

# *Perubahan yang Tidak Pernah Terpikir Sebelum Desember 2019, yang Harus Kita Terima Sekarang*



by Timothy O'Neil-Dunne, in Distribution, Featured, Marketing, Sectors, Social

## **Stage 1 – Denial: December 2019–January 2020**

When first reports of the Wuhan Virus emerged, there was a clear expectation that it would be contained just like SARS and H1N1 before it. The mechanisms worked well then – it's a Chinese problem, they must deal with it. No cancellations or refunds permitted – it's flu for heaven sake. The mission is to ignore the problem and wish it away. China admits it has a problem. Cases start to seep out of China particularly during the Lunar New Year season.

## **Stage 2 – OMG/Panic: February to late March 2020**

When the traffic bookings start to fall off and the cancellations start flooding in, panic starts. Slash schedules and costs. First line of defense? Don't panic. That lasts for only a short time. Borders close, cases mount – death toll soars. Airlines start pulling in credit lines and setting up new ones. Appeals start to the governments for help. As cases mount – “free changes now become the norm”. Appeals for massive immediate bailouts are appearing every day. Doomsday scenarios start to appear. Mass layoffs start. Airlines go full speed to stop. There are no cures, but way worse there are not enough medical resources. Testing is still not happening on any widescale. We learn new terms: Ventilators, Social Distancing, Gaslighting. New heroes emerge – medical professionals, yes even grocery workers. The economy of just about every nation simply shuts down.

## **Stage 3 – Repatriation and all ahead stop. End of March 2020.**

We accept the situation. Layoffs are universal. Airlines are too big to fail (or so they tell their governments). The mission is now – get people home; acting as an instrument of government, the airlines are now in the business of repatriation. Even after over three months since the virus first appeared, there is still no safe flying. Many travel industry workers start to get sick (like rest of the population). Country borders get locked down tight. The focus now is all about reducing the curve. Isolation becomes universal worldwide. Death toll mounts. Projections of deaths are now into seven figures. The USA is saying that deaths in the 50 States will be between 100-200,000; however, with a caveat that they could be as high as two million. Cases will escalate to eight or even nine figures. Second wave infections grow. Stimulus packages abound. Travel agents get in on the act with others who have their noses in the government handouts troughs.

## **Stage 4 – Reset/Anger, Essential Travel only: April and May 2020**

It's all quiet not just on the Western front but just about everywhere. With the airlines in shutdown, what started as creeping delay is moved to more permanent mothballing of the fleets. Reality sets in that the economic model of the airline is not as robust as has existed since de-regulation. All sectors are off and all similarly impacted. The overabundance of aircraft orders comes to a crashing halt. The reset period must be lengthy to bring back an essential part of human interaction and commerce. Airlines will only be permitted to fly essential routes. Traffic will be approximately 10-20% of normal with many airlines not emerging from the shutdown. Airline bailouts will moderate in the face of other sectors of the economy which will be more deserving. Environmental benefits from reduced transportation will emerge. Governments will pressure WHO to develop a standard for when borders can open.

## **Stage 5 – Safe Flight/Regulation: June–September 2020**

There will need to be a complete re-think of security and protocols for flying. Government and the travelling public will demand a “Safe Flight Protocol”. Universal testing of all workers and passengers will be mandatory, introducing it will be problematic and costly. Until a low-cost instant test (sub 5 mins) is widely distributed and available, all travel will remain constrained. Creating health buffer zones around airports will be required. Better for some than others. New season's virus mutation will have population in high tension mode. Constraints will remain in place. Vaccinations on a mass scale

will start, effectiveness against Covid-19 will be mixed. The next variation of the virus will cause concern. Traffic will drop again in Late September as the world watches for the next variant of the virus and the third and greater waves of infection.

### **Stage 6 – Recovery: October 2020–June 2021**

The economy will limp along, stubbornly not responding to any stimulus. Major projects for airports will be abandoned. Airframe OEMs will become massively reduced. Capacity particularly in runways will be freed up that was previously constrained. Careful reuse of assets will emerge. Governments will be required to ration out flights and/or encourage route swapping. Profligate competition will cease. Cooperation becomes the new normal. Interlining – Intercarrier connections become popular again. Traditional Alliances and Joint Ventures fall away in the face of need for reach over everything. The speed with which Safe Flight is implemented will determine the speed with which we get to stage 6. The effectiveness or the early deployment will determine how long we stay at stage 6. Consumer confidence will only return with a government largesse programme to encourage people to travel again of all forms. Legacy infrastructure will fall away – for example some high cost mechanisms such as IATA and GDSs.

### **Stage 7 – The New Normal: July 2021 and onwards**

Within three years we will be only about 75% of capacity of 2019. This will depend on the success of the testing regimes and how effective the airport safe buffer zones are. Realization of new habits and changed behavior that occurred during the isolation. The Zoom effect – moving even more to an all digital world will mean greater use of video conferencing which will severely impact 1:1 travel. Webinar growth will reduce Convention/Meetings travel. Certified safe places such as regulated hotels will become popular and home rentals without safe ratings will fall away. Airbnb will struggle. Hotels will have a new normal of much lower occupancy. Staying with family will become popular as will shorter business trips. The level of travel will become pegged to the economic health of any country. Some barriers to borders will remain in place long after the health issues are resolved.

Postscript. This new normal will ultimately be kinder and gentler, potentially. Much will depend on the political atmosphere. Xenophobia and a genuine feeling of anger will need to be channeled towards a supposed bad guy. Whether the citizenry of the major countries is prepared to feel charitable to their neighbors or take a hostile “it’s all your fault” – that becomes a critical question.

Author’s note: I have spent the past two weeks researching this story, and in doing so I spoke to a great number of my colleagues, acquaintances and friends. I would like to acknowledge their contribution in developing this model.