

**MARKETING IN THESE CHALLENGING TIMES  
OUR VIEWPOINT AT YPB&R AS OF 3/25/03  
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**WHAT SHOULD YOU BE DOING NOW AS A TRAVEL  
MARKETER?**

**First of all, if it is leisure travel, we believe it is premature to cancel any domestic advertising or related sales promotional programs at the present time for several reasons...**

**#1 We feel a pullback in marketing presence is a pessimistic signal that can trigger a downward spiral in travel demand.** In recent Yankelovich research, only 14% of consumers said they would be less tolerant of marketing and advertising during a war with Iraq. And as marketers, we need to accept responsibility for helping to maintain economic stability. It's OK to do appropriate marketing. Travel marketers can help people re-channel their anxieties, thus enabling them to revitalize themselves and the nation as a whole.

**#2 All indications are the conflict is likely to conclude quickly and successfully...**According to the Center for Strategic and International Studies, as well as other reports, most state the war in Iraq will last between 30-45 days.

**#3 We have not seen, thus far, a high number of leisure cancellations from our clients due to the Iraq conflict.** So far, as of 3/24, we have seen very little cancellations from our client's customers and other industry sources. Several major retailers have also stated business is as usual, with only slight decreases in customers.

**#4 Americans view travel as a birthright and many will continue to exercise their freedom of travel, especially to reconnect with family and friends.** These anxious times have made comfort and

connection key consumer needs. Travel offers a means for families and people to come together for periodic relief and comfort; to spend more quality time with loved ones especially during these stressful times. Travel can reduce the stress and anxiety created by 24-hour news coverage on the war. The need to “disconnect” from this barrage of information will be critical to consumers well being and mental health.

**#5 We expect leisure travelers to continue traveling and they are likely to opt for destinations closer to home.** Due to the economic challenges and consumer perceptions of the airlines industry... financial, capacity, security/safety and convenience issues... leisure travelers will be hitting the roads in greater numbers and will be willing to travel by car to greater distances.

**#6 Based on this, we believe there will be a pent up demand for travel to preferred family destinations.** We feel this summer will be a strong booking period, especially due to the anxiety and the strong need to reconnect, created by IRAQWARPHOPIA. In times of uncertainty, families yearn for normalcy and taking a summer vacation this year will be no different than the past. Consumers will seek out travel brands that promise to meet the need of comfort and connection, just like “comfort food”.

**Let me differentiate business travel from leisure travel... if it is business travel, we are recommending postponement of advertising and related sales promotional programs for the next 30-60 days, based on how the conflict unfolds. Companies have definitely cut back on travel expenses. Many have told their employees to travel **ONLY if it is essential.**** Half of the members of the Business Travel Coalition stated they had tightened U.S. travel policy for their employees.

## **We are also recommending the following...**

- **Eliminate all risks or hassles faced by consumers.** Offer no-risk guarantees. Provide safety nets and protections against losses. Calm security concerns with a demonstration of protection and safety. Make pro-active customer service a higher priority than ever before.
- **Concentrate on your best customers.** It costs 10 times more to market to a new customer than to your existing customers. Existing customers will be looking for stronger connections to what's known and comfortable. And in wartime, consumers will be less willing to expose themselves to the unknown. Stay in touch with your customers and let them know what's going on with you.
- **Remember marketing fundamentals.** Have a strong call to action. Sell the offer. Every marketing activity should motivate people to buy comfort and connection, which travel offers. In recent Yankelovich research, only 26% of consumers said that war would make them less interested in shopping and buying.
- **Use short-term tactics until things return to normal.** Offer promotions that provide big benefits if redeemed immediately. Reintroduce promotions or ads that were especially effective in the past. However, be clear with consumers these activities are temporary.
- **Keep all commitments flexible and adaptable.** Events will be rapidly evolving. Don't lock in plans that can't be changed. This may require paying a premium, but the adaptability will more than justify the expense.
- **Avoid flag waving and exploitation.** Don't play on consumer's fears and sensitivities. Avoid heavy-handed patriotic icons. Don't exploit ethnic or religious tensions. Yankelovich research states

82% of consumers said it would be inappropriate to exploit people's fears. 54% stated the same regarding excessive patriotism, and 52% stated the same regarding playing on religious tensions by making fun of Muslim fundamentalists.

*As of 3/28, YPB&R will have a website at [www.iraqwarphobia.com](http://www.iraqwarphobia.com) to provide further insights, research and related information regarding the war with Iraq and how it will and is effecting consumer attitudes/buying decisions as it relates to travel.*