



COLLECTIVE *#hoteliers*

3rd April 2020

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Every company needs to outline and save some budget for sales, marketing and distribution efforts for the day business starts recovering. If you are not spending on eCommerce at the moment you're not going to be one of the winners, but one of the losers.

Executive Summary

BART
BEERKENS



PLATENO

LENNERT
DE JONG



CITIZEN M

MICHAEL
END



25HOURS HOTEL
COMPANY

GEORGE
WESTWELL



CHEVAL
COLLECTION

COLLECTIVE #hoteliers

APEX HOTELS



CLINTON
CAMPBELL

KEMPINSKI



WILKO
WEBER



DAVID
SILVER

*Due to some representative
company PR policies not all
attending companies and
representatives are named.*

INITIAL CRISIS FINDINGS // RESPONSES

Cancellations

Allowing free cancellations up to May 31st, 2020, irrespective of the segments and prior agreed upon T&Cs.

Cash flow

The major concern for all companies.

Will companies be able to bypass until recovery?

Teams

Head office team moved to 'home-office' within 48 hours.

Covid-19 crisis

Challenges existing Terms & Conditions and contracts agreed upon.

Teams Commuting

Company organized transportation, so no employee has to use public transportation anymore.

Partners

Confronted them with a bankruptcy model for the coming 3 months.



GOVERNMENTAL RESPONSE

“Ultimately Cash Flow and the support that governments make to hospitality businesses in particular over the next 3 - 6 months is going to be crucial.”

Switzerland

For all types of businesses (individual, small to medium-sized). Quick turnover, some companies already received first funds. Very pragmatic, providing loans at zero percent interest.

Netherlands

*The dutch government is protecting the cash flow of banks and companies to be flexible, waiving taxes, awarding 90% of the endured loss for the coming 3 months to the companies as a grant, covering staff costs.
90% of the salary is covered by the Government, priority is to avoid unemployment.*

Germany

It will be easier for very small and the very big ‘too big, to lose’ companies, such as Lufthansa. For mid-sized companies it almost seems conditions to receive loans became even stricter. Currently the offered support seems predominantly to be “regular” loans companies can apply for under “regular” at times apparently even stricter conditions, and by regular due diligence conducted before granting.



UK

Response in general is good, but shallow in detail.

Initial communication was helpful and took away anxiety of people. Overall the communication is too vague though, which is causing confusion.

The time lag of actual funds being transferred to the companies is a huge risk, since many companies do not have the necessary cash flow to cover the advance payments of salaries to bypass until they receive the refunds from the government eventually.

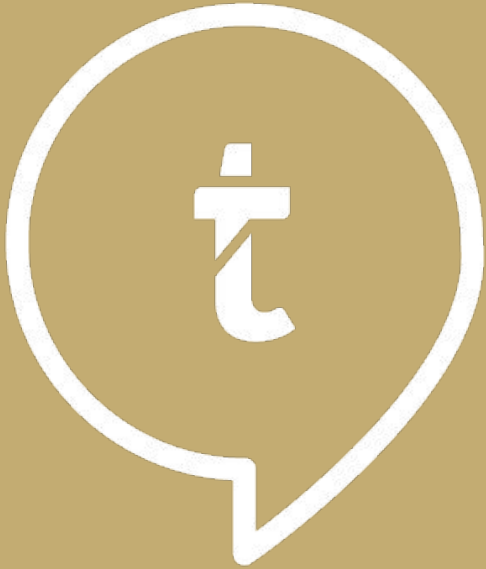
UK's support for the employees is insufficient, since not all target groups are covered. (i.e. agency staff are not protected)

Due to the unknown time lag between applying, being granted and actually receiving the promised governmental fundings or credits, cash flow is the biggest challenge in countries such as Germany, Austria and the UK. Not many companies will bypass this period just based on their savings.

GOVERNMENTAL RESPONSE

“Indeed it is a Cash Flow topic that one needs to look at right now. It's not so much the net term balance, but it's the short term way how you deal with this challenge.”

Partner // Suppliers



Hotels and most of their suppliers are in this together.

Suppliers are affected in the same way, since their revenue streams are directly depending on the revenue generated by the hotels.



Partners, Vendors, suppliers etc. showed flexibility and willingness to cooperate overall.

This is probably partially motivated by not having any other option, as well as being interested in an ongoing mid- and long-term relationship with the hotels and by avoiding additional work by opening any legal cases.

However some partners did not show flexibility so far.



LEASE PAYMENTS

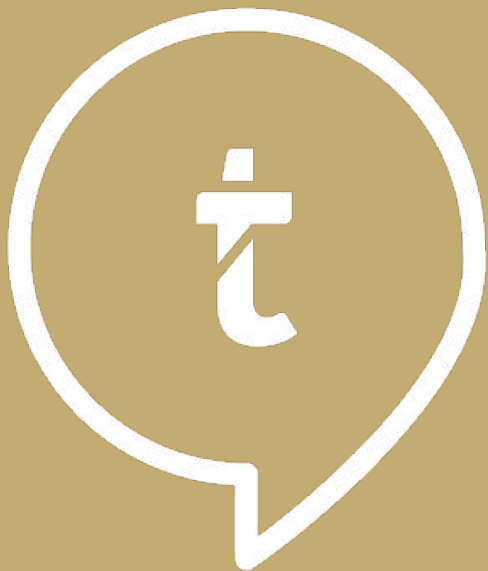
*“Overall flexible so far, mostly
payment delays achieved.
Problem on hold, not solved.”*

GENERALLY landlords/owners showed to be flexible, depending on size and background, willingness to postpone payments and open to alternative payment terms, waiting for the government to propose a solution.

BUT lease payments are posing a huge threat, since the ‘problem’ is not solved by agreeing on payment delays, but postponed.

OWNERS want to maintain the business as well for the future and are putting this one ‘bad’ year in perspective versus contract periods of 10, 20 and some even up to 50 years.

In Germany a difference between privately and governmental owned was noticed. Governmental property owners did not show any flexibility.




Rebound Scenarios // Stages

Learning from China is that domestic markets will be the first ones to rebound with a very short pick up window.

Only when airlines arrivals and capacity starting to recover, international travel will slowly pick up too.

Alternative Positioning

Potential in renting Rooms as Offices to Companies that want to provide their employees with a safe, clean working environment, but do not want to open the official offices yet, but can't expect their teams to work from their private homes any longer.



*“The year 2020
is considered
lost financially
already”*

*“Partnership Management -
Communication is key”*

CONSUMER BEHAVIOUR

Cleanliness and Hygiene will be driving criteria - Ranking, selection of hotel etc.

That will be probably also reflected in the listing/ranking algorithm of OTAs/Metas.

MARKETING & E-COMMERCE

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An aerial photograph of a city at sunset, with a large airplane wing and tail visible in the foreground. The sky is filled with soft, golden clouds, and the city below is bathed in the warm light of the setting sun. The text "Thank You!" is overlaid in a large, white, sans-serif font.

Thank You!