - 22nd March 2020.

- Sri Lanka
- United Kingdom
- United States
- Australia
- United Arab Emirates
- India
- Hong Kong
- Thailand
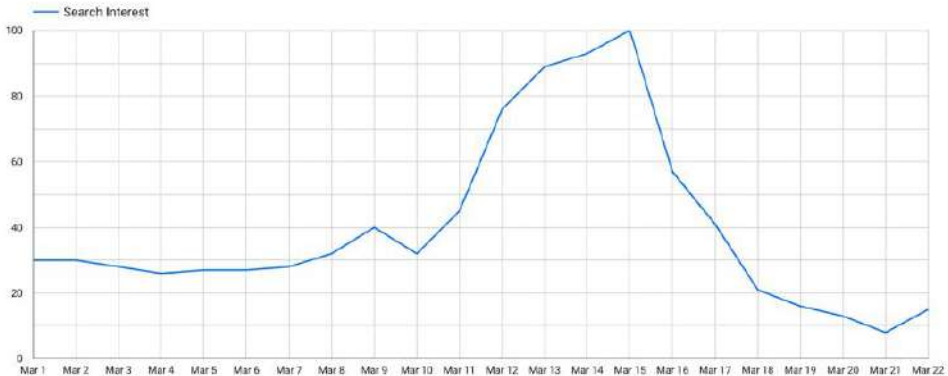- Japan
- others

8.7%
5.1%
6.3%
65%

Search Trends for Hotels/Travel

SHIFT IN ONLINE SEARCH BEHAVIOUR FOR SRI LANKA

Search Interest over time for Sri Lanka Travel

March 2020

Sri Lanka Travel related queries peaked during mid-March 2020 due to travel bans imposed by the Sri Lankan Government on the countries severely affected by Covid-19

Search Interest over time for Sri Lanka Travel

Last 14 days (from 22nd March 2020)

Sri Lanka Travel related search queries have seen a drastic drop over the last 14 days, primarily due to the curfew and internal travel restrictions/advice issued by the government.
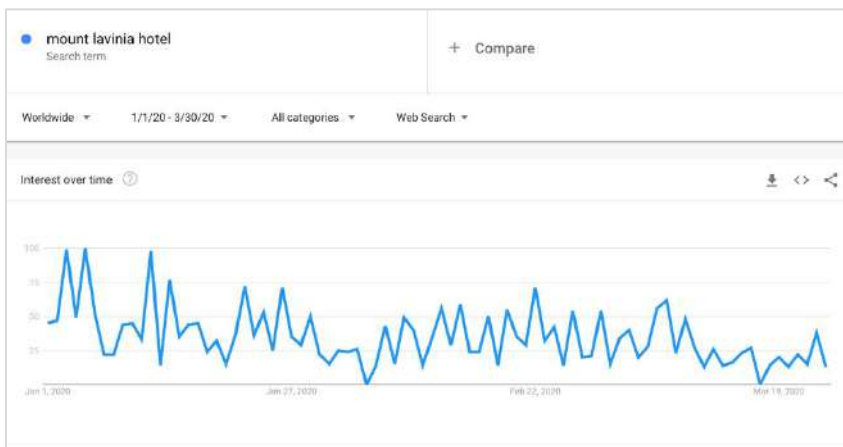
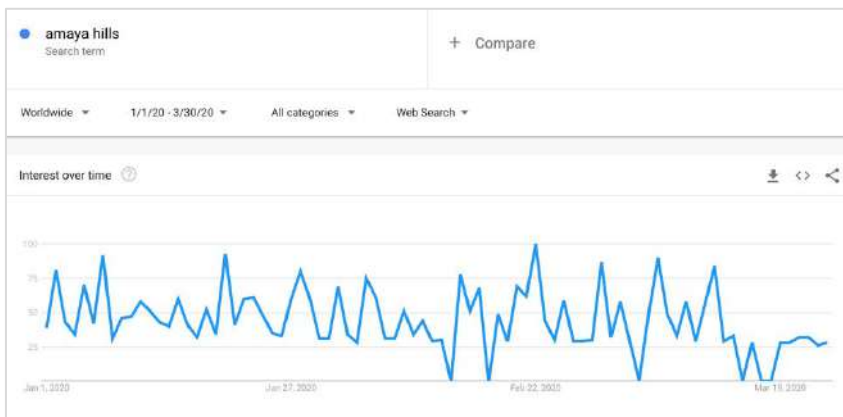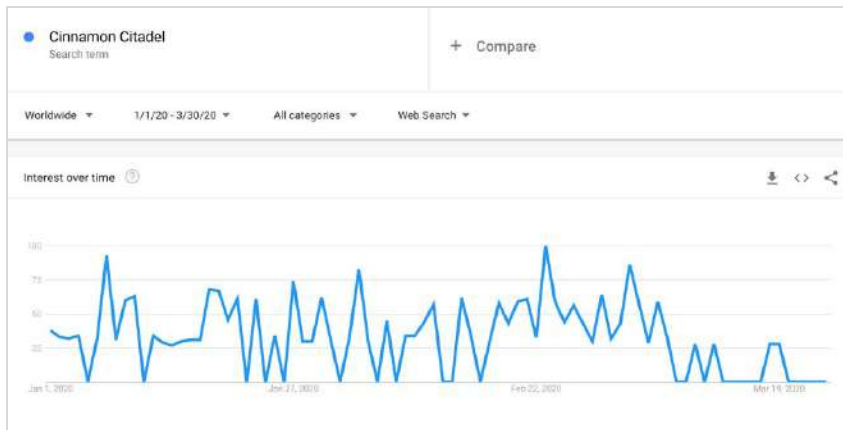# Search Trends for Hotel/ Travel Keywords

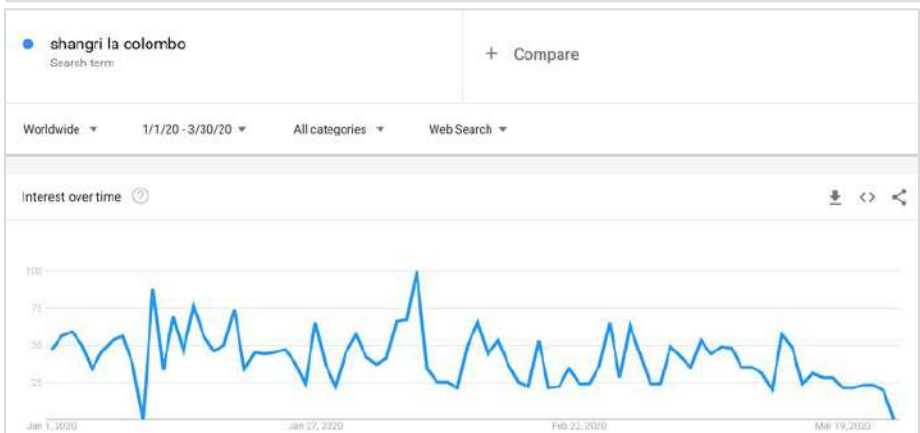A downward trend for searches related to hotels and top local brands in Sri Lanka was seen from audiences worldwide.
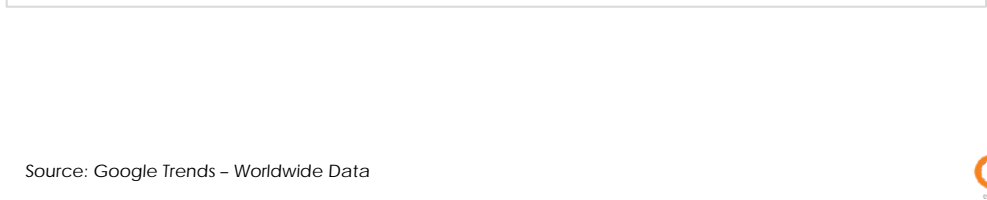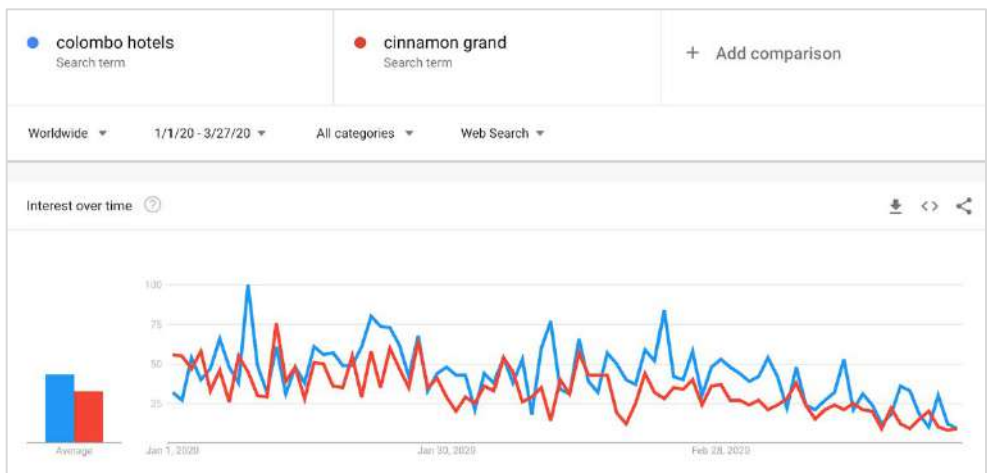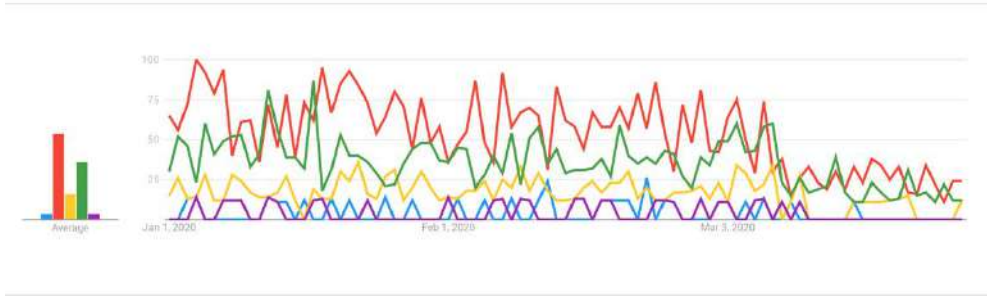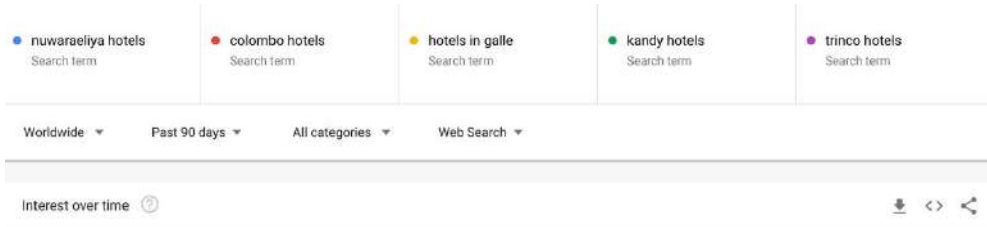
Search Trends for Brand Terms
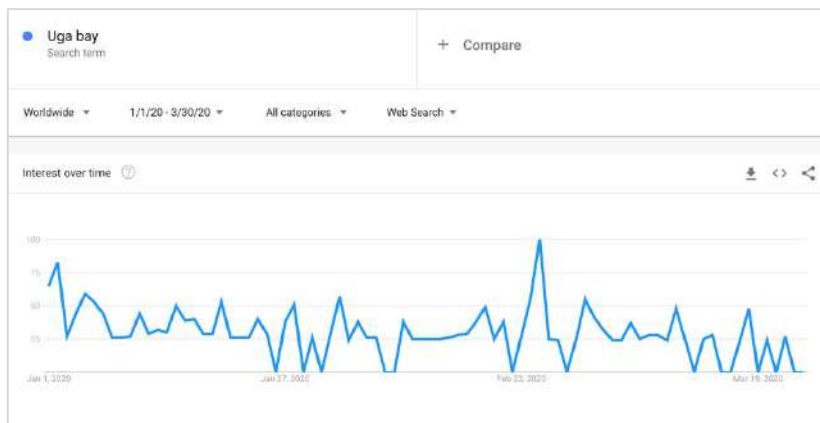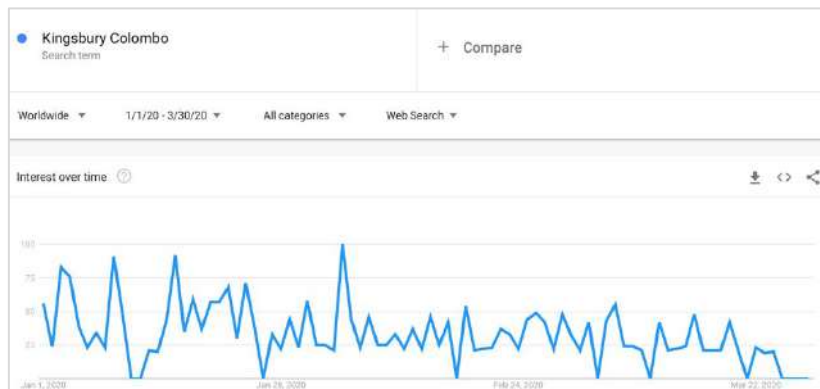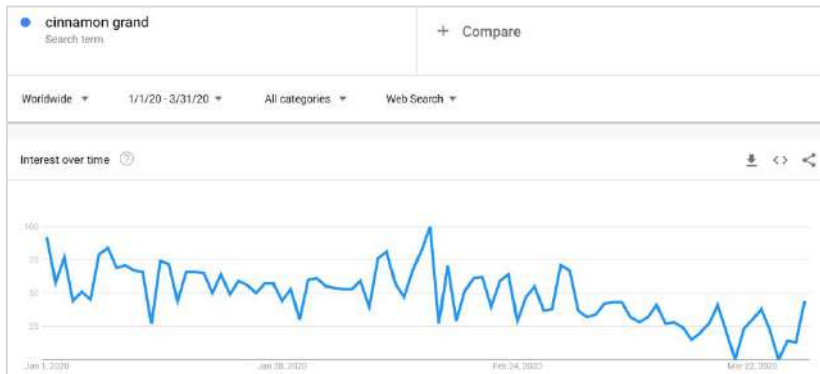
Search Trends for Brand Terms

Search Trends for Brand Terms
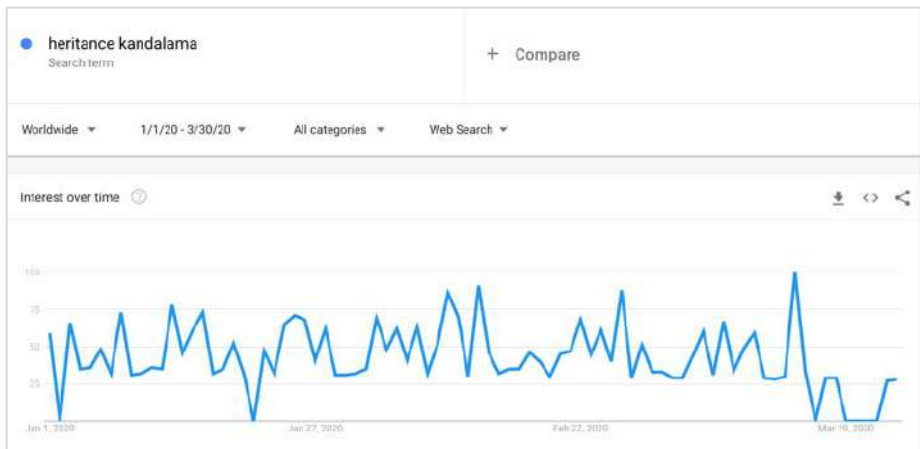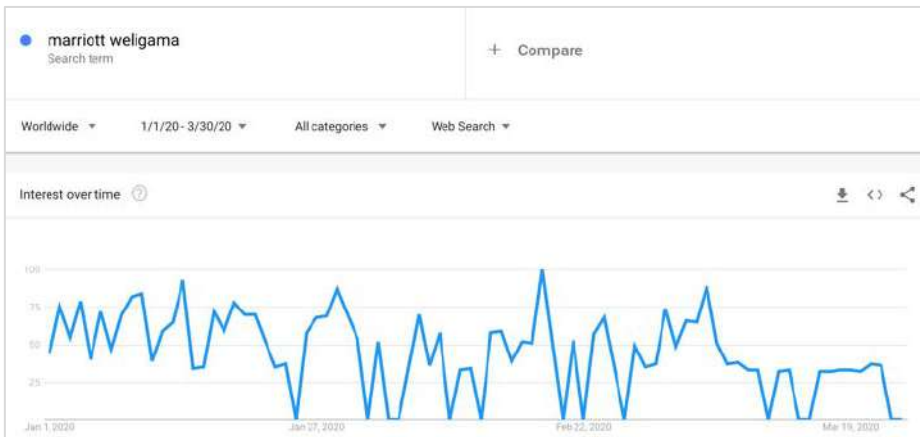
Search Trends for Brand Terms
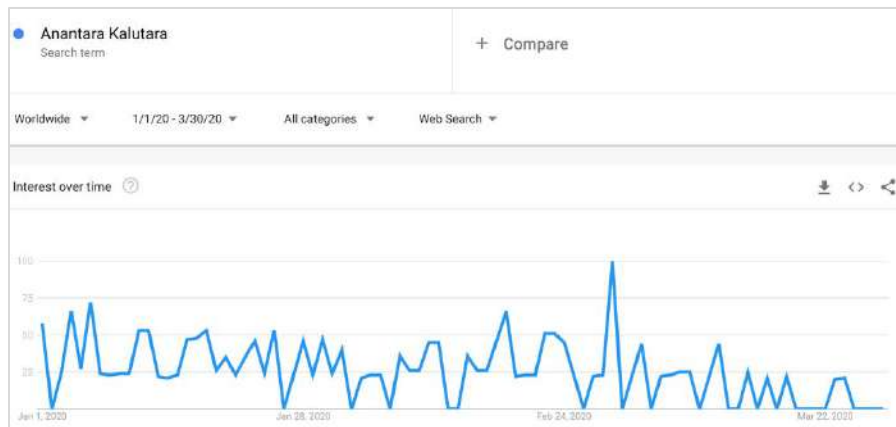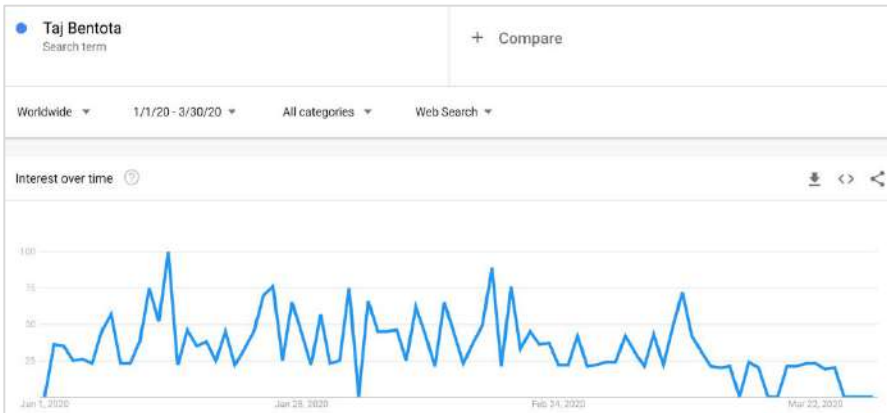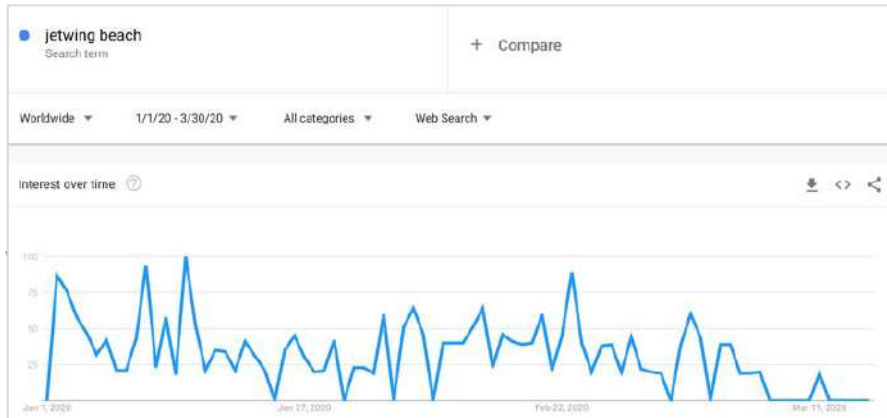
Note: The above illustrated Google Trend diagrams showcase the most commonly used "search term" of the respective Hotel brand

Source: Google Trends – Worldwide Data

Trending Search Terms
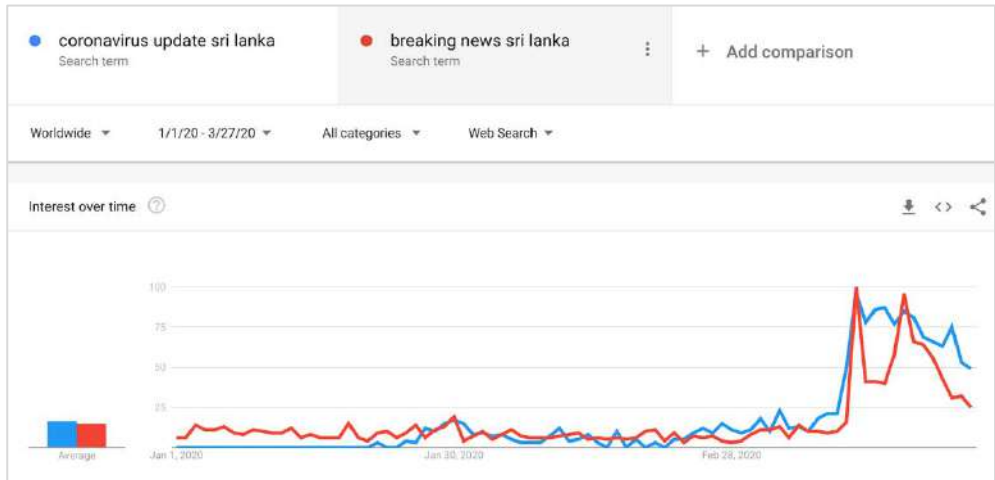
A significant increase in searches related to coronavirus updates in Sri Lanka could be seen.

An upward trend can be observed for searches related to top news providers in Sri Lanka as well.
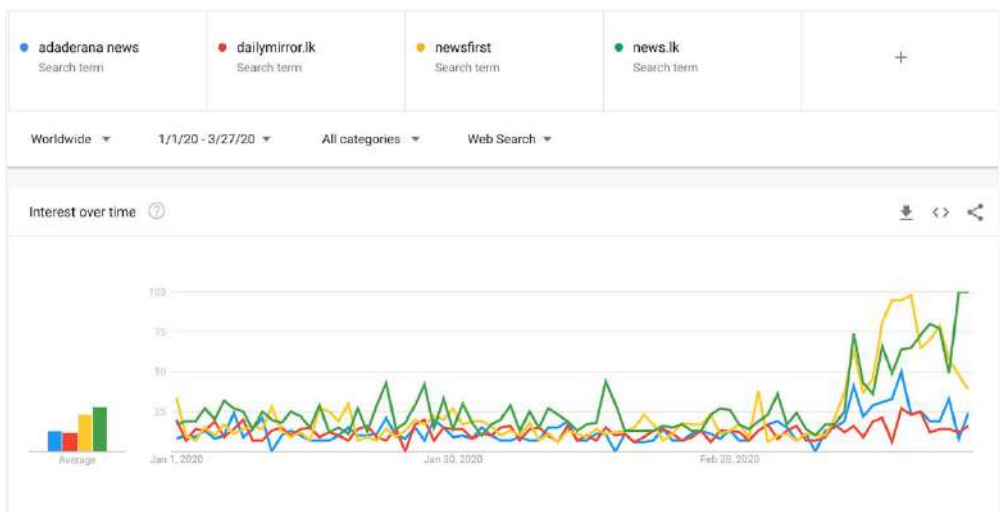
Working from Home?

DO YOUR HOMEWORK

"Find the silver lining"

Take this time to do your homework and take care of things that you just never had time to get to before and when you do, you'll be in best shape possible to get back in the game, when travelers start roaming across the world

KEEP CALM AND DO YOUR HOMEWORK

1   Have you updated your website with a COVID-19 Message?

2   When was the last time you did a Website Audit?

3   How well do you know your Analytics?

4   Is your Booking Engine driving visitors away or are you?

5   How effective is your Social Media?

6   Get Certified & Familiar with New Tools

Have you updated your website with a COVID–19 Message?

Update your current website with a COVID-19 Message and keep your website visitors well informed of the current situation, the hotel and the precautionary measures you are taking.

If you have introduced any flexible cancellations or any measures to support customers during this pandemic, your website is the best platform to communicate the same.

Highlight additional preventative measures taken

How the hotel team is trained to follow the official protocols

Build guest confidence with flexible date changes & cancellations

When was the last time you did a Website Audit?

Start with the basics! Go through your website content, images & videos and get the website up-to-date. Learn from your historical data and see which pages visitors have spent more or less time on & look at how you can improve engagement on those pages.

Have you highlighted your 'book direct' benefits on the website?

Is your website mobile responsive? Can you push mobile specific content?

How many clicks does it take for a user to make a booking?

Do your content & images positively capture and convey the full extent of the guest experience?

Online Tools for website Audits

Website Speed Test
https://developers.google.com/speed/pagespeed/insights/

SEO Health Checker
https://moz.com/
https://www.semrush.com/

Google Trends
https://trends.google.com/trends/

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How well do you know your Analytics?

It's important during this time to keep monitoring the visitors, bookings & revenue fluctuations of your website. Learn how to make sense of the Google Analytics platform and use it to your advantage to come up with strategies & website improvements.

Google Analytics (GA) Setup

The first step is to check if your GA account has been setup correctly. Are you tracking e-commerce data such as bookings, room nights, revenue, offer types & the booking engine funnel?

Identify user patterns/trends

Use your historical data to understand which months have performed well, identify the different touch points involved in online bookings and discover the most appealing offers to guests from different countries.

Dive into your Data

Analyze the countries of your visitors, devices they have used, pages they have spent more or less time on & what offers have performed well

Custom Reports & Alerts

You can create your own custom report to monitor key aspects that matters to you the most & create alerts to let you know when there are significant changes in traffic and patterns on your site

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How to create your GA Dashboard ———————

01
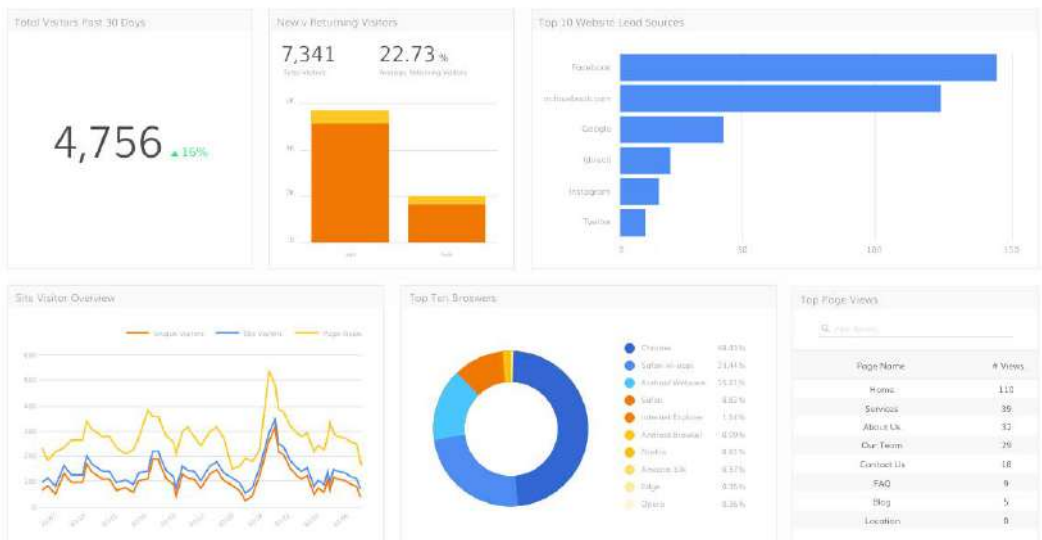Sign In to Google Analytics

02
Go to Reports >Customization > Dashboard

03
Start Creating & Customizing

Every view in Analytics comes with a default "My Dashboard." While the default Dashboard may suffice, the real usefulness of dashboards lie in the flexibility to customize the data the way you want.

Is it your Booking Engine that drives visitors away or is it you?

Take time to analyze how you have lost your bookings to OTAs over the past years. Small improvements on the Booking Engine can make a big difference in improving bookings & conversion rates.

1. Are you maintaining rate parity? If not, fix your rate plans

2. Are you asking many questions or do you have too many mandatory fields to fill before your guests can complete the booking?

3. Is the cancellation policy on the official site flexible compared to that of the OTAs?

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Use Google Analytics to understand where visitors are dropping off

Understand which steps are causing potential customers to leave your booking engine without making the booking.
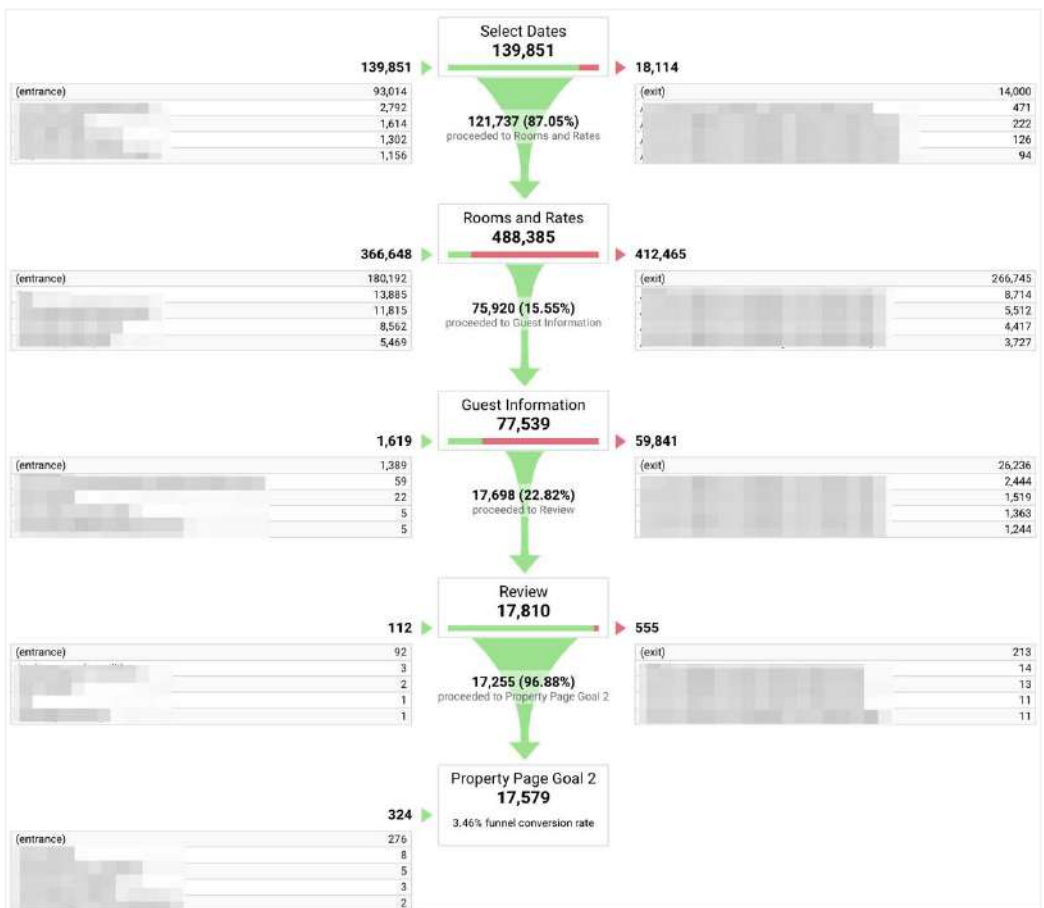
How Effective is your Social Media Strategy?

Now is the time to focus more on Social Media!

1. Doing anything to support guests, staff and the community during the COVID-19 crisis? Let the world know.
2. Swap out promotional posts for inspirational ones with positive messaging.
3. Share useful wellness, recipe and DIY tips to help your followers while they are indoors
4. Emphasize on your CSR, Green and Safety & Hygiene initiatives
5. Remember to use a mix of creative types to keep people engaged (Images, Videos, Cinema graphs etc.)
6. Remember to have a Call-To-Action for each post, to give it purpose, and link back to the brand site to drive awareness & web traffic.

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Get Certified & be up-to-date with the Latest Trends

- Take advantage of this time & enhance your knowledge on new tools, trends & platforms. Below are a few resources that you can start reading up on:
https://www.searchenginewatch.com/
https://www.searchenginejournal.com/
https://www.youtube.com/user/rustybrick
https://www.youtube.com/user/GoogleWebmasterHelp
https://www.thinkwithgoogle.com/

- As hoteliers, it is always better to be certified on Google Ads, Google Analytics & many other platforms https://skillshop.withgoogle.com/
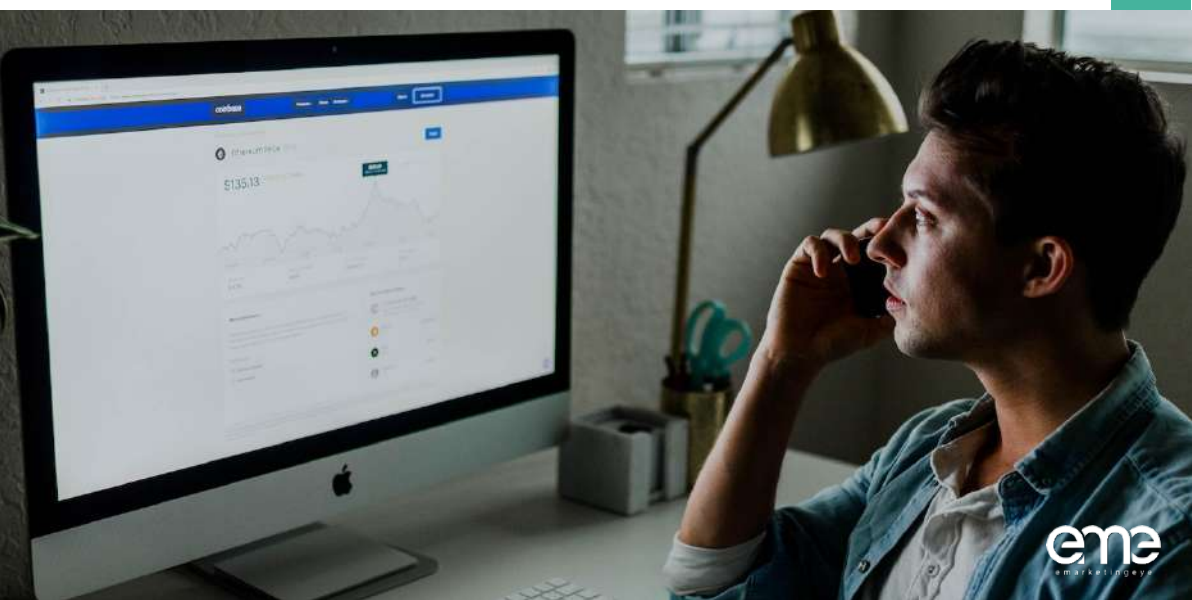
Plan for Recovery:

5-Step Approach

RECOVERY AFTER COVID-19

Plan for Recovery & Important Measures

With the increasing severity of the COVID-19 pandemic affecting the hospitality industry around the globe, it is important to understand what measures should be taken to reduce the impact of the crisis, and at the same time understand what strategies should be put in place to be a frontrunner when the market bounces back.

The 5-step approach we have come up with outlines the key areas that need to be taken into consideration when planning your road to recovery through digital channels.

We are determined that by working together, we can achieve faster recovery during these challenging times.

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5-STEP APPROACH

1 | Focus on Long Term

SEO Friendly & Platform Ready

2 | Efficient Use of Marketing Budgets

Protect Brand Bookings

3 | Offer & Rate Strategy

Better Flexibility to Guests

4 | Domestic Market First

Staycations…

5 | Educate Staff / Learning New Things in Digital

Upgrade Staff Skills in Digital

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1. Gearing for the Long term

Focus on On-Site & Offsite SEO

At a time when every market dollar is questioned and ad budgets are being cut down due to low demand and high cancellation rates, hotels should start gearing for the long term.

Spend this time on making your website more SEO friendly by optimizing it for the right keywords; improving the content, using techniques to increase opportunities to appear on featured snippets; fixing technical errors; auditing the quality of backlinks and conducting competitor analysis.

It is also important to have strong content marketing efforts on external 3rd party websites as well as content on your own blog.

Although results via SEO may not be instant like PPC, the efforts put in now will reap benefits when the market bounces back. If you stop SEO now, it will have ripple effects in the future… When the market demand starts recovering, your website may lose-out on organic visibility and rankings.

> "With Google's latest algorithm update BERT in late 2019, the focus has shifted towards 'user intent matching' rather than just matching a 'string of words' for which a user is searching"

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10 Things to Do to Improve SEO

1. Fix missing, duplicate and long title Meta tag issues

2. Relook at keyword strategy

3. Look into adding more semantically related keywords to content (Search Intent/User Focused Optimization)

4. Look into toxic backlinks and take necessary action

5. Recover lost backlinks

6. Conduct competitor backlink audits

7. Fix website issues/errors

8. Improve site speed

9. Implement schema

10. Conduct quality content marketing submissions

Local SEO

Local pack & local directories are increasingly becoming important for SEO rankings especially when users are looking for local businesses and services 'near me'.

This is especially true for your Google My Business listing, as this is one core element Google considers for the Knowledge Graph appearing on the right hand side of the SERP page.

✓ Identify opportunities to list hotels and their restaurants, spa and event facilities in local directories and sites
✓ Use of 'Local Business' Schema to markup Google My Business
✓ If your hotel/business is closing, update the business status from "Open" to "Temporarily Closed". Read more.
✓ If the restaurants or wedding venues at the property are closed, these can be updated using a post

Be Platform Ready!

As travel globally has slowed down, it's important for hotels to look at other ancillary revenue options and make their website and other online channels ready to cater to these needs.

eGift Cards / Online Gift Certificates

eGift Cards or Online Gift Certificates is a great way of sharing your love towards others and showing that you care especially after a situation like this. Hotels can take this opportunity to look at integrating their websites to an eGift card system to help customers send a hotel stay as a gift for their loved ones to be used in the future.

Making your Restaurant Menus Available Online

If your dining outlets are losing business due to low dine-in guests, it's a good idea to make your restaurant menu available online and offer take-away or online delivery options. By having a shopping cart that lets you sell your goodies online, you can go to those guests who can't come to you.

Mobile Responsive & Social Integrated

It's important to ensure your website and any other platform (gift card systems, shopping carts) are mobile responsive, easy to navigate and loads fast. Also, it's best to have a sync between your website & social channels to ensure guests are up to date on what's happening at your resort and if you're offering any products/services online.

2. Efficient Use of Platform Budgets

Which budgets to cut and which to keep?

When your budget is already under strain, evaluate which revenue channels are more profitable.

Low cost channels like the brand website should be given prominence, as opposed to handing your profits to OTAs and other channels that charge higher commissions.

It's important to remember that PPC may not give you any returns at this moment, therefore keeping the campaigns temporarily paused is advisable. However, once the situation settles down, reactivating your PPC campaigns could be an option to consider depending on the location of the hotel.

PPC enables you react to market conditions quickly (e.g. by immediately adding/removing markets) and change messaging to convey the most recent offers as well as updates to cancellation or flexibility policies etc.

1   Protect your brand. Focus marketing efforts on brand website bookings

2   Once the situation is stable and the hotel is operating as usual, consider restarting PPC with brand & remarketing campaigns

3   Cut down/pause prospecting display & video campaigns

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Spend this time to...

- Review your existing campaign structure

- Improve campaign health

- Create more ad copy variations

- Add new ad types/extension types

- Create new audiences and let them populate

- Implement Automated Bid Strategies, rules & scripts

3. Offers & Rate Strategies

Offering flexibility to guests

The plan for recovery during COVID-19 should include a robust offer strategy. Make sure your Offers & Rates are flexible to guests, so as to reduce uncertainty while making online bookings.

Rather than offering heavily discounted offers across the board, look into markets that are recovering/or that are less impacted (no travel bans) and offer geo pricing.

It's also a good idea to promote/sell e-gift cards to guests who wouldn't be travelling now, but would like to purchase and gift their loved ones with hotel stays, spa vouchers, and dining e-gift certificates for future use.

Allow guests who have already booked, the facility to modify their stay dates

Offer better flexibility to attract more advance or 'early-bird' bookings (avoid non-refundable rates)

Geo Fenced offer/rates

Look into ancillary revenue opportunities (eGift cards, Spa vouchers, etc)

4. Domestic Market First

Staycations, Local Resident Rates..

Staycations

As more and more markets are issuing travel bans each day restricting travellers from entering and leaving the country, it's important to target the locals. Once a hotel's domestic market Stay Home restrictions are lifted, there is a huge opportunity to attract local guests by offering local resident rates and special value additions.

Self-Isolation Offers

Serviced apartments and suites & villa operators can push long stay offers (14 days) to attract guests who are still interested in travelling but keen on privacy & seclusion

Online Shopping Carts / Delivery Options

It's also good to make your restaurant menus available on your website and offer the ability to order online. This way you can support your dining outlets during a time when there are low or no dine-in guests.

Did you Know?

You can do radius targeting to capture an audience that's close by to your property for better conversion opportunities

5. Educate Staff/Learn New Things in Digital

Focus on On-Site & Offsite SEO

If your hotel is planning to close down for a couple of months or your property location is currently infected/under lockdown, it's a great opportunity to use this low occupancy period to educate your staff and to upgrade their skills in digital.

- Analyse past data and trends

- Be up-to-date with the latest in SEO

- Familiarize yourself with important tools such as Google Analytics, Google Ads and Search Console

- Look into new platforms & tools

- Plan & strategize for the future

Monitor, Analyze & Continue to Optimize

PPC Campaigns

- Revise ad copies, add ad variations to do A/B testing
- Re-look at extensions. Add sitelinks, callouts and structured snippets across all the campaigns
- Add negative terms and look at new keyword opportunities
- Check the 'Recommendations' tab in Google Ads & make the necessary changes
- Create new/custom audiences and analyze the website visitors as well as booking engine visitors

SEO Campaigns

- Re-look at the keyword strategy
- Work on improving the content on the site, look at semantic ideas, structured snippets, FAQs
- Conduct an SEO audit and work on the recommendations (optimizations ideas, crawler errors etc.)
- Update local business listings (Google My Business, Apple & Bing Maps based on the availability)
- Run competitor audits and understand what competitors are doing
- Analyze backlinks and toxic links and work on removing the same, disavow poor quality links.

Monitor, Analyze & Continue to Optimize

Website Tracking & Implementation

- Audit the current tracking and ensure eCommerce tracking is enabled
- Implement alerts to track any anomalies (drastic drops in sessions, bookings, seasonal comparisons, frequent data updates etc.)
- Implement goals for website actions (form submissions, button clicks, downloads etc.)

Social Media

- Audit your social media pages/platforms (posting mix, engagement, comments & reviews, followers)
- Align your messaging with the current situation and publish positive, supportive and informational content
- Ensure your Business Information is up-to-date
- If your resort is closing temporarily, publish a notice on the pages, update your FB cover photo accordingly and set up an automated messaging response conveying the same
- Respond to unanswered queries with extra care and sensitivity

Key Takeaways

✓ A significant drop in Travel searches was seen globally. Continue to monitor trends closely & identify opportunities.

✓ Spend time on learning new things in digital as well as the latest tools & trends.

✓ Continue to focus on website improvements and SEO.

✓ Monitor your competition closely & identify opportunities.

✓ Strategize, plan & be ready to make a strong comeback when the world starts travelling again!

About eMarketingEye

eMarketingEye is an award-winning digital marketing agency specializing in the hospitality industry. Established in 2007, we have gained international recognition for our expertise in providing 360-degree digital marketing solutions; these include Search Engine Optimization (SEO), Web Development, Pay-per-click Marketing (PPC), Social Media Optimization (SMO), Content Development, Email Marketing, Web Analytics etc.

Our forte lies in an effective combination of web design, search marketing, strategy consultancy, performance optimization and web analytics. We offer our clients an integrated approach, based on performance-driven marketing principles which enable us to offer customized digital marketing solutions for world-renowned clientele in the hospitality industry.

Our ethos is to provide complete transparency on all digital marketing activities while offering ROI centric solutions that are tailor-made to client requirements. We aim to help our clients define their digital objectives and execute the best-suited strategies to engage their target audience, to increase online visibility while exceeding online sales and revenue objectives.

With over 1,000 successful client engagements, execution of over 4,500 projects and over 230 award wins during the past 13 years, we are proud to be widely considered a thought leader in Asia.

Visit https://www.emarketingeye.com

Join us on this road to recovery, as together we can rebuild

As an initiative to help the Sri Lankan hospitality industry recover during this time of need, 'Truly Sri Lanka' (www.trulysrilanka.com) - eMarketingEye's premier destination website promoting the island, will be offering all local hotels an opportunity to be featured on the website for free!

By registering, your brand will experience a range of benefits including free exposure and listings from all digital marketing activities by Truly Sri Lanka including SEO, PPC, Social Media and many more.

Let us all join hands and prepare now for a better future by rebuilding the industry while reminding the world about the beauty and enchantment of Sri Lanka.

Grab this opportunity to get ready to promote Sri Lanka's destinations and what our wonderful island home has to offer, once we overcome this current global pandemic!

Register for free now:
https://www.trulysrilanka.com/register-your-hotel-property.html

Join us on this road to recovery, as together we can rebuild

Sri Lanka's Tourism Industry

Feature your brand on
Truly Sri Lanka for free

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Stay Informed, Responsible and Safe!

As an effort of a responsible corporate citizen, eMarketingEye launched 'Sri Lanka Stay Safe' www.srilankastaysafe.com - a website with the aim to empower individuals on how to mitigate the threat by the Novel Coronavirus (COVID-19).

Offering an easy-to-refer compilation of useful information we aim to increase awareness to the general public on the current situation in Sri Lanka. Read on crucial and helpful segments such as Symptoms, Prevention, FAQs, Latest News and Updates.