



RESPONSE TO CORONONA VIRUS – COVID-19  
HCI PRALLY CALLS  
877-256-0794

PTO RALLY CALL - April 20, 2020

**Purpose of the call:**

What changes are we seeing in April and for May?

**AGENDA**

**I How are you holding up financially – furloughs, layoffs, PPP applications?**

Everyone reports to doing well. Sales people are working hard to transition cancellations to future dates and still sell the programs that had been under discussion for 2021 and 2022 before all the cancellations began.

The concept of shared sacrifices was discussed as in one place everyone is working one day less per week to preserve as many jobs as possible. Others have had some layoffs, some furloughs and some are not hiring right away to fill vacancies. Others have had no changes in their staffing.

Several have applied for PPP loans and still have to learn if they are successful in this second wave of funding from the Federal government.

All report that they are optimistic about future travel and look forward to continuing to work successfully with our bank clubs. For those that work in other markets, they report that our bank clubs are by-far the most understanding, patient and willing to postpone trips for a future date.

HCI remains so proud of how well our bankers work with all of our partners and in particular the unusually strong, trusting and close relationship they have with our PTOs.

**II How far out are you cancelling tours right now?**

Every PTO reports that all business through June 30<sup>th</sup> is cancelled. Some have reported that business has cancelled through the summer. There have even been some surprising cancellations in 2021 due to the uncertainty of the large ship cruising challenges.

While every PTO is prepared to run their Fall tours, they are also prepared to cancel should the travel restrictions or preferences make it necessary. Planning for the best and always prepared for the worst is the mantra these days.

Many, many HCI bank clubs have preferred to rebook their cancelled trips for a future date and this has been very welcomed by all of the PTOs. Where refunds have been required, they have been provided. The airlines continue to be a nuisance as they are trying to only issue future travel credits, though some have had success getting refunds.

### III **What are you doing to keep our bankers engaged for 2021 and 2022 travel?**

Sales reps remain active and visible trying to touch base and just be the banker's friends right now, so that when the banker is ready to book, they will be ready to confirm. Mayflower has a new email campaign to keep them visible and Collette has created the hashtag: **#wewilltravelagain** campaign.

### IV **Other:**

#### **a. What are you hearing about non-PTO tour companies?**

This is a very important question to HCI, as we regularly receive interest from tour operators who would like to join HCI and become one of the PTOs. How they are performing during the most difficult time in their history will tell us a lot about them and whether they might be a good prospect to join HCI. There are clearly some issues out there and even companies that have closed their tours or filed bankruptcy. The PTOs all expressed that they are surviving financially and are pleased to be associated with one another and not some of these companies that are failing.

As a side note, there was discussion on the future role to be played by Credit Card companies and how they handle disputes. We expect those policies to be refined in the future as consumers are requesting credits on their card even after getting refunds from tour operators. This fraudulent practice will need to be seriously addressed by the credit card companies and even law enforcement.

#### **b. What can our partners do to help the PTOs business and be ahead of the marketing and booking windows so that they can succeed once travel restrictions are lifted?**

- **Leniency was an important point made by all.** Hotels, restaurants, attractions and so on will need to be more lenient in their policies concerning pricing, cancellations, attrition, deadlines and so on.
- **Price protecting is paramount.** Hold 2020 pricing through 2021. There is so much business being rebooked for 2021 and the tour operators are guaranteeing that the 2020 price will be held, that they need the same commitments from their partners.
- **Communications.** It is so difficult to communicate and book actual dates for 2021 and 2022 with the hotels as they are closed or working from home and don't have access to a quick confirmation process and price structure. The tour operators cannot wait, so they are booking with the expectation that they will only work with those partners who have been able to meet the new pricing and policies they require.
- **Open borders.** PTOs will be selling tours successfully in 2021 and 2022. They will not be selling tours to those countries that have closed their borders or are very late in reopening them. They need to have confidence that the borders will be open and then they can book travel to that country.
- **Marketing resources.** For CVBs, DMOs and such, tour operators can use new exciting videos around which they can wrap their brand to sell the destination. The tour operators are dependent on the destinations to create this product and those that do will have stronger consumer marketing efforts made by the tour operators.

All agreed to continue the Rally Calls on the 7-10 day schedule.