



# AVIATION AND TOURISM IMPLICATIONS FOR THE CARIBBEAN

News / Airlines, Airports / Routes, Events / Festivals



by Professor Gavin Eccles

Aviation and Tourism are often referred to as being, ‘two-sides-of-the-same-coin’, meaning that they may differ in their vision, but one is not without the other. Back in 2019, according to the United Nations World Tourism Organisation, there were roughly 1.4 billion tourists, of which, around half travelled by aviation. Without good connectivity, can destinations really have tourism?

The pandemic threw-back the philosophy of domestic tourists, and, new holiday experiences were coined - ‘stay-home and ‘staycations’. The United States and China witnessed a massive surge in domestic tourism, and, during 2020, the fastest growing airport in the world was Bozeman International airport in Montana. The reason being, tourists were fleeing to the national park, and, not cities, and, an airport close to the Yosemite National Park, which, was having a few flights a day, all of a sudden was with slot restrictions.

Domestic tourism is not going to go away, but, as countries re-open, and, we learned to live with Covid-19, aviation and tourism is strongly back on the agenda. In Europe as an example, capacity traffic from northern Europe to southern Europe is actually above pre-covid levels. The strength of the low-cost airline recovery and rebuild of carriers such as Ryanair, EasyJet and Wizz Air is seeing unprecedented demand for tourists to fly south for much-missed holidays on the beaches of Spain, Portugal, and Italy.

### **Is tourism really back?**

Airline capacity is one part of the jigsaw. Putting planes back in the sky has been easy but, having staff to fulfil all these routes, and, airport personnel to manage all this 'new traffic', is another story. One needs to support demand generation also. Getting load-factors on planes back to pre-covid levels of 80% (90% of the low-cost carriers) is the challenge now for the tourism boards. Re-building the vision and storytelling of 'why visit?'. And, with all crises, one can also say, we have opportunities. New source markets for destinations can now be considered, as, the challenge we have all faced is that, going back to what we used to do is not in our minds.

### **Key time for tourism boards to look at who was visiting pre-covid**

With which airlines, from which cities, in which periods of the year, etc? And, as some countries are not open for outbound travel, China, and, with the war in Ukraine, Russia outbound, what may be alternatives. The likes of Thailand, Vietnam and the Maldives were very heavily dependent on Chinese and Russian tourists. Looking back pre-covid is not a solution. And, for the rest, let's use this pause to re-set, and, re-look at who we want to our destinations. From which markets? Then study connectivity, and, can the tourist reach us? From which cities, and, with which carriers? With this at hand, it is time for the tourism board to take the place at the table with airlines and airports and build route connection business cases. To really put to the supply that we need to work together to drive such potential, and, how we can support the efforts both financially with incentives and campaigns, to, institutional support to the carrier that we are working in partnership for tourism and route development.

### **Airlines and tour operators have changed their business models**

What else we have witnessed with the pandemic is how airlines and tour operators have changed their business models. Pre-covid, aviation was very much focused on corporate/business travel, and, looking at how to make high prices and yield with the front-end of the aircraft. As business travel is not rebounding so quickly (as we continue the Teams and Zoom philosophy), many airlines are really developing their leisure proposition. Take Lufthansa as an example. During the pandemic they have launched a new leisure airline, that is focused on both short-haul and long-haul destinations. Eurowings Discover is the new name, operating Airbus A330 aircraft on long-haul routes (Barbados and Montego Bay in the Caribbean are being served) which have been learnt from the parent (Lufthansa). This allows Eurowings to now position to the travel trade in Germany that we have a leisure arm of Lufthansa available, that, can deliver your holiday needs. Fly Lufthansa for business to New York, and, Eurowings Discover to your holiday destination. What this has really proved is that the traditional airlines are picking-up on the new leisure travel trends, and, not sitting back hoping that corporate travel will return.

### **Dynamic-Packaging**

For tour operators, that, for many years had followed very much a fully integrated vision; whereby we own the travel agency, the aircraft, and, the hotel that you stay-in. In essence, the strategy had

been to acquire all areas of the tourism chain, from booking to sleeping. However, as the pandemic has hit the revenues, such a vision has been challenged, and, we are seeing many big tour operator groups selling their assets, and, working with what we now call, 'Dynamic-Packaging'. Rather than owning the supply chain, let's just own the customer. And, by owning the customer, they come to our channel to book a holiday, that, may now include a Eurowings Discover flight (where we have signed a volume-contract on seats), rather than having all the costs, and losses, of owning our own airline. In conclusion, this new dynamic model gives the operator more flexibility to work with airlines and tourism boards to develop new and exciting projects, and, can help with challenges such as seasonality.

### **Bringing this back to the Caribbean.**

How can the destinations work a closer relationship with their airports, and, to instigate new discussion and conversation with airlines. How can changes in the supply work in favour of the destinations. During the forthcoming CARIBAVIA Conference in St. Maarten, a focus on pushing for the creation of air service organisations that allow for the islands to draw together the tourism boards, the airports, as well as the hotel and attractions companies to really debate and discuss three key questions:

1. Which source markets do we believe can help build our tourism offer in the next 5 years?
2. From these markets, which cities/regions do we believe can sustain our offer?
3. To whom do we then need to talk to (airlines and tour operators), that can work with us to deliver our tourist levels?

Returning to the opening discussion, tourism and aviation are really the same side of the coin. Behold those that think differently....



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At the CARIBAVIA Conference, June 14-16 on St.Maarten, he will present a keynote titled “Aviation and Tourism: Cases and Best Practice And Implications for the Caribbean”, as well as a workshop “Bringing Tourism Boards & Airports Closer Together”. ([www.caribavia.org](http://www.caribavia.org)).

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