

COVID-19 IMPACT ON TOURISM STARTUPS

SUMMARY



As a result of a meeting held on March 16th between some of the Portuguese Travel Tech Community startups, a survey was created to analyze the impact of COVID-19 on the activity of Tourism Startups in Portugal.

This analysis results from the participation of 42 startups (not only tech-based startups) and was carried out between March 17th and March 27th.

Impact is clear, **with 75% of startups being affected** with cancellations and postponed events from both B2B and B2C costumers. There are cases of Investors that no longer will fulfill their commitment.

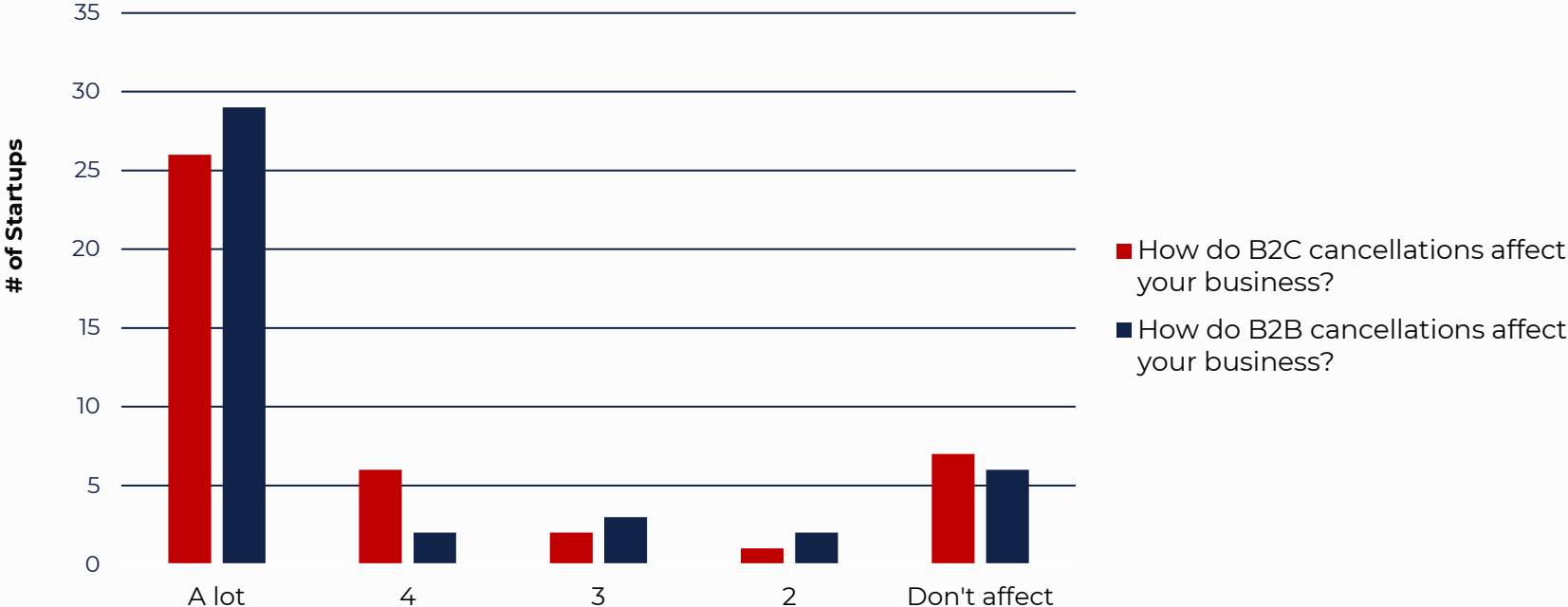
On average, there is a loss of **16.000€** from cancelled events and **20.200€** from postponed events. Biggest loss from a startups is 150.000€ and 130.000€.

This situation is expected to worsen in the coming weeks, with most of the founders being worried with the possible closure of their startup.

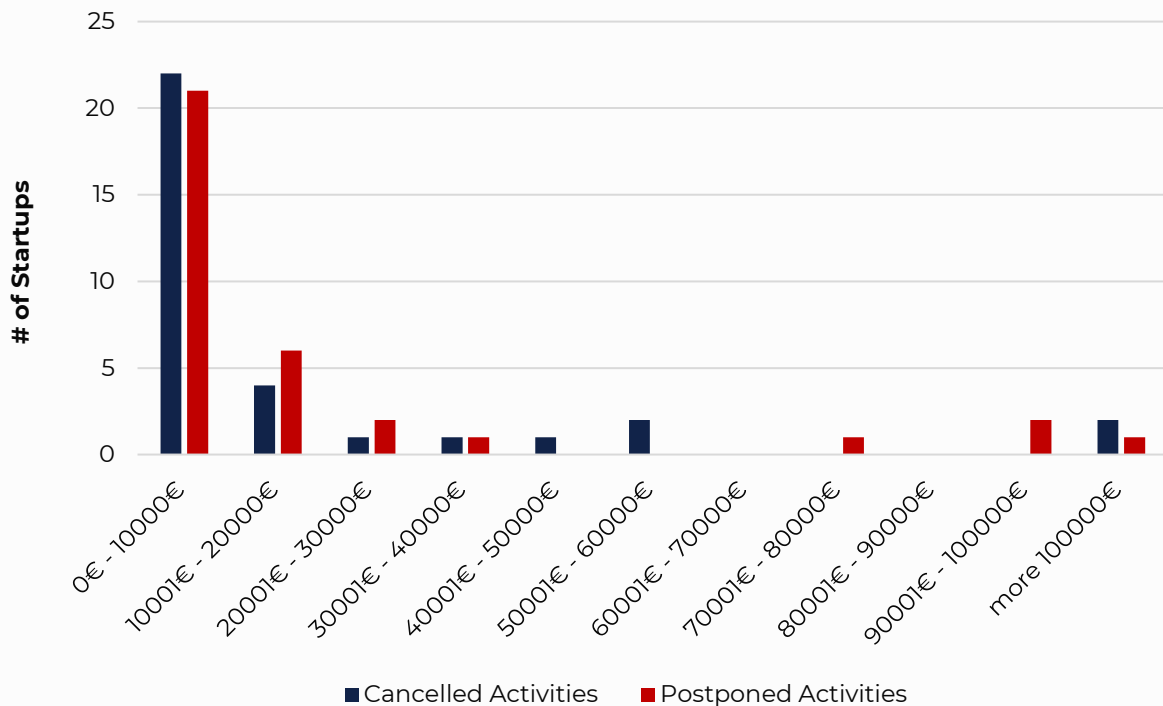
95% - 100%

business dropped in the last 7-10 days compared to the value it would have been without Coronavirus

HOW DO B2C OR B2B CANCELLATION AFFECT YOUR BUSINESS?



WHAT IS THE AMOUNT OF MONEY LOSS WITH CANCELED AND POSTPONED DEALS SO FAR?



Taking into account cancelled and postponed activities, the amount of money loss is between 0€ to 10.000€.

The main reason for this is that some startups are still in an initial stage and don't present a relevant number of sales. Additionally, it is still low season for startups working in the tourism sector.

MOST CANCELLATIONS ARE FROM:

12

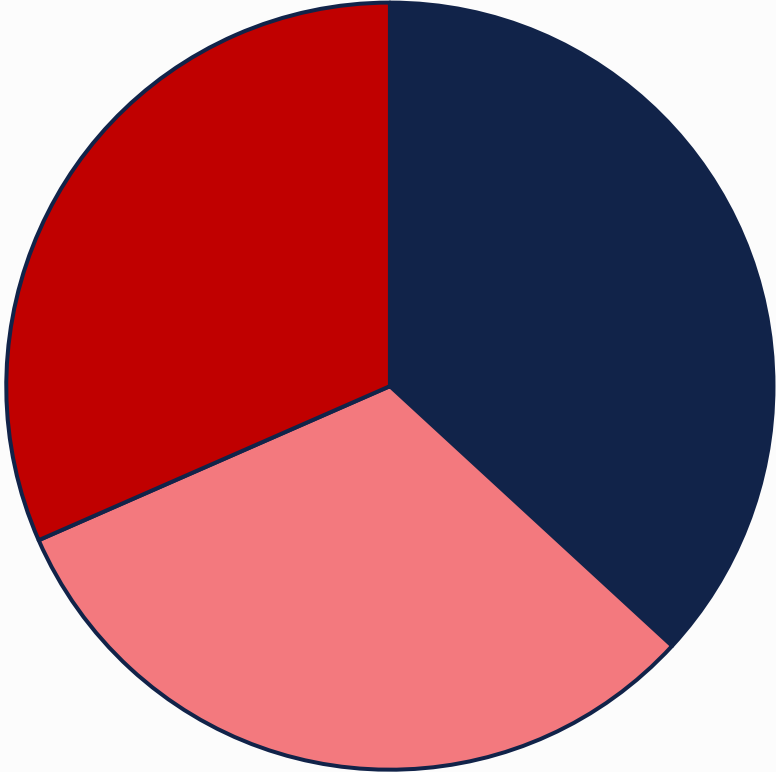
B2B* Cancellations

12

B2B* and B2C
Cancellations

14

B2C Cancellations



Most cancellations come from the **leisure** segment, following by **business**.

*Companies and groups

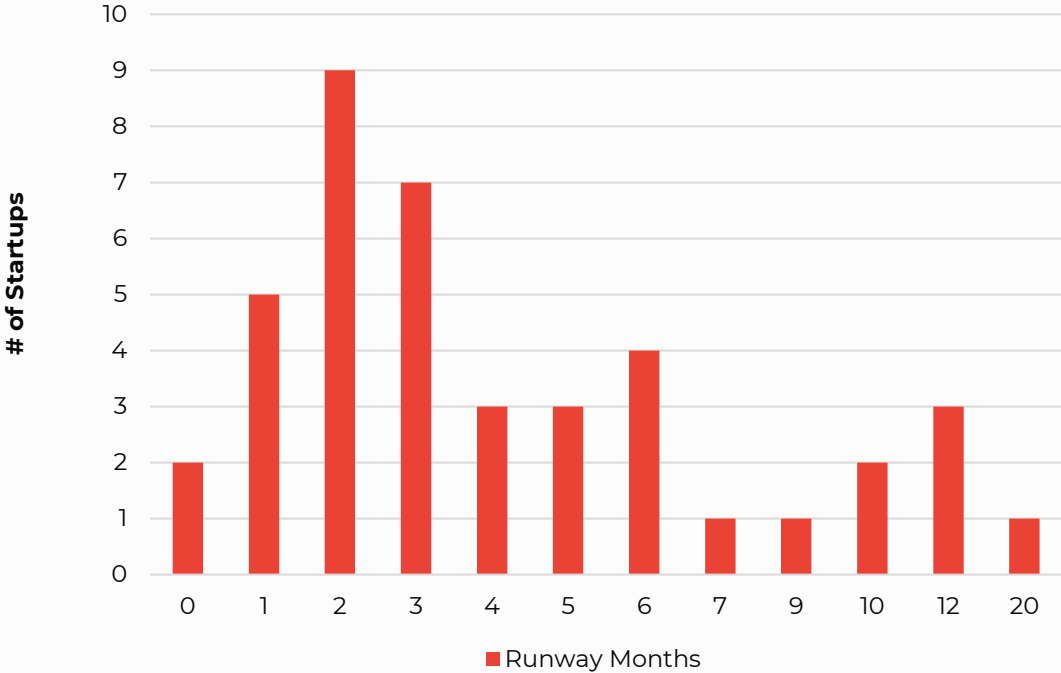
666.400€

Value of **CANCELED** deals so far

827.320€

Value of **POSTPONED** deals so far

HOW MANY MONTHS STARTUPS WILL BE ABLE TO “SURVIVE”?



(Number of months a startup can survive with current costs and no revenue)

With the current situation, **60% of startups** won't last more than **4 months**, with 16 startups having as their runway, maximum, 2 months.

MEASURES TAKEN TO KEEP THE COMPANY GOING?

CUT/SUSPENSION OF COSTS

Reducing all the costs (marketing, staff, etc.) and suspending supplier contracts.

LAYOFF

Temporary suspension of the employee contracts.

REVIEW BUSINESS MODEL

Re-strategizing go-to-market and business plans.

NEW BUSINESS DEVELOPMENT

New business opportunities such as new products, marketing strategies.

MEASURES TO SUPPORT STARTUPS

Taking into account that it is not expected that tourists start to travel (in a regular/normal basis) 2 to 3 months after this period:

1

Access to finance (short & medium term), aligned with the situation of startups;

2

Tax exemption and reduction of contribution burden

(TSU, Corp Tax, Social Security/IRS of Employee)

3

Access to lines of credit (non-refundable or at least 50% non-refundable);

4

Acceleration of payments and reimbursements obtained via Portugal2020.



A STARTUP ECOSYSTEM WITH 92.256KM. WITH A GLOBAL IMPACT.

Do you have any questions?
pttraveltech@gmail.com

www.pttraveltech.com