

Terror attacks in Europe tests resilience of travel industry



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The impact of recent terror attacks in Europe on the international travel industry has been small, but measurable. The monthly Trans-Atlantic report from Donald N. Martin Company, Inc. sites a 0.5% decline in trans-Atlantic travel in June, continuing this year's trend of depressed growth.



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The low growth in Trans-Atlantic European traffic is in contrast to the US Department of Commerce numbers, which cite a 7.63% increase year over year through March with Europe remaining the most popular overseas destination for US travelers, a sign that at least for North American travellers, concerns about terrorist attacks don't seem to be a major deterrent from planning or taking trips to Europe.

Scott McCartney credited a strong dollar and cheaper airline tickets as the driving forces that were overpowering terrorism fears in a recent <u>Wall Street Journal article</u>, but the latest series of attacks including the attack in Nice and at the Ataturk Airport may test the industry in new ways.

The resiliency of the travel industry tested

A recent <u>Fox News article</u> cites a study from the <u>World Travel and Tourism Council</u>, which claims that the tourism industry can usually recover from the impact of a terror attack within 13 months. The council, a London-based industry trade group, put this figure in context by citing that the tourism industry usually takes longer to recover from disease (21 months), environmental disaster (24 months) and political unrest (27 months) than from acts of terror.

Yeganeh Morakabati, an associate professor at Bournemouth University, said that the travel industry is resilient and that people generally have fairly short memories when it comes to planning travel. "As long as the attacks are once-off, the impact tends to be small. This is what we have seen in the past," she said.

While the recent attacks in Europe have come in different locations, it's difficult to classify them as one-off attacks and the fear for those in the travel industry is that the cumulative impact of these terror attacks may be significant. The impact of terrorism on the tourism industry can indeed be significant depending upon the scale and nature of the attack. Following the September 11th attacks on the World Trade Center and the Pentagon, for example, a sharp and immediate decline in arrivals to the United States was observed, and the number of foreign visitor arrivals to the US did not return to pre-9/11 levels until 2007.

Only time will tell if the recent flurry of terror attacks in Europe, unprecedented in their frequency, will have a similar and long-lasting impact on the European travel industry, but polling by YouGov suggests that it will not.

The impulse to resist terror: most travellers undeterred

A recent <u>YouGov poll of high-income travellers</u> (defined as US adults with \$100,000 or more in annual household income) cites that 62% of those polled have not made any changes to their international travel plans in the wake of recent attacks, despite the fact that 54% of those polled "don't feel safe traveling overseas right now."

High-income travelers remain resilient in the face of terrorism, with 69% of those polled saying that "placing self-restrictions on my plans is the equivalent of letting terrorists dictate how I live my life." Only 7% of high-earning travellers polled have cancelled a booked trip in response to the recent terror attacks. YouGov's data indicates that 10% of all travellers polled have canceled their plans as a result of terrorist fears.

Cara David, managing partner at YouGov, summed up the survey results by saying "the desire to travel is strong... The fact is, people are standing up for what they want, and that is reflective of their independent spirit." As for the impact on business travellers, in the short term, you can expect to book airfare for reduced rates as many <u>airlines slash prices to keep people flying</u>.

ABOUT JOE HESSERT

Joe Hessert is a digital marketing manager at Auto Europe and maintains a personal blog at joehessert.com. He earned his MFA at the low a Writers' Workshop and his writing has appeared in the Los Angeles Review, New Haven Review, Fjords Review, McSweeney's and elsewhere. He writes about the international travel industry, digital marketing trends, and entrepreneurship.

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