



# Travel Trade in the time of COVID-19 Pandemic- Challenges and Opportunities

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**ABSTRACT:** The Novel Corona virus has restricted all public to the boundaries of their homes. It is redefining the social norms and relationships. The COVID-19 pandemic has presented economies with unparalleled challenges. Every sector of economies over the world is bearing the brunt of this lethal challenge. Tourism is one of the worst affected sectors so far. This industry not only employs workers in cities but also provides an earning base for the rural population. The future is never an exact copy of the past, and the world will see more catastrophes. Restoring traveler confidence and stimulating demand with new safe and clean labels for the sector, information apps for visitors and domestic tourism promotion campaigns. Preparing comprehensive tourism recovery plans, to rebuild destinations, encourage innovations. Travel is an innate need of every human and it can't be curbed till long. Hope so this industry will see its sun again.

**KEYWORDS:** COVID-19 pandemic impact, challenges, recent developments, avian, hotel industries, service providers.

## I. INTRODUCTION:

In the last two decades, the Travel trade has seen it all, from setbacks of natural disasters, wars, terror attacks, economic slowdowns, recession, to epidemics like SARS & MEARS, and have come back stronger after each setback. Technological advancements helped travel & tourism industry to gallop to newer heights in last two decades, and made travel easy, accessible, affordable and sustainable. One can book a hotel or an experience anywhere in the world sitting in the comfort of our living room with a touch of finger on our Smartphone. Travel has evolved many folds and became a strong tool to reconnect with our senses and globetrotting a new trend. With social media playing a vital role in promotion of travel products, travelers are spoilt for choices. All these

developments helped the industry to grow many folds and we saw substantial growths in both international and domestic travels. The growth in number of domestic flyers within India in the last decade is a big example of how fast the travel industry was growing and the future prospects. Travel became the most glamorous industry for many job seekers & aspirants.

But, who would have thought at the start of 2020 that this ever growing, most resilient and sort after industry would literally 'collapse' or 'grounded' as a whole.... not one segment in the travel will be left untouched, and whole of travel industry will come to a standstill – airlines grounded, hotels empty, tourist's spots & monuments deserted, unbelievable scenes of empty streets and no human movement! One of the worst nightmares of travel and tourism industry have come true and this all happened with one pandemic "COVID-19". Travelers all across the world scrambled back to their home countries in March '20 when WHO declared COVID-19 a pandemic. Travel agents and tour operators worked overnight to get their customers back to their home countries as soon as possible fighting all unknown and uncertain circumstances. It was one of the toughest time for travelers and service providers across the world. But we all came together as one and helped each other beyond the call of duty and ensure everyone is safe and back to their bases (WTO, 2020; Economic Times, 2020).

## The impact

Hospitality and tourism plays a vital role in any country's economy. Normally man seeks novelty. By nature man is inquisitive. The highly hectic, mechanical life style today demands a refreshing mechanism. The only solution to all these is visiting sightseeing places. But owing to COVID-19, the most effected field is Tourism. The highly prioritized precautions of COVID 19 are " Stay Home- Stay Safe" and "Social distance " to break



the chain of Corona. It is a fatal blow to the Tourism Industry. As per the estimates of United Nations World Tourism Organisation (UNWTO) due to the cancellation of foreign tours:

. International tourism might have been decreased by 20% - 30% in the 2020 up to the month of June.

.It will be reflected in a vital loss of US \$30-50billion.

In India, the share of travel and tourism to GDP is 9.2% and the industry created 26.7 million jobs along with providing a livelihood for unskilled labor force in the year 2018. In the overall nation's employment the tourism alone creates 12.75 % part directly and indirectly. For instance, the Star-hotels in the country generates a revenue of Rs 38,000 Crores per annum and the approximate turnover is 4 lac Crores.

“This industry provides direct employment to more than 7 million people. India's air transport industry employs over 400,000 people directly and 940,000 are employed in related supply chains “(OECD, 2020).

Thus it is evident that tourism creates a lion's share of foreign exchange that paves way for regional and local growth and development. It is a strong source of employment generation and trade after five months of the crisis till the problem is emerging and evolving into many shades and no perfect estimation of recovery is foreseen in the near future.

### **Challenging times for all travel sectors**

The big question remains; when will travellers return? When will travel industry bounce back? Is the 'new normal' the new reality? Well decimated by COVID-19, travel and hospitality recovery will be a long stretch. And these questions will linger longer in the minds of experts than estimated. It is not an uncommon fact that this infamous pandemic has placed the tourism industry under immense financial strain and has taken the travel industry back by a decade! A lot has unfolded around the world in the past couple of months which has forced this multi billion industry to halt and settle around this new normal.

Although almost all industries are reeling but it is no denying the fact that tourism and hospitality sector has been hit the most given all the travel restrictions, border closures and lockdowns. Travel agents, tour operators, airlines, cruise operators and hotels are seeing instant effects of the pandemic. Though there is some silver lining to all this misery around, with the progress of scientists and researchers, there are many antidotes coming up, countries have up their health game and hygiene

has become the entry card of every hotel and airline in the world.

However 2020 will not be the picture perfect postcard memories of leisurely travels. “The earliest resumption that we see is towards the end of the year for international operations. Our efforts right now are more geared towards people getting their refunds, understanding the market dynamics for onboard products and looking at recovery scenarios to weather the storm,” says an industry expert (World Economic Forum, 2020; Industry update 2020).

My personal take on this would be that the hotel and travel industry has suffered the most from COVID-19 spread. Due to the shutting down of airports, travel has completely stopped while the people who were currently traveling returned to their home countries gradually. As currently, the occupancy levels have dropped, many hotels are forced to temporarily shut down and staff has been sent on unpaid leave till the situation gets better.

Different countries are handling it in their own way. In some places, owners have to keep paying their staff regardless of business situation, while in others; they can legally reduce the salaries, lay off staff or send them on unpaid leave. It is definitely a huge loss for hotel owners but it's a much bigger loss for people who live from paycheck to paycheck.

The whole of the industry including travel-tour agents and hotel owners whose primary income depends upon the travelers and visitors are just hoping and praying that everything just turns out to be completely fine by the end of the lockdown so that they could serve all their clients/guests again in the same pleasant atmosphere. But a high chunk of traveller's population is not planning to travel outside their country anytime sooner. The people are completely avoiding going outdoors and serving the nation by just sitting at the comfort of their own houses.

### **Some recent developments**

At this juncture the major challenge faced by the countries worldwide is combating with the virus along with drafting measures to resume the activities in the industry to recovery. It is conceived very difficult to quantify the loss to the industry as it includes both organized and unorganized sectors. As the travel bans are lifted and countries have opened their borders, big airlines like Etihad, Boeing, KLM, Emirates and many more have started flying people in and out of the countries. Adhering to safety protocols and assuring their passengers a safe and healthy journey is the biggest



bet that they are working on and not to forget the high cost of maintaining these safety measures and flying even with lesser passengers.

Hotel chains like Marriott, Hyatt, IHG, Starwood Hotels and Resorts, Sheraton, Accor, Best Western, Wyndham are all geared up to welcome back their guests in this 'new normal'. After being shut down for such long periods and laying off their staffs, it is time for them to get back into the game and keep their best foot forward. It was a hard time for them with functioning on zero revenue and still keeping the hotels running.

Travel and tour operators backed by travel agents have suffered some of the worst blows as they were left with uncertain future. Although they went through this phase with a little more than hope, but unlike others they were not all backed by big names in the industry. So, with some help from their governments and their own individual associations they somehow managed to keep the pillar standing. But, they will still be needing a lot of support as they are the ones who are the first contact of travelers and without them travel industry can't keep moving (A Road map for Recovery, 2020).

#### **Planning for holidays once travel ban is lifted (new normal)**

In a major move to kick start at least some pent-up travel activity, the governments have released the guidelines to be followed during different stages of lockdown. Offering some relief to travel and hospitality sector. As part of the guidelines government has declared provision to resume travels to non-covid containment zones conditionally.

Countries are strategically creating 'Travel Bubble' with other countries for the flow of tourists from one country to another in an organized and safe way. However, this practice of 'travel bubble' is only recent, but it a big hope for the revival of the industry. The results and data for such this new adaptive outlook is yet to come but so far the impact is high and many new countries are adapting it in the global level. It is the new ray of hope for the otherwise doomed industry.

There is no denying the fact that the new normal will be nothing like we have ever seen before but the sooner we sink into this reality, the easier it will become for us to get back to our normal lives. Travel will showcase a new image post COVID-19, health and safety will be the new coo and domestic will start first followed by international much later.

It will be a little tough for tour operators to lure their customers into native countries or otherwise. The primary reason behind such a scenario is that travelers will be giving importance to health and hygiene, plus they will harder to convince given the situation in which they were bound to live with going for essentials and their high economic concerns. Such drastic change in procuring and stocking habits amidst lockdown has bent the mindset of the people which will be a hard nut to crack.

Hotels and travel places have to remodel their business to deal with the pandemic in short and long term. As always, those who react to the crisis quickly and efficiently will be the winners in the long run. Stalled sales are an urgent call to attention for travelling companies and hospitality businesses to quickly develop a digital presence or revamp their existing technological infrastructure to adapt to the situation (Carolyn Kousky, 2020).

#### **Tourism sector Responses to the COVID-19 challenges**

##### **Aviation industry**

With COVID-19 ravaging the aviation industry, airlines and airports worldwide are reining in costs and halting new spending, except in one area: reassuring pandemic-wary passengers about travel. "Whatever the new normal is, it's going to be more and more around self-service," and industry expert said.

In its endeavour to reconnect critical air corridors post the lockdown, many airlines have resumed flight operations. Initially starting with a slightly curtailed capacity, the airline will increase the operating capacity over the subsequent months, also re-opening selected international flights, depending on the existing international travel guidelines. They are also providing credits to customer or full/partial refund in case any flight is rescheduled or cancelled for immediate reasons.

##### **Hotel Industry**

Hotel industry is looking at a sea change in the way it operates post lockdown, says experts. Puneet Chhatwal, the CEO of Indian hotels shared that due to covid-19, the occupancy rate of his group of hotels has been reduced by 90%. He says, "Hotels are more or less empty, with some islands of excellence in extended stays at our apartments in Mumbai, which are always occupied. But the average occupancy level for the group has fallen by 90 percent."

To give a kick start to the operations, the industry now, changed it priorities and taken up



health and hygiene as its motto. the impact is evident through internet. the prospect tourists already started searches of hosts with guaranteed potential to strongest health measures. Experts believe places where technology is playing a key role in monitoring and containment of the virus and access to medical facilities nearby will be most sorts after.

As a result a duty doctor, yoga, spa, forest or mud bathing, consultant physio and nutritionist etc. Features are incorporated with almost care and concern. Health and hygiene at the core of all precautions, the potential guests are very particular about the sanitization. An affordable price is newly emerged. All leading hotels have already come up with their extensive cleaning and hygiene protocols, and publicizing the new SOP's extensively on all their marketing platforms to instill confidence with the guests.

What we need to understand is that the old world order no longer exists and mindful, sustainable, conscious living with an affordable cost that is curated and tailor-made is going to be the new norm. People will look for more value for their money options going forward and luxury will be more affordable (Nidhi, 2020).

### **Travel Agents and Tour Operators**

There is no doubt that this is the toughest phase or crises the travel businesses have faced in decades or perhaps a century. Travel companies downsizing their operation costs, sending employees on LWP, furloughs and excessively cash trapped companies had to lay off a major chunk of their staff. From Air B&B, TUI, Thomas Cook, Sita, Kuoni to even small time boutique travel operators' no one is spared by the financial impact of this virus. Every travel company, no matter how cash surplus or deficient they are, had to relook into their financial health and plan ahead for the inevitable in store for them as the spread of virus doesn't seem like slowing down any time soon. Expert say, COVID-19 pandemic has a large customer retaining capacity in a positive outlook but to hold the good will the travel brands sustain cordial relations, heartfelt hospitality along with inception of simple health initiatives as a care giver.

Travel brands hold an emotional attachment with their consumers but those that can introduce simple initiatives to maintain a connection with their customers throughout this global pandemic have a higher chance in retaining customer loyalty, say international data experts. So it all boils down to which Travel brand emerges stronger Post COVID-19 and how well they

navigate this tide with limited or no financial aid from the govt. or financial institutes (Daily Sabah,2020).

As we enter in the peak period of the corona virus pandemic, the main focus for all travel companies is to ensure they retain their key staff members, closing operations and ensuring the ability to handle future customer enquiries. Travel companies can take some key commercial measures now to succeed. Based on these core themes — adjusting the offering (diversify and augment available demand), sustainable & eco sensitive products, redefining the pricing strategy (affordable luxury), focusing on lifetime values, building customer loyalty, flexi booking & cancellation terms, and incentivizing future purchases —will be the actions points for travel companies to respond to COVID-19.

Although at the moment it may seem like the travel industry is doomed, let's not forget that, for most of us, travel is the biggest leisure activity of the year. It is our escape from working life and the time to reconnect with family and loved ones. There is no doubt that travel companies will endure; they have gone through many crises in the past. In the interim, travel companies need to revisit their expenses, connect with staff and existing clients, invest in health and safety of ground teams and tourists alike, and adopt to a more sustainable travel ecosystem from within. Post COVID, people will be drawn in by authentic storytelling and experiences more than ever. We will soon move to the post-peak period of the pandemic, where travel companies will shift focus on how to re-open their businesses in the new world and maximize their revenue and cash while building and maintaining excellent customer trust.

### **Service providers (Guides, drivers and ground team)**

As we all know, as per The World Travel & Tourism Council, half of the supporting allied professional lost their income gateway. The sharp and sudden bent in the world made them homeless, starving and even away from their near and dears. These vulnerable are even prone to health issues without sick leave, ESI facility, insurance back up and proper food. So it's time for us to come close and help each other, and those who are up the ladder must not forget the lesser privileged work force. Because the guides and drivers are the ones who make or break a tour of guest when on the ground. Companies came up with innovative ideas of keeping the guides engaged by organizing virtual tours of their destinations and letting them keep in



touch with clients globally through their online channels. A basic min. wages for the drivers were rolled out by the employers to help them ride through this rough patch.

Many travel companies have come up with various training and support programs to help the 'unorganized' yet the most important work force of the travel & tourism. It highly commendable how the industry has come together to back the tour guides, drivers and ground support staff (EE News Desk, 2020).

### **Identifying opportunities; domestic Travel will lead the way to restarting tourism, but there more to it...**

The industry is pegging its hopes on the domestic travel because it matters more than half of the tourism and hospitality earning in all most all economies. It can be dare said that travel and tourism go hand in hand impacting each other. The travelers feel safe to travel within their regions and be close to home to tackle sudden lockdowns or border closing. Long haul travel will take many more months to show signs of recovery hence domestic travel will show the way forward and help the travel ecosystem to sustain and start the recovery process. Domestic tourism enhances travel recovery, employability in both organized and unorganized sectors and boosts the economy. Indeed, domestic tourism will lead the way, at least looks promising. But as we all are today debating that the segment that's going to see increased traction will be domestic tourism, we should be working to make it more sustainable. Because the concentration will initially be on how safe travelers feel in a destination whether domestic or international. Yes, it is most likely that domestic tourism will be the first segment to revive followed by outbound and inbound. For starters, we should start promoting states that have been announced as green zones, like Goa, Arunachal and Manipur. Cities with few confirmed cases will be preferred to travel over those that have been recording higher positive cases. For example, hill stations where the population is low and scattered will see a surge in tourism.

Post COVID, it is imperative that there will also be a shift in focus, as single travelers and millennial with high disposable incomes will be more sought after. Staycations will become popular and thus attractions and properties around cities that are accessible by roads will be high in demand. Tier-1 cities, which are stronger business-driven markets should be given more importance, while corporate can be persuaded to conduct conferences

and events domestically. Also, airlines and hotels will come up with lucrative offers and new experiential formats of tourism needs to be highlighted all around (BW online Bureau ,2020).

## **II. CONCLUSION:**

The travel and hospitality industry have always bounced back and the experts all around the world have given its timeline for it to be 2-3 years. All the best practices around health and hygiene, awareness and giving travelers a safe journey is what will change the game. The 'new normal' is not just something that we have to live with but something we have to learn to live with. Travel is an innate need of every human and it can't be curbed till long. However, contact less hospitality will pave the way for a different kind of travel but sooner or later as we accommodate this shift, the industry will see its sun again.

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