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## **PolyU studies reveal SARS impact on tourism-related industries**

Researchers at the School of Hotel and Tourism Management (HTM) of The Hong Kong Polytechnic University have released the results of a study concerning the impact of SARS on the travel and catering industries in Hong Kong.

While the first part of this study showed that consumer confidence in travel was at all-time low, the second part indicated that local restaurants have suffered a decline in sales of \$300 million a week due to SARS. The findings are as follows.

### **(1) Confidence in Travel at Low**

This survey was conducted between 23 and 26 April, involving 1,010 residents over the age of 18. The study examined the impact of SARS on dining and travel habits. It was led by Dr Bob McKercher, Associate Head of HTM.

"Our regular outbound travel consumer studies showed that 2003 would be a difficult year for the travel industry, but SARS has made an already difficult situation far worse," says Dr McKercher.

Two-thirds of those people surveyed were less likely to travel since the outbreak of SARS than they were before SARS struck Hong Kong. Eighty-three per cent (83%) of those who had planned to travel have changed their travel plans, with the vast majority of them (94%) either cancelling their trips or postponing travel until September at the earliest.

The study also showed that most Hong Kong residents felt it would not be safe to travel until at least November.

"This study shows that the effect of the panic caused by SARS on travel. People are afraid to travel and until the level of fear subsides, they won't travel. Yet, the actual threat posed by SARS in most destinations is extremely low," adds Dr McKercher. "The infection rates in such traditionally popular destinations as Japan is 0.000001% of the population, Indonesia 0.0000005% of the population and Thailand 0.00001%. Vietnam is now declared SARS free."

"The good news is that past experience shows that travel recovers quite quickly once the immediate threat has passed," adds Dr McKercher. "Hopefully, the study shows a worst case scenario and that with the easing of SARS in Hong Kong, and the likely lifting of the WHO travel ban in the next few weeks, people will begin travelling again soon."

### **(2) Restaurants Hard Hit by SARS**

The second part of this study was led by Prof. Ray Pine of HTM.

The number of people who have stopped eating specific meals outside the home has increased. Thirty-eight per cent (38%) more people no longer had breakfast outside, while 48% more people have stopped dining out, compared to before the outbreak of SARS. Per-capita spending on restaurants has dropped by one-third.

Overall, this study suggests that expenditure in restaurants by Hong Kong residents has declined by more than \$300 million a week due to SARS. The figure is probably higher when the loss of income due to the collapse of inbound tourism is also included.

"SARS has been a disaster for the restaurant sector," says Prof. Pine. "Even though there is no indication that the infection is food-related and the food service sector has introduced unprecedented hygiene standards. Hopefully, the coming of summer and the easing of the SARS crisis will motivate people to resume their old eating habits."

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