



FROM THE FRONT LINE
OUTLOOK: 2021

December 2020
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Introduction: As the infamous 2020 comes to a close we reflect on a year that has completely blindsided all of us and sent our industry into a tizzy with staggering loss on the human and economic side.

In our last trends report we predicted 2020 would be an end to what seemed an endless growth period with superlative spending and record occupancy. Before the pandemic things were starting to soften – albeit just a bit. Top urban environments were becoming oversaturated and while we like to blame a lot on the pandemic, let's be honest, a lot of it was about to happen anyway -- though at a much softer –and predictable blow.

Since then, our crystal ball has been broken for months. While we've made many attempts to publish this quarterly trend report "*From the Front Line*," thoughts seemed obsolete or irrelevant as quickly as words were impressed on paper.

So today we present a modified report of what we are seeing as emerging long-term "*post-Covid*" trends and hypothesize what the world may look like in 2021.

At the close of 2020, notions of viable vaccines in our reach reign in a chapter of optimism, tempered by a fierce resurgence in global Covid cases and skepticism brought on by a continued lack of trust –in well, anything. Some days look and feel like we will have a comeback tomorrow while others look like we'll plummet to the bottom again. Pace is merely a suggestion as client confidence and local regulations change unpredictably. So now what?

Some ground rules first: You may notice an absence of the hundreds of stats showing how down business is, how much money is lost, how many jobs are out, nor how "unprecedented" this all is. We know that already. We've read it a hundred times over. We promise to refrain from hackneyed words such as "pivot" and "fluid." We are also not going to touch on how we will never be the same again – because we don't believe it.

Both history and physics have proven that things always fall back to equilibrium, albeit a modified equilibrium. Travel will be no different. We say this confidently because we see and hear firsthand so many people begging to get back to their old ways. We see people "cheating" as often as they can to see a show or simply dance together. We see people dreaming for a tomorrow that resembles yesterday.

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The hottest new trends? We actually don't think any solid new trends will really evolve. Rather, we believe there will just be an acceleration of trends that were already in motion and a dwindling of others. Foundational principals won't be going away. We humans are built for connecting. We are built to touch, to hug, to embrace. Human Connection will prevail; it is just a question about how long it will take and what that journey will look like.

We do, however, believe Covid to be the "great reset" leveling the playing field between Davids & Goliaths, a reckoning of Darwinistic proportions to the tried and true. The winners will not be obvious at first, for those who focused on building, on reinventing, on revisiting their assumptions and used this period to build a stronger future will soon take a stunning lead in the industry.

And lastly, you must be anxious to learn about our shape predictions. Will recovery be “U” shaped, “V” shaped, or any other shape? We think there will be no one shape. There will be many. The wealth gap will be more blatant than ever causing an amorphous recovery completely different based on market segment and geography. Whatever the shape, let’s all hope and pray 2021 surpasses expectations of recovery. The good news for the luxury segment is that our client base comes out of this in an even stronger position. The market rallies defy all naysayers and even fill the pockets of frustrated retailers and real estate moguls.

So yes, vaccines are in our midst. We see a strong summer on the horizon for 2021, but we also see a very bumpy ride until then. It’s a good thing we have so much practice in being resilient!

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A Note on EMBARK: As you may already know, **EMBARK Beyond** celebrated its first anniversary on March 1st 2020. Being such a young company could have spelled a quick death but instead was our great accelerator. Though exhausting and never ending our leadership team and greater Embark community focused on opportunity. We prepared to fail with everything we tried but planned to win. We fast-tracked our infrastructure plans, many times with our own hands. We talked to customers every day. We talked to our partners. We listened. We sent hugs. We empathized and we finally helped. We failed; but we also succeeded. We grew our client base of ultra-high-end clients at an unprecedented rate. We grew our advisor base to over 50 advisors and engaged media with relevant stories.

There could probably be no better opportunity for us to exemplify one of our core standards of being a company who embraces innovation rooted in traditional hospitality.

Our structure resembles a law firm more than a traditional travel agency. Instead of building an independent contractor model, we aim to build a partnership model where forward-thinking travel advisors become partners in the firm. Under the plan all partners will own a piece of the host agency and we will give our employees an opportunity for a partnership track (giving Millennials a clear career path). We believe this new model will better align our people and enable us to make impactful investment in marketing, training and technology to stay relevant in this dynamic business place.

With an ear to the ground both from our customers and our close travel partners we are still able to closely track trends from the front line. We are delighted to collaborate with you to share detailed metrics and our acute analysis of the luxury travel marketplace whenever you need and remain available to connect you to great sources and discuss emerging issues that often develop into great stories. For now, below is an abridged version of our report’s top luxury travel trends.

That being said, ***we would love your candid feedback and valued perspective.***

Thank you for being such a valuable collaborator.

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From the Front Line

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I. Top 12 Observations

1. **Pace Is a Suggestion** – While our pace looks strong going into 2021 we can no longer use pace as an indication of performance with cancellations since June over 55% (which normally hover under 8% pre-Covid). We also can no longer measure number of transactions as our closure rate has hovered just under 50% (compared to 88% pre-pandemic).
2. **Pickup Looks Promising:** 71% of all bookings are made for travel within the following two weeks. Not surprising, the closer in clients book the less likely they are to cancel. Festive bookings, usually confirmed 8-10 months out, were down by 85% in September and today is only down 39%, which can change in any direction between now and the holidays.
3. **Urban v Resort** - 94% of all bookings are for resort environments over urban environments.
4. **Domestic v. International** - Between June 1st – September 30th, a whopping 91% of our bookings were within the continental USA. As of December 1st, that number dropped to 43% with the bulk of our reservations shifting to the Caribbean and Mexico. To put things into perspective, pre-pandemic Embark destination mix averaged only 8% domestic and 92% international. Our domestic ADR also grew from \$985 to over \$1,800/night as shut boarders created huge domestic compression.
5. **Corporate v. Leisure** – 92% of our business has been for leisure. When combining our Brickell Travel division which focuses on corporate and entertainment travel and including Embark Events which focuses on celebratory events, pre-pandemic leisure amounted to 42% of our transactions and just over 30% of our profits. Events, always with low transaction value, led our profitability accounting for 39% of our profits, with corporate and entertainment amounting to 31%. Corporate business is coming back extremely slowly with no particular patterns to report.
6. **Social Events** – Social Event inquiries started to hum again in June and then tapered off until November. Many of our summer inquiries were for clients with an average of 100 people looking to celebrate somewhere they could logistically get to and legally gather. Notions of a promising vaccine on the near horizon has peaked inquiries for late Spring 2021 and beyond. Our average future inquiry is for 150 people which is very telling. We are hearing loud and clear that people cannot wait to get back to normal and small 20-50 person events are not a thing that is here to stay. We are hearing clients tell us that they appreciate the need to celebrate life, celebrate milestones and celebrate being together with people they love even more than before. For this reason, we are completely bullish on a swift recovery in the celebrations space.
7. **Length of Stay:** Length of stay rose from an average of 4.5 nights pre-pandemic to 8.2 nights excluding our Embark Longer stays. Embark Longer is our long-term stays of 1 month or more where we negotiated mini-leases or actually co-brokered homes and apartments for our clients. The average long-term stay since June has been 2.5 months. Leases through Embark Longer and Embark Brokerage were our fastest growing segment in 2020.
8. **Demographic:** Millennials have been the most avid travelers with 38% of our trips traveled in 2020. This is followed by Gen-Xers, mostly as a family, composing 29%. The most surprising growth is the Baby Boomer, whose travel requests have picked up fastest since Autumn, 2020. Despite this older market being one of the most at risk, they also feel most isolated from loved ones and are clearly ready to take more risks to live their life. Recall, our core client age is 30-55 as we remain focused on a Gen-X and Millennial market.

9. **Sun v. Ski** - Our winter bookings (thus far) are showing a 3:1 ratio of sun to ski bookings. Despite the fact that most warm weather destinations are outside the USA, “sun” seems to be outpacing “ski” for two main reasons: first people are concerned about spending more time indoors and in cold weather, and second, there is a perception that people may get locked off a mountain with capacity limitations in place.
10. **Wellness:** It’s no surprise that wellness has been a trend, but see it clearly accelerating as a top driver in decision making. Well Xplored, a wellness-focused affiliate of Embark, sold out three yoga retreats to St. Barts this past Autumn in less than 2 weeks and now has two more added for December. About 65% of our trips that traveled in the autumn of 2020 had a wellness component or nature component to them. Well Xplored founder Dawn Oliver reports that all of her yoga and fitness retreats sold out in Q4 of 2020 as were many in her comp set.
11. **Insurance** – Travel insurance has officially become the number one travel product we sold in 2020. Since June, 2020, a whopping 89.5% of all trips we booked had travel insurance attached. Travel insurance will continue to increase in popularity with a growing demand for CFAR (Cancel for Any Reason) insurance, with so many people getting burnt from “fine print” that prevented claims for Covid. That being said, consumers see a need for insurance to cover them beyond cancelation which is why we also anticipate continued growth in medical evacuation subscriptions.
12. **Travel Advisors as Navigators of Risk** – Finally, Covid blessed us with an incredible and “unprecedented” leap in client acquisition with almost 450% more new clients than our past two years. While about half came to us in response to creative marketing initiatives the real insight came from the other half: they came to us in search of a guardian... to help them navigate the complicated web of information, misinformation, changing entry requirements and just have someone they feel they could trust.

Word of the Year: *Mindfulness*– if COVID has taught us anything it is how fragile our ecosystem is and how many things we take for granted. It has grounded many of us and humbled us to the core. 2020 forced us all to rediscover ourselves – in every sense. We discovered our own countries, our own homes, our own families, and our true values. People took inventory of their priorities and reassessed their lifestyle. The importance having the latest fashion mattered less – because there was no one to show it off to – and we learned we could be perfectly satisfied with our athleisure. Flashy jet setting from one enclave to the next suddenly seemed more frivolous. Spending 280 days on the road suddenly seemed excessive and almost unproductive. People seemed to find solace in loved ones, family values and stability. We believe the epiphanies of Covid will lead to greater mindfulness in everything people do. ***If we have learned anything this year it is that we should use a lot more discretion in the way we use our time and resources.*** Many were a lot more productive and profitable with less meetings, less travel expenses and less entertainment costs. It will come as no surprise, then, that people will use a lot more *discretion* in making decisions, especially when it comes to balancing their person and business life. This spills over into travel in many ways.

For corporate road warriors, many realize how many days they have spent abroad that may not have been as impactful. Companies have seen a huge savings from curtailed (or eliminated) travel budgets. No, business travel isn’t gone forever; but people will be a lot more mindful before deciding if they should just hop on a 20-hour flight for a 4-hour meeting halfway across the world.

With respect to leisure, we don’t expect discretion will reduce spend but rather direct it towards more meaningful expenses than frivolous ones. People will make travel decisions that are more aligned with their new priorities and reflective of a greater purpose. Whether that purpose is reuniting with loved ones, immersing in passions, reevaluating their direction, or furthering their legacy, we believe post-pandemic travel is much less about where people want to go than who they want to become.

II. Top 10 Travel Drivers

1. Experiencing Meaningful Moments – We believe the number one driver of 2021 travel will be a quest to experience moments that are meaningful and those that align with the self-discoveries of 2020. People will travel to rebuild distanced relationships, to strengthen bonds, to pursue passions and seek fulfillment. Fulfillment comes from exploring passions and pursuing dreams towards a greater legacy. We thus need to shift our conversation from conspicuous consumption to conscious consumption. Conscious consumption doesn't mean it cannot be conspicuous. It means it has to be meaningful. It has to have purpose.

2. Wellness – In the leisure space we are seeing wellness lead the way both with individuals and small groups. Covid has been traumatizing in so many ways to so many people thereby magnifying the wellness revolution that was already well established. People are seeking experiences to help them recover from Covid PTSD, make sense of what they went through, break free of depression, rebalance their minds and reset their bodies after being in lockdown for so long. They long for a sense of engagement helping them come to terms with their lives as a community. As the opportunity in this space continues to escalate, we caution providers to learn from mistakes of the past. Articulating a specific wellness focus or outcome will always produce better results. Niche ad-hoc, trainer led programs continue to be the biggest growth segment while experiences encompassing challenges and quests come in a close second.

3. Back to basics – Lockdown taught many high-flying people gratitude for their blessings in their “basics”. Toxic, urban environments forced people to appreciate the outdoors and the glory of nature. It should come as no surprise that outdoor, remote locations drove our business in the summer of 2020, and we expect nature-focused vacations to continue to climb in popularity as we emerge from this pandemic. Nature promotes contemplation and helps people better assess their priorities, and their direction. *Resorts vs Hotels:* in line with this we expect resorts to continue to outperform urban hotels around the world, with iconic city hotels in key business centers suffering the most through the end of 2021.

4. Global Nomad - Remote Work is something that we believe is here to stay. Many companies will close offices for good or allow more people to work remote. As the world reopened, remote work opportunities immediately led to long-term stays in 2020. Our “Embark Longer” program received over 100 lease proposals from almost 90 hotels in the first two weeks of launch. Our Embark Brokerage also flourished as clients relied on our network of real estate agents across America to find short-term leases in resort destinations such as Miami, Aspen, Southern California and the Hamptons.. Many children who were moved to remote school did so from new “adventure” destinations opening up a whole new way for people to see themselves exploring the world.

- Fewer trips; longer stays: Since there is no rush to be in any one location, we also believe this will translate into Americans taking fewer trips, but longer trips, much like Europeans do. People will travel deeper and longer rather than a brisk fly-by of a menagerie of hot spots. Staying grounded for so long has taught people that there is no need to run from flight to flight has made many people realize the strain movement put on their lives. Couple this with the epiphany that many of us can work productively without being in a physical place, will result in fewer trips but longer trips. We expect a rise in month-long journeys that focus on one or two locales versus four places in 10 days. We hope this will also naturally alleviate a revival of over tourism.

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Nature promotes contemplation and helps people better assess their priorities, and their direction. It is a natural facilitator for connection and the purest of detox.

5. Return to Normalcy and Escape routine – There is a thirst to return to normalcy and escape routine. People are craving something familiar that has become unfamiliar. They want to return to their annual “pilgrimage” whether than be a shopping spree in Paris or boating on the Amalfi Coast. It’s almost a homesickness for destinations that signify a happier and more stable time. We therefore think once borders are lifted European destinations, especially those along the Mediterranean, will leap back much faster than more exotic trips.

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6. Reunions - Reuniting estranged friends, estranged families and communities will be a big driver for the next two years. People are eager to reconnect to loved ones and build stronger bonds. We believe this will further accelerate the already robust multi-generational market (lead by baby boomers) and create opportunities for friend-reunions (and long-distance lovers reunions).

7. Privacy– Even when things get back to normal, we believe people will want to travel with their own “pod” of friends, family or affinity group. They will continue to insist on private spaces to avoid distraction from other people. Villas with hotel services or villa resorts or small hotels ripe for a takeover will excel as will partial-buyouts, private islands, and yachts. Private jet travel will continue –less for safety concerns– and more for convenience and comfort since commercial air (similar to post-9/11) will require mask wearing and compromised experience.

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8. Celebrating Milestones – We have seen so many distraught people literally heartbroken when they realized they would be denied the opportunity to celebrate milestones like weddings or anniversaries. Make-shift Zoom events were heartwarming, and actually helped people appreciate how lucky they were to go to so many different affairs. Covid taught us to savor every milestone and celebrate every blessing; it reminded us how important it is to “live in the now” and share joy with others. This freedom to celebrate is manifested in a fervent awakening with the prospect of a vaccine. People value the purpose of celebrations and especially want to consider celebration outside their home locale for stronger impact with people who they truly care most about. There is no question the first segment of group business to rebound will be celebratory social groups; we already seeing it exceed prediction (so long as clients are reassured, they will not lose anything should a resurgence happen).

9 Art & Design – Art and design sales thrived over the pandemic with a renewed interest in upgrading homes and reimagining what has become banal (especially after spending so much time inside). We believe art and design will continue to drive business to destinations, especially art and design fairs, travel for home décor curation and a renewed interest in architecture.

10. Food? – One of the biggest drivers in travel over the past 4-5 years, food driven travel will take on look. We all know that DIY food preparation engaged people with food even more, however, the landscape of acclaimed food havens may be drastically different when we emerge. The obvious foodie pilgrimage may look very different. The concept of the trendy restaurant will be somewhat flat in the coming years while many Michelin shrines may no longer exist as so many talented restaurateurs fail at picking up the pieces from decimation. For this reason, we believe in the next 18 months that food-driven travel will be much more focused on experiences that involve cultivation, foraging, and actually participating in the entire process.

III. The 15 Biggest Issues That Will Affect Us in 2021

- 1) **Air Travel and Accessibility** - Air travel will continue to be the single most important travel component driving our recovery. Like them or not, airlines are needed to jet people across the planet. We have identified the following 7 factors that we hear clients reporting back on their hesitation to fly.
 - (1) There is still a big fear of getting sick on a plane, despite reports exemplifying air safety,
 - (2) A continued lack of trust in behemoth airlines
 - (3) Curtained flight frequency and poor connections
 - (4) Erratic, if not frequent, flight changes and cancelations
 - (5) Fear of getting stuck in connecting hubs without proper testing for entry
 - (6) Downgraded planes and compromised service
 - (7) The prospect of sitting on a long flight in an uncomfortable mask.

Delta, Emirates and Qatar have consistently been able to rise above the negative connotations associated with air travel but the inconsistent experience across brands compromises image for all. The bigger long-term issue, however, is demand. For most markets, the revitalization of a steady MICE and corporate business will be the only thing to put airlines back onto pre-Covid levels of frequency, reliability and service. That's because these two markets drive the bulk of airline routes and the steady base from which their revenue teams rely. Leisure fares will likely rise to make up for the lack of higher corporate fares, especially on routes with less competition or low-cost carriers.

- 2) **Lack of Trust** – the growing lack of trust for media and world leadership leaves a gaping hole in our ability to quickly recover and protect ourselves for future issues. Fake news, conflicting news, and leaders arguing in public have created a paranoia among consumers. They are skeptical about anything we tell them and anything they see. In our industry there is also a growing lack of trust with big airlines and many other big-name suppliers – especially in the cruise and tour space who have refused to refund money and whose bankruptcy lingers. People do not trust they can put money down and receive a refund and hesitant to plan for the future.
- 3) **The Affluence Gap** – For major urban environments in the world, Covid exposed a “Tale of Two Cities” as the wealthy fled their urban homes for shelter in their posh country enclaves. Education for the wealthy jumpstarted sooner in private schools while many even shelled out for private in-home teachers to avoid Zoom fatigue.

The UHNW client to seek more meaningful ways to ‘give back’ both at home and as they travel

The dichotomy was further exacerbated as the middle and lower class lost their jobs while most well-invested wealthy people, even those in fledging retail or commercial real estate, grew their income significantly as the market catapulted to “unprecedented” heights. We believe this will also lead the UHNW client to seek more meaningful ways to ‘give back’ both at home and as they travel.

- 4) **Compromised Comfort and Experience** – One of the biggest inhibitors of long-haul travel is not of health concern but comfort. Many of our clients have had Covid and many of our Millennials don't even care if they get it. On a scale of 1-10, many of our Millennials report a concern factor of “-1”. Seriously! For this group, travel decisions are based less on safety and more on having a disappointing or “annoying” experience. This is especially true of some bucket lists destinations that have recently opened like southern Africa. “Do I want to take a 15 hour flight with a mask?” or “Am I going all the way to Africa or Turkey or Morocco to not have the real experience that I would get next year? “

For many, they don't want to compromise or deal with so many unknowns on a larger trip. Many hear 'horror' stories of spending \$1,000 a night and having no mini-bar, room service erratically closing at 2pm or no maid service. Hotels need to be safe, but they cannot feel like hospitals. Every provider in the travel chain needs to commit to lofty standards without sacrificing guest experience if we want to fully recover, especially in the long-haul, bucket list market. While clients want to get away, the ultimate question centers over it being worth the hassle and headache of testing and re-testing. Changing public health measures and safety precautions, such as quarantines, closures, and other restrictions add anxiety to a pastime (travel) that should reduce it.

- 5) **Sensitivity to Disease will Escalate** – We are no stranger to disease. Fear of disease has been growing in the past decade. Zika wreaked havoc on the Caribbean, Ebola on Southern Africa, Chikungunya, Swine, Flu, and Dengue Fever dented economies that even wrongly perceived to be attached to them. They all seemed to fade away with the next big media thing. Covid aside, if we think the Ebola scare was bad before, expect a growing paranoia as new diseases emerge.

While vaccines for Covid post a near future panacea, the concept of a new pandemic and world shutdown has scarred us for a very long time. Expect post-Covid Force Majeure to contemplate pandemic related situations and broad cancellation windows. Expect a flood of cancellations with the next disease regardless of its magnitude. Expect many more countries to require proof of vaccinations (similar to Yellow Fever requirements). Expect many companies requiring comfort in safety. And watch for health companies like Shared Care who have entered the hospitality space with a reliable verification program to provide consistent assurance that safety standards have been met at most travel touch points around the world. We also expect people to be more sensitive to the healthcare system in a destination. Many clients have not previously thought of getting sick in a third world country and what it means if they need emergency health care in a destination not thoroughly equipped to help.

- 6) **Convenience** – Covid forced the world to embrace tools of convenience at a rapid pace. Video conferences, touchless transactions and QR codes are nothing new -- they were just never adopted by so many people. And while there was initial resistance, many discovered the exceptional conveniences that they won't want to give up. Will a QR code-launched interactive menu replace a menu or a waiter? Probably not, but restaurants will learn to use this technology for better service. And Zoom brought strangers into our living rooms replacing costly and disruptive travel to their offices. No doubt "Zoom" drains our energy while in-person meetings ignite our energy, but video conference technology will change meeting business forever. No, meeting will not go away. We believe corporate travel and meetings will eventually morph into hybrid model. The ability to watch, pause and fast-forward keynote speeches or presentations (without taking meaningless photos of slides you will never look at again) has been refreshing to attendees. But what these platforms cannot replace is any trade built on relationships. We therefore believe in-person conferences will probably be more focused networking or one-on-one business meetings while most content and lectures will go digital.

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- 7) **Corporate Travel** - We believe three leading factors will curtail corporate travel recovery: (1) many people are not in offices to meet, (2) many business people are limited by corporate travel policies and duty-of-care obligations to employees, and (3) many are finding the current digital meeting platforms to be working with greater productivity and a wind fall of cost savings in travel spend.

From our vantage point, the first corporate business to pick up will be small, aggressive companies looking to build business through relationships. We believe that people innately do business with people and not products, and while “Zoom” works for now, hungry small businesses will jumpstart corporate travel to snag accounts leveraging the value of human interaction. As nimble companies grow market share larger companies will begin traveling again to compete. We believe a good portion of what people traveled for will be eliminated -- especially many internal meetings, trainings and workshops.

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- 8) **MICE Travel** - Large scale Meeting and Incentive travel will probably be the last segment to recover, more so because of corporate liability and cost than participant fear. As noted above, large meetings will probably be forever changed as we predict a hybrid digital and in-person model will prevail. We expect smaller incentive trips – or completely individual incentive trips -- to pick up by late Summer 2021. For the next year, we believe companies will take their entire team and their families to one place for 2-3 weeks to recreate an office environment in a hermetically sealed environment, peppering in workshops and keynotes for associates while setting up souses and kids with remote work/school options all embellished with experiences and parties after hours for the whole family.
- 9) **REVPAR** - Because corporate and MICE travel is the most common “base” for hotels and resorts, we expect most hotels to have an issue maintaining RevPar. Without compression created by these lucrative segments –both within a hotel and within the general market -- it will be challenging to maintain a strong RevPar without serious reinvention. Destinations with an affluent domestic market will fare better than those relying on incoming business as evidenced clearly by the stability of RevPar in China versus many weaker economies.
- 10) **Price Integrity** - Fueled by lower RevPar and a desperate need for cash, price integrity will be even more erratic, especially in urban markets. Hotels and resorts eager to fill their inventory base are already cutting drastic deals with seemingly “opaque” market makers and other distribution channels. The big issue here is, as we have said in previous years, connectivity collapses layers and market transparency gives too many people access to private rates. Travel Advisors will be particularly caught up in searching even more channels to ensure their clients do not find a better value on their own.
- 11) **Digital Distribution** – Hotels report a growth in direct and trade reservations over OTAs which we believe will continue in the near term. By Spring, we expect OTAs to pick up share as travel providers seek low-cost, high-reach distribution channels. Desperate suppliers will literally “sign their lives to the devil” and embrace digital distribution to a point of no return.
- 12) **Home Sharing** - As people seek more long-term value-oriented accommodations we expect global nomads will be the next segment to fuel growth in the home sharing market further crushing urban hotels.
- 13) **Responsible Travel** - People have become a lot more sensitive to the world around them and the effects of climate change. We have all witnessed firsthand what imbalance can do. People will become more sensitive to sustainable travel, to restarting travel smartly in avoid the mess of pre-

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Covid over-tourism. They will look for real, meaningful ways to contribute to the world as they travel through it. This will bring a need for more sophisticated philanthropic opportunities that go far beyond the “feel-good” theatrical “voluntouring.”

14) **Entertainment & Events** - Fashion shows and music festivals, art fairs and sporting events, theaters and concerts have all been a significant catalyst in creating peak-travel markets. Local entertainment, including restaurants and boutique shopping is also a significant draw to urban visitors. And with ongoing pressure on the marketplace there is great concern in their viability. With over 60% of luxury goods purchased by consumers while traveling, many luxury brands are shifting their strategy with plans to reconfigure shop locations and footprints geared to a more local market. How many shops will be left? How many restaurants will close? What of local theater? While not directly impacting travel, there is great concern what the fabric of most cities will look like after the pieces fall. Will there still be a vibrant, colorful, or energetic draw without these cornerstone magnates?

15) **Isolation & Political Impact** – Though America’s centrism has been waning for years with the rise of the Middle East, Russia and China, 2020 was a humbling wake up call to most Americans who finally recognized that they are no longer the center of the world.

Not only did the world find alternate revenue sources without them, but even third world Asian countries fared far better than what had been perceived as the most progressive nation in the world. This, coupled with fierce political polarization and an outgoing party whose main agenda was isolating America from the world’s trade and employment marketplace, creates a seismic estrangement with a world. This had led our base of savvy, worldly clients to feel more claustrophobic and itch to escape the country’s xenophobia even more, a concept that was instantly validated when we launched Embark’s Dual Passport program. Under the program we offered a service to facilitate getting clients a second passport by descent. Within one week of launch we were overwhelmed with over 200 requests for second passports. You see, our mutual clients are not used to rules. They want options; they want freedom; they want to be global citizens and connect to different kinds of people around the world.

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IV. Top 10 Opportunities

- 1) **Its about the FIRST TIME** – In starting to jumpstart travel we have learned something over the last quarter: once people take their first step away from their homes they will take another; and another; and another. The biggest inhibitor is restarting travel is fear and concern of the unknown.... What is it like being in an airport? On an airplane? In a hotel? Is it worth going now? Every traveler has these questions until they try it. The first trip can be as simple as an overnight in a hotel or a short flight to anywhere. We launched our Embark Daycation trips for this very reason. There is no money in a driving trip for 2 nights or a 1-night staycation. There is no money in a 50-person event. But *every single* small trip we have organized led to a bigger trip or a bigger event - every one. Our whole industry needs to work together to make that first trip easy and even *too enticing* to pass up for *every single* client. We need to work it on a micro level, one trip, one traveler at a time.

We need shift our conversation in travel from cool bucket list places to experiences that will create meaningful engagements.

- 2) **Shift the conversation** - Since clients are going to be more mindful in their decisions and spend, we need to sell travel as a vehicle towards self-fulfillment. We need to sell our destination as a backdrop for people to discover themselves and create enriched relationships. We need shift our conversation in travel from cool bucket list places to experiences that will create meaningful engagements. Sell by aspiration and not destination. Travel needs to be positioned as a platform for people to build connections to the places they go, the people they are with and most importantly, to themselves. We need to show people how travel takes them out of their routine so they can explore their passions, strengthen meaningful relationships, and achieve their goals towards a lifelong legacy. We believe travel is not about the destination but about the fresh canvass it gives people to reassess their life's story. Shift the story to connection, to purpose, to meaning, to legacy. Talk conscious consumption not conspicuous consumption. Focus on "emotional impact" and how you will make people feel not what they will receive.

- 3) **Give People an Opportunity to Celebrate Life** – Remember people have been deprived of celebration. They now realize how many things they took for granted that should be celebrated. Embrace the opportunity to give your clients the ability to "live in the now" and savor every joy in life at any milestone. Celebration slows life down, brings people together and promotes gratitude towards greater well-being. Promote occasions large and small and show them how to use travel as the ultimate stage to celebrate.

It is our responsibility to give people an opportunity to think about tomorrow

- 4) **Inspire People** - It is our responsibility to give people an opportunity to think about tomorrow. We need to inspire people to use travel as a platform for connection and achievement not as a place to go visit. Start selling by interests and aspiration not geographic locales, iconic monuments, or famous museums. Travel as a platform towards greatness, towards legacy. This is a win-win strategy; not only is it more impactful but it encourages repeat visits to the same "bucket list" destination.

5) **Think Holistic** - engage your client where they are. Think about the core of what you sell, and service your client's needs even if it is outside your regular scope of business. Embark's crazy programs - from summer camp to home schooling to at-home safaris and a residential brokerage services not only kept us alive but kept us in constant conversation with our clients. Travel is just one word in the sentence of our client's leisure life. If we truly want to be a part of our client's lives let's take advantage of this wakeup call and focus on how we can help our client with their lifestyle needs not just their travel needs. Listen to what your client is asking for and more important, what they are not asking for. Frame your offering directly to them and scale it. Take a risk and try it; your value will be priceless.

If we truly want to be a part of our client's lives let's take advantage of this wakeup call and focus on how we can help our client with their lifestyle needs not just their travel needs

6) **Build trust** - Trust is the cornerstone of any relationship and something people crave. Be upfront with the good and the bad. Don't let people arrive somewhere and be surprised by anything. The more honest every party in the travel chain is, the more people will trust us as an industry and take a bigger leap of faith. Don't use Covid as a reason to save money on housekeeping. And if you need to cut costs, be extremely assertive in letting everyone know what to expect. Give people options. Make them comfortable. Though much may be "theater," stepped-up sanitization policies and social-distancing protocols are important to build confidence. Get certified by global companies such as Share Care to win more confidence. Whatever it is, the most important thing is that we need to all work together to instill trust and absolutely assure guests that their experience will not be compromised. We are only as strong as our weakest link. With every touch point -- from an advisor, a car service, an airport, an airline, a hotel, a restaurant -- we all need to assure trust and confidence without removing the client experience.

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7) **Be Flexible** - Be fluid, be creative and be open. Every reservation request is a chore and also an opportunity. Most hotels should not be overzealous with protecting inventory; occupancy is impossible to predict. Stringent policies will reduce opportunity and, if enforced, will only breed bad will. And while we are all on reduced staff, we need to be more efficient in responding to client requests.

8) **Seize the Nomad** - One thing that has definitely changed is the realization of how many people can be productive without going into an office. This opens a huge new market of people who can explore different parts of the world for months at a time fusing work and play every day. What will you do to win that customer?

9) **The new MICE** - Think of creative ways to replace lucrative MICE business. Focus on social celebrations and welcome new concepts to bring people together. Think of bringing full companies down to move their office into a hermetically sealed environment with their families for a one-month office "reunion." Think about using your product as a platform to help companies increase their productivity and enhance their culture in a meaningful way.

10) **Build Augmented Technology Not Replacement Technology:** Artificial Intelligence is quickly maturing, and it is important to invest in technology to stay competitive. With so many emotional positions and touch points crossing over so many demographics and psychographics, travel companies will need to stimulate and capture the little demand that exists by micro-segmenting their clients into small segments or even specific individuals. While many companies are focusing on using AI to better segment, sell and ultimately replace humans, in luxury, successful fusion should use technology to augment the human touch rather than replace it.

V. Where to go in 2021?

Well, that all depends where anyone is allowed to go! We are predicting and praying for a bounce back by April/May, expecting a rough ride until then. As the prospect of vaccine looms, we are also receiving a surge of event requests. Our top 5 international markets thus far include:

- 1) Caribbean & Mexico
- 2) Dubai & Maldives
- 3) Morocco
- 4) East Africa
- 5) South Africa

We expect international business to exceed domestic business by February as most domestic destinations remain cold and/or still subject to strict restrictions. Our top domestic destinations for 2021 will probably be:

- 1) Florida
- 2) Southern California
- 3) Arizona
- 4) Colorado
- 5) Utah

Once the European Union opens to Americans, we predict the flood gates will open. The balance of culture from across the pond is so much a part of our client's lives and so much a part of their annual cycle in a way that neither Asia nor the South Pacific could ever replace.

It's all about opportunity – incredible opportunity that the world was on hold

Don't waste this crisis. Time is running out. Seize it. get afraid not by how much longer this will last but how little time you have to drastically reinvent and reposition yourself to come out of this in a stronger position.

About EMBARK Beyond: Embark is an international luxury travel and lifestyle partnership group, attracting the very best forward-thinking talent through shared ownership. This cutting-edge concept in the luxury lifestyle space has helped the company launch with over \$100 million in sales to a sharply focused, highly confidential black book of ultra-high net worth clients composed mostly of Gen-X and Millennial A-list celebrities, sports stars, Fortune 500 executives, dynamic financiers, entrepreneurs and real estate moguls around the world. Not only does the company pride itself of creating tailored, meaningful global experiences for individuals, it also hosts the largest luxury social destination event businesses in the Americas. Embark's platform encourages synergies amongst partners touching an UHNWI's life with expert advisors specializing in an individual's preferences, passions, life goals and legacy.

About Jack Ezon: Jack S. Ezon is founder and Managing Partner at Embark, a luxury lifestyle partnership specializing in bespoke travel experiences. In his role Jack oversees the company's direction, expansion plans, strategic partnerships, PR and customer journey mapping while inspiring talent and business development.



Ezon is one of the most well connected and influential travel advisors in the world, known as a true innovator and outspoken leader in the global luxury travel business. His deep and broad relationships coupled with his global black book of clients and local purveyors had him dubbed the "*Olivia Pope of travel*" by Bloomberg in 2018. Lauded for his ability to deliver luxury travel experiences tailored to the next generation of travelers, he has attracted a core group of UHNW Generation-X and Millennial clients and built one of the America's largest luxury social destination event businesses, partnering with an elite group of celebrity event planners to orchestrate incredible destination weddings, birthdays and other celebrations around the world.

As a member of Virtuoso, Jack sat on the Hotels & Resorts Committee for 8 years and served as the first chairman of Virtuoso's Next-Gen Committee, a group focused on attracting the next generation of luxury travelers and advisors. Well respected by some of the world's most renowned hotel companies, Jack is often sought after for his insight on branding and product positioning, sitting on advisory boards for many travel companies including Belmond, Ritz Carlton, Aman and Accor. Ezon has an eye for new talent, which is why he has focused his efforts on cultivating savvy Millennial advisors and has launched Embark as a lifestyle partnership, providing equity opportunities for forward-thinking leaders in the luxury lifestyle and travel space.

Previously, Jack built Ovation Travel's leisure business under the banner of Ovation Vacations and Ovation Celebrations, growing it from \$3 million to over \$350 million. A father of four, he graduated from New York University's Stern School of Business and received a J.D. from Cardozo School of Law.

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