

RESEARCH

Zika virus less likely to impact plans of wealthiest travelers: report

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View of Bogotá, Columbia from Mount Monserrate; courtesy Four Seasons

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Frequent and wealthy travelers are less likely to change travel plans due to the Zika virus, according to a new report by Fluent.

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Although the Zika virus' symptoms to the infected individual are generally mild, infected women are significantly more likely to miscarry or give birth to a baby with microcephaly, a neurological disorder characterized by an abnormally small head circumference and brain size. The emergence of such a virus will inevitably influence travel plans, the silver lining for hoteliers is that their primary target is less influenced than others.

"Frequent travelers are more comfortable with travel in general and the risks associated with it," said Matt Conlin, president of **Fluent**, New York. "Since travel can be expensive, these frequent travelers typically have higher incomes, so we are talking about many of the same people."

"Fluent Travel Pulse: The Impact of Zika on American Travel & Tourism" categorizes responses from 3,312 Americans regarding the Zika outbreak and its potential impact on their travel plans.

Approaching with caution

Although the Zika virus was first identified in 1947, an outbreak in Brazil that began in April 2015 has since spread and now can be found in much of South and Central America and the Caribbean. The disease is transmitted primarily through the bite of a mosquito carrying the virus but can also be transmitted sexually.

Zika fever, the infection caused by the virus, often has no symptoms or only mild symptoms resembling dengue fever, with the link between the virus and microcephaly in newborns having been scientifically verified in recent days.

In response to the epidemic and because there are no medicinal treatments or vaccines, many countries have put out travel warnings. Women infected with the virus have been advised to avoid pregnancy for between eight months and two years.



Fendi Sao Paulo store

Unsurprisingly, then, 44 percent of respondents said that the virus would prevent them from planning a trip to the Caribbean, Central America or South America in the coming months. Almost as many 43 percent say they would cancel a trip they had already purchased tickets for.

These numbers, as expected, are higher with women, as the virus' primary danger is in birth defects. Forty-nine percent of women would prevent planning a trip compared to 38 percent, with numbers a bit closer for cancellations.

Rates are highest for those in households making less than \$75,000 per year, with almost half canceling or not planning trips. By contrast, slightly less than one-fourth of respondents with over \$150,000 of annual household income say Zika would influence their plans.

Numbers are similar based on expected number of international trips. Almost half of those with two or fewer trips would change plans, while around one quarter of those with three or four such trips would act similarly.

Although the breakdown by demographics is better for those in the high-end hospitality sector, losing up to one-quarter of potential clientele is still a tough break. While wealthy and frequent travelers may be less influenced than others, the impact is still significant.

On the other hand, many luxury chains do not have hotels in areas primarily affected by the outbreak. Four Seasons will soon open in Bogot, Columbia, which has been heavily impacted, but Ritz-Carlton's only South American hotel is in Santiago, Chile, which WHO projects as being at minimal risk.

There are no St. Regis hotels in the region, and Luxury Collection hotels are in lower-risk areas, while Fairmont, Mandarin Oriental and Peninsula do not have any hotels in the area.



Bogot, Columbia; image courtesy Four Seasons

Moreover, these numbers represent a snapshot of the consumer mindset at a particular moment and are subject to change. The data shows that the more a respondent has heard about the virus, the more likely he or she is to let it affect travel plans.

Given that Zika is a significant international topic right now and a subject of intense media scrutiny, consumers are more informed and more aware. Whether or not the situation improves, the news cycle will eventually move on, and as a result many consumers will not have the virus constantly in their mind. This in turn could make people more likely to travel to affected areas.

"People will be less worried if the news cycle moves on, even if the threat level remains the same," Mr. Conlin said.

"If Zika is no longer being constantly discussed in the news, the threat will naturally fade away in the minds of the average consumer.

"However, if Zika stays in the news, concerns will be heightened and travelers will likely continue to avoid affected areas, as it will be difficult for a non-expert to truly assess the threat," he said.

Asked where they would travel instead of affected areas, most consumers opted to stay in their country. Florida, California and Hawaii were common answers, comprising two-thirds of respondents. One-fifth would abstain from traveling elsewhere, with less than 10 percent opting for Asia or Europe and only 5 percent picking an unaffected Caribbean island.

Global radar

Potentially impacting brands across all sectors, 54 percent of respondents think the Rio de Janeiro Summer Olympic Games, slated to begin in mere months, should be canceled or relocated. Although no major conversations have taken place yet, or at least been made public, the Games' impact on tourism, shopping and sponsorships is enormous, and cancelation and relocation would put a burden on brands.

The Olympics are often a platform for brands to reach out to a global consumer base on a coveted and closely watched stage.

For example, Swiss watchmaker Omega delved into its role as the Winter Olympics XXII's official timekeeper with a multichannel effort that illustrates the mechanics behind its timing devices and celebrates the spirit of the games.

Omega served as the timekeeper of all events during the Winter Olympics in Sochi, Russia, Feb. 7-23, in addition to creating a 2,014-piece collection of watches to mark the occasion. The international buzz created by the Olympics introduced Omega to new audiences outside its primary markets and promote its stance as an innovative watchmaker with global appeal ([see story](#)).



Trump Hotel Rio de Janeiro

The Trump Hotel Collection has a location in Rio de Janeiro, meaning that it is among the hotel chains who could be most heavily impacted by the Zika threat.

It is not unusual for international crises or incidents have a noticeable impact on tourism, extending from the hospitality industry to high-end retailers that generate revenue in large part from wealthy tourists.

For the first time since 2011, Paris is not among the top 10 international destinations, according to a recent survey by Travel Leaders Group.

The Nov. 13 attacks in Paris, in which armed Daesh militants attacked several locations in rapid succession, leaving 130 dead and over 100 injured, are the major reason for the drop. At the same time, an optimistic consumer outlook projects to increased booking and spending in 2016 ([see story](#)).

Regarding the Olympics, while a move or full cancelation is as yet unlikely, many brands might devise backup plans just in case.

"Moving the Olympics would have an enormous local impact, as it would cause many fewer people to be traveling to Brazil this summer," Mr. Conlin said. "For large brands, it would have less of an impact, as their sponsorships could be easily translated to a new venue. A full cancellation, however, would have a much larger impact on sponsors and partner brands, who would then need redistribute their sponsorship budgets elsewhere."

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