

Suggestions for Improvements Based on Analysis for Loss Rate in Tourism Industry During the Post-pandemic Era

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Abstract: The coronavirus pandemic influences the economy around the world substantially from 2019 to 2023. Change in the development rate of tourism and the loss rate faced by some homestays, the pandemic significantly impacts the development of various sectors, especially for the tertiary sector. Some typical cases in China are provided to illustrate this viewpoint. Based on previous analysis and investigation on tourism sectors in different regions, the essay is going to offer some suggestions to relevant industries. Furthermore, it is considered that some new rules are implemented on various scenic spots and requirements on scenic staffs, such as hotel staffs being more responsive to demand from the market in order to minimize loss, and some companies in the industry is combining tourism with technology. For further improvements, it is crucial for scenic spots to introduce up-to-date modern digitized technology and replace outdated technology in order to make up for deficiencies and reduce the possibility of any potential loss of interest. Government intervention also promotes the development of relevant industries since it provides public support and sufficient funds. Moreover, innovation helps to gain sales revenue by generating a greater customer base.

Keywords: Covid-19, tourism industry, loss rate, policies and responses, corrective actions

1. Introduction

The widespread epidemic that began in 2019 has attracted attention of the public. Several aspects about the living standard of individuals are affected, such as travel, availability of food and drinks, availability of timely medical care since the public health system is unable to function properly anymore due to excess demand, and stability of jobs. Undoubtedly, the Covid-19 becomes extremely concerned not only because of its negative impacts on the death rate in different country, but also due to its great strike on the economy around the world. To be more specific, a great number of the public is influenced by the Covid-19 physically. Until June in 2020, more than 6.5 million people are infected around the world [1]. According to the number of patients reported by the China Health Commission, China also faces an enormous figure of 83 030 [1]. This means that a large scale of workers unable to attend their work, which influences the normal operation in firms. In order to verify the conjecture that a large number of infectious cases actually influences the economy around the world, Gross Domestic Product in China is checked on the search engine. During the first three months in 2020, China's Gross Domestic Product value decreased dramatically in relative to previous years. In capital-intensive industries, the industrial profits above designated size decreased by 36.7%

since a few workers attended the production process over the year [1]. The reason for low industrial profits could be seen from a low industrial capacity utilization rate in the nation. More specifically, for an industry with a capacity index for one-hundred percent, only an output index of 67.3 is obtained [1]. This figure indicates inefficiency of industries under the Covid-19. Except for some industries which do not rely on labor heavily such as fishing, forestry and mining in the primary sector of an economy, most industries experience a substantial loss in customer base with a low revenue and profit. This means that some enterprises no longer have sufficient financial resources and capitals to support the basic operation. In the long-term, entrepreneurs have to dismiss workers in order to maintain their profit. Even though many individuals realize that incomplete system contributes substantially to a sluggish global economy during the pandemic, not much people have provided specific suggestions to improvements the loss incurred in enterprises in the tourism. However, a large-scale unemployment rate indicates a decline in the purchasing power of citizens and a low living standard of the public. Therefore, the phenomenon arises close attention from experts and governments. The research topic of this essay is related to how the tourism industry is influenced by the Covid-19 by researching number of tourists over the country and the loss rate faced by homestay is considerable. Research method is document analysis method, which involves finding out the correlation between these factors and investigating some implemented rules and new requirements for workers in the tourism industry which manifests what measures do entrepreneurs or employees in the industry took to overcome difficulties during epidemic situation and the post-pandemic era. The aim of the research is to provide suggestions for tourism professionals, scenic spots, and related industries in response to these new rules and requirements in the post-pandemic era by analyze advantages and drawbacks of each policy implemented or change in tourism developed.

2. Influences on Tourism

2.1. Loss on Different Aspects

In order to figure out how the tourism industry is affected by the Covid-19 in several aspects, the research is going to compare the development of tourism during the pandemic era and post-pandemic era. Certainly, quantitative data about tourism is more objective and could be easily analyzed. Figures could embody the development of tourism more directly. First and foremost, it is obvious that the number of domestic tourists decreases dramatically in relative to previous years. Statistics suggest that from 2012 to 2019, the number of tourists in China increases steadily. Taking 2017 to 2018 and 2018 to 2019 as examples, the number of domestic travelers increases from 4.57 to 5.13 to 5.73 within three years, with hundred million as unit [2]. Nevertheless, the figure decreases from 5.73 to 2.20 in the next year, which is the time when pandemic began to spread all over the world [2]. Certainly, 2.20 hundred million is not the number of domestic tourists that the government and relevant industries are willing to see. To be more specific, it is even lower than the figure in 2012, which is eight years ago [2]. Correspondingly, the aggregate domestic tourism revenue in 2020 is only 28.8 trillion yuan [2]. After combining a few measures taken by the government, this low figure of revenue seems to be reasonable. For instance, on January 26th, 2020, Ministry of Culture and Tourism announces suspension of matters related to the business activities of tourism enterprises [2]. Undoubtedly, enterprises and the government do not have well-developed plans on how to cope with the pandemic and operation of business activities. In order to inhibit the epidemic from any possible sources, they had to reduce the passenger flow to zero. This has led to the loss of customers for various types of hotels. Taking homestay as an example, in 2020, the average loss of home stay enterprises during the Spring Festival was 200,000 to 500,000 yuan, accounting for 22.1% of the total, and more than 8.7% of home stay enterprises experienced direct loss of exceeded 500000 yuan [3]. This is because most homestay consumers who were unable to travel successfully chose to apply for a refund, as shown in

a survey sample analysis [3]. Most of them chose to suppress their desire to travel as affected by quarantine policies. It is crucial for individuals and the government to figure out the reason for such a decline in the development rate of tourism based on previous discussions on several huge strikes on different aspects of tourism. Low willingness to travel could be manifested from data related to the global daily flight. The total confirmed cases of Covid-19 and number of daily flights shows an inverse correlation [4]. Except that airline passengers do not want to bear the risk of being infected, this is because some tourists are being asked by many countries to return to their own country even the pandemic situation began to improve [4]. Therefore, the tourism experienced a huge strike during the pandemic, while seems to recover gradually after the era.

2.2. Reactions and Measures Taken by Different Agents

The tourism industry reacted in response to impacts of the pandemic on tourism during previous years. First and foremost, enterprises and employees in the industry took measures. For instance, the Tian mu Lake Tourism Company experiences a reduction in the market value at the end of 2019 from 2.05 billion to 1.856 billion in 2020 during the pandemic [5]. The company's fixed assets and construction in progress was 52%, which indicates its attention on keep inventing tourism projects [5]. This promotes a long-term development of the Tian mu Lake Tourism Company by attracting potential customers. During the pandemic era, it also obtained funds through issuing convertible bonds and invested in various renovation projects, which includes Yushui Hot Spring Phase I project and the Nanshan Xiaozhai Phase II project [5]. Obviously, the revenue generated from these projects helps the company to reduce potential threats and address difficulties met during the pandemic since most companies are vulnerable to sudden crises. Different from other enterprises, the company utilizes operating gap to maintain human resources by fully ensuring basic salary and welfare levels of all workers [5]. As a result, workers would be motivated with a better working performance, and are more likely to cooperate with operations by the enterprises. With better working attitudes from workers, the company organized marketing team to develop fresh marketing plans which satisfies the needs of different tourists [5]. After attracting customers, it packaged high-end experience projects to improve business performance of the company over 2020 [5]. Undoubtedly, being sensitive to changes in the market and adjusting strategy timely helps the company to increase stock price gradually after peak period of the epidemic from 15.03 yuan on May to 16.00 yuan on June in 2020 [5]. Nevertheless, measures will not always be implemented successfully. There were more than 60 people being infected on the Diamond Princess cruise ship on February 4, 2020 [6]. Stakeholders tried to make emergency preparation and prepared to communicate with tourists effectively, while these plans are not fully developed [6]. In fact, the measures failed to be implemented at the local level due to unharmonious and ineffective communication [6]. As a result, the bad situation remained, and this indicates the need of corporation among the country at different levels, especially at the national level. Secondly, it is common for businesses to advertise themselves through online or social media after the Covid-19 began to spread. Before Christmas, advertisements were played on radios in Cape Town and Johannesburg, places that attract many tourists [7]. A person in an interview mentioned that both of his friend and him heard and noticed this advertisement since his friend also heard the same message when he travelled to the Cape [7]. The outcome for this radio advertisement is significant during the pandemic because it is found that more than thirty percent of cars in the lot have GP plates [7]. It is possible that a large proportion of car owners in the parking lot has heard about the radio advertisements when driving. Indeed, the enterprise which sells GP plates is familiar to mentality of a car owner [7]. To be more specific, most of his potential customers, which is car owners, would turn on the radio when driving their cars. As a result, having online adverts includes radio would be an ingenious way of advertising during the pandemic, which enhances sales revenue of the enterprise. Besides advertising on the social media, businesses in tourism industry choose to

have live broadcast on online media. Some tourist attractions cooperate with tourism anchors, and anchors generally sell their tourism products when having live broadcast by showing the link of products to customers [8]. One case in point is tourism administration in Zhangjiajie, which has signed a contract with Kwai live broadcast platform to expand their market of local agriculture products and tourism projects [8].

3. Suggestions

3.1. Introducing Modern Digital Technology

Certainly, those new requirements implemented and responses taken by relevant industries and enterprises in tourism after the pandemic began needed to be continuously developed and improved. Introducing modern digital technology is an innovative way in response to the Covid-19. It seems common for the government to restrict number of daily tourists for a specific attraction in order to suppress the pandemic. Businesses creating a system for their attraction enables customers to make advance reservations without having direct interactions with workers from the scenic spot. Indeed, this reduces the risks that tourists being infected. By dispelling consumer concerns, they are more willing to purchase tourism products, and the development of tourism industry will be minimally affected.

3.2. Training Live Broadcasts

In addition, some tourism anchors introduce brands or scenic spots when conducting live broadcasts during the pandemic [8]. However, if most businesses in this industry adopt this way of advertising, then customers would tell no great difference between each brand or enterprise. As a result, boring tourism live broadcasts could no longer attract customers, which points out a continued loss in tourism. In contrast, it is time for individuals to invent new ways of attracting customers and selling tourism products as much as possible. Having interesting and professional live broadcasts decides the willingness to buy of customers to a certain extent. It is necessary for businesses to invest fund in training professional staffs [8]. Indeed, a person who sells tourism products successfully should be familiar to the attractions he is promoting and have a well-developed speech skill in order to convince his audiences and build authority for the tourism brand that he is introduced for. Besides, it is important for anchor to have the ability of interpreting psychological behavior performed by consumers. For instance, the repeated outbreaks in some regions of China, such as Shanghai and Beijing, have affected people's attitudes towards traveling abroad [8]. Based on market research of an enterprise, if most customers involved in a questionnaire claim that the reason for not travelling is afraid of being affected, then the enterprise could make slight adjustments on the tourism products which it is currently advertises for and introduces tourism products of countries with low infection rate [8].

3.3. Government Intervention

Secondly, government intervention in tourism is necessary. Reduction in tax or subsidization on businesses who have better efficacy over the year in tourism helps to increase competition in the industry, which makes company operation more efficient [9]. This also lowers the cost of production in tourism, and enables enterprises to remain their revenue for basic operation in the off-season of tourism after the pandemic began. This prevents sunrise businesses in tourism by providing them with sufficient funds and set-up capitals. Protecting sunset enterprises by subsidizing workers or enterprises help to keep unemployment rate low, and maintains a basic standard of living standard of individuals in China. On the other hand, the government could play attention to regions in China

which mainly rely on tourism [9]. By reinforcing the importance of having safety awareness and making epidemic prevention measures to attractions and hotels, the region is more likely to control spread of the Covid-19 and limits the impact of the pandemic on tourist population as much as possible [9]. Otherwise, regions which fully rely on tourism may experience high unemployment rate and a large proportion of people would be under absolute poverty or relative poverty.

3.4. Advocating Innovation

Finally, during the industry recovery stage in China, tourism should advocate innovation in order to create consumption stimuli [10]. Market quotations for tourism should be considered optimistically since consumers' psychological stress and fluctuation range are large at the same time [3]. This means that the demand for travel which has been suppressed for a long time would bounce back within a certain time period [3]. Attracting buy-back customers enables enterprises to gain more sales revenue, and is crucial for businesses in long-term operations. Making tourism products more creative by innovating seems to satisfy the need of early adopters [10]. Therefore, personalized services are needed. As a result, tourism products with various characteristics should be designed to attract different customer segments.

4. Conclusion

This research provides an overview of impacts of the Covid-19 on tourism industry and suggestions to relevant industries and businesses in tourism on how to minimize their loss during the post-pandemic era in the future. The change in number of domestic tourists in recent ten years and sudden decrease in revenue of tourism industry in China embody the huge strike on tourism during the pandemic, and various types of hotels are negatively influenced. One case in point is the loss of homestay. Both government regulatory policies and tourists' fear of being affected contribute to this situation. Nevertheless, different economic agents take measures in response to the Covid-19. Some managers make plans to address the issue actively and comfort the staffs, some enterprises market themselves through online media. Based on these current responses and actions taken, suggestions are provided to help tourism maintain customers and their development rate. To be more specific, introducing modern digital technology makes travel more convenient to individuals, and makes online reserves helps to reduce possibilities that tourists being infected during the Covid-19. Moreover, enterprises should invest in human resources by training specialist to conduct live broadcasts, which involves them to cultivate anchors' speech skills, professional knowledge and the ability to interpret potential needs of different customer segments. Therefore, anchors could introduce tourism products successfully to more potential customers by adjusting its advertisement in response to feedback of their audiences. Moreover, government should subsidize businesses which have a better efficacy over the year in order to promote development in tourism and pay attention to regions in China which mainly rely on tourism in order to ensure a good living standard of citizens. Finally, innovation should be considered during post-pandemic era to generate sales revenue in long-term. In conclusion, this research is beneficial to society since it provides references to enterprises and relevant industries on how to deal with the negative influences lead by the Covid-19. By improving current measures, tourism industry is able to maximize its customer base and recover its development rate during the past-pandemic era. However, one deficiency about this research is that not much cases with quantitative data are provided to reinforce the viewpoint mentioned. In the future, it is necessary to include more studies conducted by other researches and their outcome to further convince readers with powerful evidence.

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