Travel Industry Update
June 2, 2020

5 ways COVID will change airports

1. A mad dash for “touchless” technology
   • It’s widely anticipated that airports will transition to touchless technology at a much quicker rate as a result of the coronavirus pandemic.
   • “We are seeing five years’ innovation in five months, and much of the impact will be permanent,” said Ibrahim Ibrahim, the managing director of Portland Design, a London-based design consultancy with a focus on transit hubs and airports. “We will see a turbo-charged uptake on tech-driven zero-touch check in, security and boarding.”
   • To verify passenger identities, driver’s licenses and passports are being replaced with facial-recognition and iris-scanning biometrics.
   • “Your mobile phone will become your remote control to manage your travel,” said Andrew O’Connor, vice president of portfolio management at Sita, an air transport technology company. “Today, you can interact with a check-in or bag-drop kiosk through your phone, eliminating contact with surfaces. However, in the longer term we see your digital identity being stored on your mobile.”
   • Sita envisions airport experiences will be walking ones, where identities are verified in seconds and passengers are kept in constant motion. Its Smart Path technology is used at airports in Athens, Brisbane, Doha, Muscat, Orlando, Miami and Boston.
   • Dubai International Airport has a “smart tunnel” that uses biometrics to speed up immigration control. With it, passengers can clear an immigration check in 15 seconds.
   • Airlines may use mobile phone notifications to quietly call customers to board instead of having people line up to board.

2. Changing the security line
   • Booking appointments to pass through security is one way to reduce crowds and long lines. At Montréal–Trudeau International Airport, passengers book their own screenings. But Tim Hudson, an aviation leader at the global architectural firm Gensler, said airports could assign spots similar to “easy-access passes offered by amusement parks.”
   • “With the use of smart technology, the airport would assign passengers a dedicated time slot to enter the security checkpoint,” said Hudson. “This strategy will allow airports to anticipate and manage passenger loads, while helping passengers minimize contact with other passengers and contaminated surfaces.”
   • “As travelers, we have to opt into the process and become more comfortable with sharing our private information,” said Hudson. “If travelers are willing to give up a little more data, the process from curb to gate will be much more streamlined.”
   • “Biometrics work to confirm your identity and the validity of your travel documents, not what you’re carrying with you,” said Liddell. “Other technologies, such as computed tomography, which applies algorithms and the creation of 3D
images to detect explosives and other threats in baggage, as well as other computer vision systems, are emerging to innovate how airports and TSA address the prohibited items problem.”

3. Cleaning everything from luggage to people
   - Simplifying, an airline marketing strategy firm, predicts luggage will be fogged and “sanitagged” on the check-in belt. Carry-on luggage (as well as the bins) will be disinfected by fogging, UV-light or another quick technique in the X-ray security machine.
   - Hong Kong International Airport is testing a full-body disinfection booth made by CleanTech that disinfects from head to toe during a 40-second sterilization process.
   - Airports will be cleaned more often with emphasis on touchless methods of disinfection.
   - Hong Kong is using Intelligent Sterilisation Robots to kill up to 99.99% of bacteria and viruses in the air.

4. More relaxed and spacious terminals
   - Digital payment systems will be introduced that will make tills, cashiers and conveyor belts increasingly redundant.
   - Autonomous vehicles, robots and artificial intelligence will play bigger roles, especially in ways that eliminate lines and crowds.
   - Louisville’s airport has installed a virtual information booth where passengers can speak to a representative through a live video feed.
   - Dining and retail areas may eventually be separated, with virtual reality or holographic imagery to show buyers options and purchases delivered by a bot, predicts Faith Popcorn, CEO of marketing consulting firm BrainReserve.

5. A check on disease, rather than a conduit
   - As airports are adding cameras and sensors to combat Covid-19 infections, it is possible that air hubs could eventually become a place to detect and contain emerging health threats, rather than the unintentional vector of disease that they are today.
   - Etihad Airways is testing kiosks in Abu Dhabi International Airport that monitor body temperatures and heart and respiratory rates.
   - CT lung scanning could be implemented, as Simplifying predicts, with results produced before passengers can fly.
   - Staff at Doha’s Hamad International Airport are donning smart screening helmets that assess body temperatures using thermal imaging, artificial intelligence and augmented reality.
   - Those measures are not foolproof, however. As people infected with Covid-19 can be contagious while asymptomatic or before the onset of symptoms, airport screenings can feel more like a sieve, sifting out only the most obvious cases.
   - “Based on the figures, it seems that coronavirus infections are rarely found through airport screening,” said Taneli Puumalainen, chief physician at the Finnish Institute for Health and Welfare, in an interview with Finnish airport operator Finavia.
   - Much ado was made when Emirates began trialing rapid finger-prick blood tests to a small subset of passengers last month. The tests were for antibodies though — not Covid-19 infections — and when accuracy rates were found to be around 30%, the Dubai Health Authority, who administered the tests, banned them altogether.
American Airlines permanently drops service to Oakland

- American Airlines will end service to Oakland, California, on June 3 becoming the first U.S. carrier to say it would permanently exit a city because of the coronavirus pandemic.
- The airline will continue to serve nearby San Francisco (SFO) and San Jose (SJC) airports.

JetBlue

- The airline has halted its single daily flight between the Albuquerque International Sunport and New York's John F. Kennedy International Airport, having successfully requested permission from the federal government. The airline said the service cut is temporary.
- CEO says airlines must rethink the $200 change fee.
- Airlines will find it difficult to resume their previous practices for change and cancellations fees when the Covid-19 pandemic subsides, according to JetBlue CEO Robin Hayes.
- “It's not going to be acceptable, I don’t think, for somebody who is unwell to feel that they are being made to fly,” he said. “And so, I think airlines are going to have think about how they monetize their fare structure, how they create products that give people the ability to change flights more easily than in the past.”

Southwest offers buyout package

- The airline ‘most generous buyout package in our history’ in effort to trim workforce and to avoid layoffs or furloughs this fall.
- Most Southwest employees with more than 10 years at the company would get a year’s pay and four years of flight privileges if they opt for early retirement. Pilots would get paid about two-thirds of their average salary for five years or until they hit 65, whichever comes first. Early retirees would also get a year of company-paid health insurance.
- “Even with these offerings, we can’t guarantee that we won’t have to lay off or furlough employees in the future,” the Southwest document said. “We are offering this program to take voluntary steps first.”
- Employees have until July 15 to apply for the programs.

Easyjet hopes to fly 75% of its routes by August

- EasyJet says it hopes to resume flights on 75% of its route network by the end of August, although the number of daily services will still be significantly down for a normal summer season.
- Customers and cabin crew must wear face masks, and no food will be served.
- ”Flights will be at a lower frequency than normal, meaning the airline will operate at around 30% of its normal capacity between July and September," the airline said.

Marriott re-opens all hotels in China; US hotels are seeing a steady increase
Marriott International has reopened all its hotels in China and is seeing a steady recovery in the United States, its biggest market, Chief Executive Officer Arne Sorenson said on Monday.

“It’s not just leisure travel growing, but it is business travel. Chinese are flying again,” Sorenson said at a Goldman Sachs conference.

In the United States, Marriott’s hotels that remained open crossed the 20% occupancy threshold and continue to see an improvement, Sorenson said.

“The (U.S.) hotels that are performing strongest are those that are most dependent on drive to business.”

The company had an occupancy rate of about 12% in North America in April, with 16% of its hotels closed temporarily.

However, Sorenson warned that it could take Marriott a few years to get back to levels of occupancy seen in 2019, when its global occupancy rate was 71%.

**Expedia Group Commits $275 Million to Partner Recovery**

- Expedia Group, one of the world's largest online travel agencies, is committing $275 million to help partners rebound from the impact of COVID-19 and fuel industry-wide recovery efforts.
- Expedia Group is committing $250 million in marketing credits and financial relief.
- To better understand when demand will return to a market, Expedia Group is providing proprietary data to track trends through a new analytics tool called Market Insights.
- To support chains and owner groups, Expedia Group released a streamlined version of its optimized distribution solution that allows lodging suppliers to more effectively manage the distribution of wholesale rates among third party travel providers.
- To re-ignite demand through market awareness, Expedia Group Media Solutions, the global advertising organization of Expedia Group, is opening a $25 million fund for destinations.
- To keep travel top of mind, Expedia Group is rolling out a series of global brand campaigns.
- To help furloughed and displaced workers advance during this time, Expedia Group has created a complimentary training and education program called Expedia Group Academy. The program offers skill development through online learning modules and live content led by Expedia Group subject matter experts and travel industry leaders.
- To ensure customers can book with confidence, Expedia Group created a new feature for lodging partners to highlight the health and hygiene measures at their properties.
- To meet the needs of cautious customers and ensure booking flexibility, nearly 70% of lodging rate plans on Expedia Group sites are now refundable.

**Cruise line changes**

- Thermal scanners, UV lights to clean high traffic areas, and contact tracing may be some ways cruise lines change in response to COVID-19.
- **Norwegian Cruise Line** has announced a new program called Sail Safe which offers more details about the protocols they’ll put in place when their ships return to service.
- Being the first cruise line to officially announce their plans, Norwegian revealed that their new protocols would span six different areas.
  - All guests and crew will undergo extensive pre-embarkation health screening. There will be touchless temperature checks and continuous monitoring of guests and crew throughout your voyage.
Installation of medical-grade air filters, H13 HEPA, that remove 99.95 percent of airborne pathogens to ensure the air you breathe is clean.

All ships are thoroughly cleaned and disinfected prior to every voyage in accordance with company protocols, which are developed in partnership with the Centers for Disease Control's Vessel Sanitation Program. A 24/7 prevention schedule will feature continuous disinfection of public areas and high-traffic touchpoints.

Guest capacity onboard and in public areas will be reduced. In addition, staggered embarkation and check-in procedures will be implemented. All onboard activities will still be available, although operated at a reduced capacity, and in some cases, slightly modified in order to ensure safe social distancing.

Onboard medical centers will be fully equipped with the latest testing kits and medical supplies. A new dedicated Public Health Officer will be on every ship.

NCL is partnering with the destinations to which they travel and the tour operators there to ensure safety measures extend shoreside. Ships will only visit safe, open ports of call which may cause itinerary changes.

**Hawaii to end interisland quarantine June 16**

- In a first step toward restarting the state’s largest private employment sector, Hawaii’s tourism industry will begin opening up on June 16, but only for people traveling within the state among the neighbor islands, Gov. David Ige said on Monday.
- The announcement that interisland travel will resume came as industry executives have been expressing increasing frustration about the lack of a clear plan for reopening an industry that provided about one in six jobs statewide before it was all but shut down to control the spread of COVID-19.
- Opening to interisland travel first is a safer incremental step: a soft opening that can give some businesses a reason to restart and gear up for a more expansive opening later.

**Japan considering allowing some business travelers**

- Japan is considering re-opening its borders to travellers from selected countries which have low levels of coronavirus infections, as it begins to ease restrictions put in place earlier this year to control the outbreak.
- Media have reported that the government is also planning to allow travellers from Thailand, Vietnam, Australia and New Zealand into the country in the coming months.