

THRIVING IN THE “NEW NORMAL” THROUGH TECHNOLOGY AND TRANSFORMATION



June 2020

COVID-19 pandemic has brought about an unprecedented impact on global tourism. As of April 2020, it is estimated that there will be over 100 million job losses in the tourism industry (refer to Chart 1) and up to US\$2.7 trillion of GDP lost, of which over US\$1 trillion will come from Asia (refer to Chart 2)¹.

The pandemic has also dealt a major blow to Singapore's tourism industry, as events are cancelled or deferred, attractions and entertainment venues are closed. Travel restrictions on short-term visitors are put in place to curb the spread of the virus. Singapore saw a 92% fall in total visitor arrivals in March and April compared to a year ago, the lowest since the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003. This has affected the entire tourism ecosystem in Singapore - hotels, travel agents, attractions, MICE, integrated resorts, aviation, and more.

TOURISM WILL NO LONGER BE THE SAME - WITH FUNDAMENTAL SHIFTS IN CONSUMER EXPECTATIONS AND INDUSTRY OPERATIONS

Just like how 911 had drastically changed the way people travel, the COVID-19 pandemic will bring about major changes in the tourism industry and consumer expectations.

One key development will be a growing emphasis on factors pertaining to hygiene, health and safety amongst consumers. Given

the high transmission rate the world has witnessed during the COVID-19 pandemic, it will be a risk that consumers will have to consider when travelling. As such, travel will no longer purely be a decision driven by the aspiration to travel or attractiveness of a destination. The ability of a destination and its tourism establishments to provide good health and sanitation practices will be vital in inspiring confidence and influencing consumers' choice to travel. It is likely for consumers to prioritise quality brands that can provide trust, especially for families and seniors alike. In addition, consumers would be more adept at using digital tools and may choose to consume services and experiences in different ways.

There will be significant changes in the operations of the tourism industry. New regulations and safe management measures will be implemented and become the "new normal" all would need to get used to. These will need to be in place to strengthen assurance of health and safety for Singapore's visitors, tourism stakeholders and the community at large. Examples of such measures include establishment of protocols for the exchange of health records and screening, declaration of travel history, regular temperature taking, accurate records for contact tracing, prior to visitors' arrival and during their stay in-destination. It should also be expected that some events and activities might not return to

normalcy for years to come, such as large groups of guided tours or massive travel fairs. As such, tourism businesses will need to create new revenue streams, instead of trying to drive demand from a significantly reduced customer base for impacted offerings, to sustain business operations.

SINGAPORE NEEDS TO GET READY FOR THE NEW NORMAL

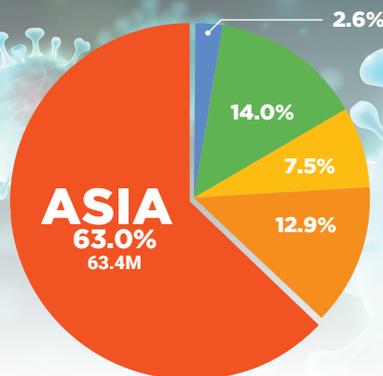
Singapore tourism businesses must act now to transform and build up critical capabilities to be ready for the future. Business leaders need to lead the way to guide their organisation to embrace and implement changes, to be in a better position to take advantage of recovery and ensure business continuity.

Innovation and technology will play an important role, to future-proof our industry and be ready for the new normal. This paper highlights five opportunity areas which tourism businesses can adopt technology tools and innovative solutions so as to thrive in the new operating environment. These fall into two broad categories - the first two opportunity areas being front-of-house, and the last three opportunity areas being back-of-house:

¹Source: World Travel & Tourism Council, WTTC now estimates over 100 million jobs losses in the Travel & Tourism sector - and alerts G20 countries to the scale of the crisis, 24 April 2020.

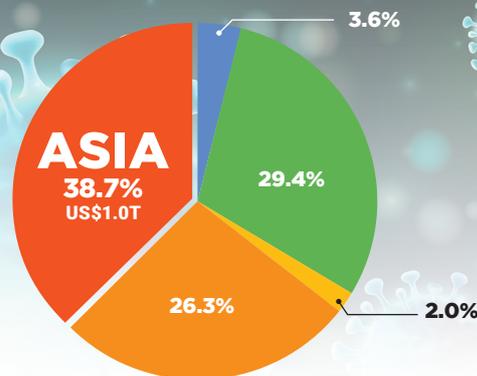
IMPACT OF COVID-19 ON TOURISM GLOBALLY

CHART 1: ESTIMATED JOB LOSSES



Total job losses: 100.8 million

CHART 2: ESTIMATED GDP LOST



Total GDP lost: US\$2.7 trillion

ASIA EUROPE AFRICA AMERICAS MIDDLE EAST





2

PROVIDING NEW WAYS FOR CONSUMERS TO EXPERIENCE DESTINATION AND OFFERINGS TO BUILD BUSINESS RESILIENCE

4

As a result of the stay-at-home measures implemented by governments worldwide, consumers have fast become adept with using digital tools to aid in remote work. These applications - virtual meetings, webinars and online networking, helps to perpetuate consumers' proficiency. As such, tourism businesses need to reimagine the different ways which consumers can experience Singapore and consume its offerings - without being here in person - in order to maintain international presence currently and identify new revenue streams later on.

For the leisure segment, tourism businesses can create and monetise virtual offerings such as virtual tours, gamification or presenting content over mixed reality enabled by augmented reality/virtual reality (AR/VR) solutions. These could be applied to both outdoor tours such as the exploring of our precincts and places of interest, as

well as indoor tours such as digital exhibitions and in museums walk about. All these can be done prior to the resumption of international travel. For the business segment, MICE businesses need to adapt the business model and adopt solutions to enable the delivery of hybrid events consisting of both physical and virtual attendees, that would still allow for effective engagement, networking and achieving of business objectives while certain travel restrictions are still in place.

Even when travel resumes, there will always be a group of customers who would prefer to explore the destination at their own pace and space without being in close contact with other large groups of tourists. Tour operators can look into solutions that enable these visitors to embark on a self-guided tour on their personal devices with elements such as AR/VR content, digital maps, real-time recommendations based

on geolocation, that can provide an enriching and personalised experience for the visitor - akin to a virtual companion that would allow them to understand the local stories in an engaging and personalised way.

The implementation of these solutions would enable tourism businesses to provide more flexibility for consumers to experience Singapore, maintain mindshare and potentially create new revenue streams to build business resilience.

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3

REAL-TIME MONITORING OF TOURISM FACILITIES AND EFFECTIVE CROWD MANAGEMENT

Given the increased emphasis on health and safety, it would be important to have real-time monitoring capability in key tourism infrastructure and venues. Information on environmental hygiene such as density of people flow and air quality to visitors will need to be accurately and easily visualised for the customers. This would allow customers to plan their movements, prioritising paths that are less populated or deciding which parts of the establishment to visit to avoid over congregation of people.

It will be wise for tourism businesses to now invest in technology tools such as IoT sensors as well as data and video analytics to capture and process information

such as people count and hygiene indicators. The appropriate digital infrastructure would also have to be put in place to enable quick visualisation and easy access of data for the visitors. Smart solutions with automated alerts could also help operators to identify hotspots or to sound the alert when an indicator is nearing the limits of safe management measures on a real-time basis, so that timely interventions can be undertaken to rectify issues and manage crowds.

Over time, this information would provide tourism businesses with valuable insights to formulate plans for space reconfiguration and programme redesign, for better facilities and crowd management in the long-term.



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5 MAINTAINING HIGH LEVELS OF CLEANLINESS AND HYGIENE THROUGH NEW SOLUTIONS

Tourism establishments must maintain high levels of cleanliness and hygiene, in order to provide a safe physical environment for customers and staff. A well-sanitised venue would also reduce the likelihood of contagion spread and enable the establishment to uphold a good reputation. Examples of solutions could include UV disinfecting robots, effective sterilisation of surfaces and items used by multiple people, sensors and purifying systems to detect and control quality of air, ensure food safety standards with the use of technology, etc.

Tourism establishments should endeavour to participate in the SG Clean certification programme, to ensure that they are adopting best practices and hygiene standards through maintaining professional standards of cleanliness as well as screening of employees and visitors. More than 800 tourism establishments have been certified in Singapore as of 1 June 2020. The SG Clean quality mark will aid establishments to instil confidence amongst consumers and provide them with assurance to patronise the establishment.



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Transformation goes beyond the adoption of technology. To further support the industry in their digital transformation efforts, STB has developed a set of tools under a three-step "Learn-Test-Build" framework to help tourism businesses learn more about themselves, test their concepts or ideas, and build solutions that last and meet customers' needs. Companies can find out more and leverage the initiatives under each pillar at <https://go.gov.sg/threehouse>

NEXT STEPS

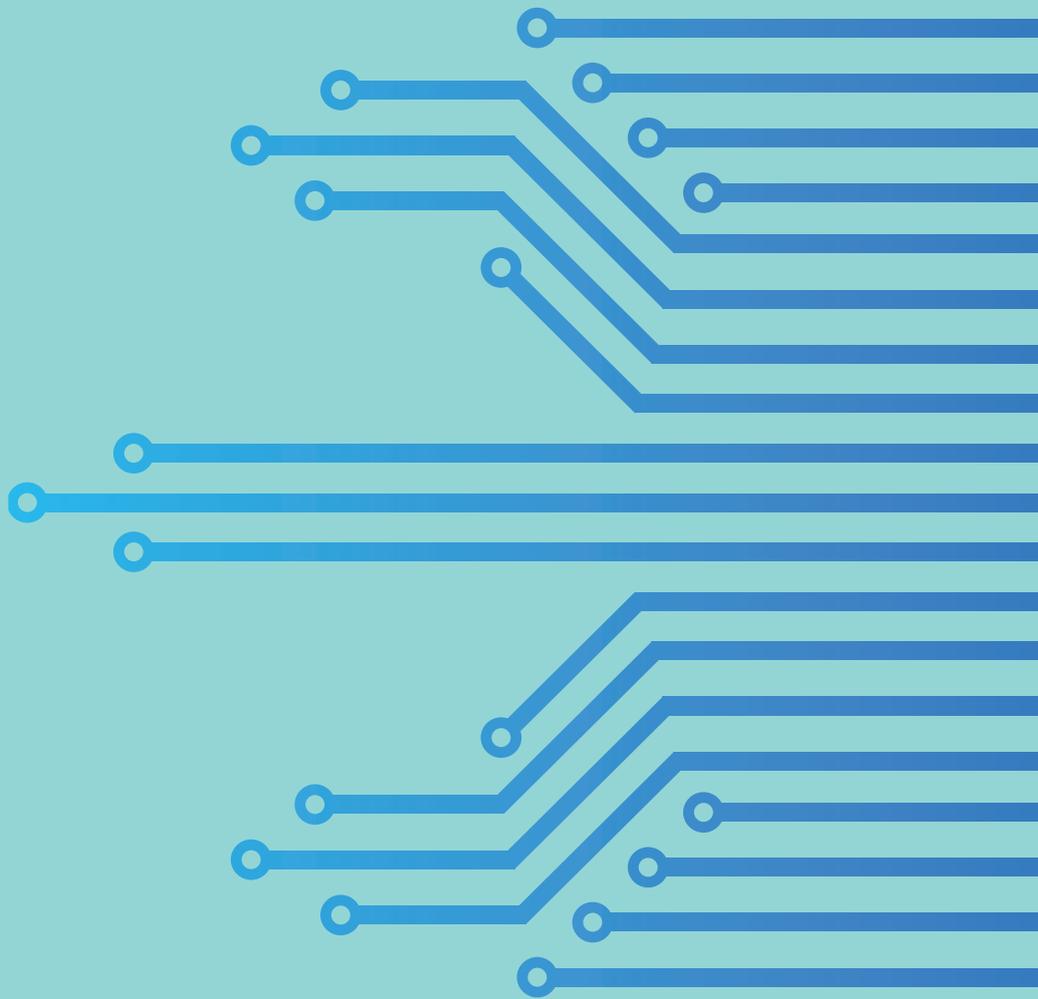
OPEN CALL
FOR SOLUTIONS

THRIVING IN THE "NEW NORMAL" OPEN CALL FOR SOLUTIONS FOR THE SG TOURISM INDUSTRY

To help industry accelerate the adoption of new technologies and innovation and be future-ready, STB is launching an open call for solutions that can address the opportunity areas highlighted above. The aim is to enable our tourism industry to transform their businesses faster, and thrive in the new normal of the post-COVID world.

Proposals must be submitted by
5 July 2020, Sunday, 2359hrs

Shortlisted solution providers will be invited to pitch to industry in July via online webinar(s), and industry stakeholders and solution providers should leverage this opportunity for business matchmaking. More details of the Open Call are appended in the Annex document here:
<https://go.gov.sg/covidopencall>



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