COVID-19 and the Tourism Industry:
Effects, Analysis, and Policy Implications

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ABSTRACT

The study compares the impacts of COVID-19 to past disease outbreaks, disruptive events, and examines the current effects of the pandemic in general and on the tourism industry in particular. It aims to discuss the impact on demand and supply of the tourism industry, examines the possible recovery of tourism industry, and opportunities to transform practices, norms, and procedures. It discusses the opportunities for new firms to enter, opportunities for current firms, and strategies to combat the pandemic. A qualitative and a conceptual analysis of the literature on past disruptive events, effects of COVID-19 on tourism industry, and the possible recovery are performed. It predicts that the recovery of tourism industry will be slow. It suggests the roles to be played by various agencies, the need for changing products and experiences, importance of research, opportunities for market entry, and for making structural changes to the industry and policy implications.

KEYWORDS

Destination Image, E-Tourism, Government Intervention, Pandemic, Servicescape, Sustainability, Tourist Behaviour

1. INTRODUCTION

The Covid-19 pandemic is one of the most significant events of the 21st century. It has not only led to cessation of almost all activities, but has also become a global, economic, and social crisis, affecting billions of lives (Romagosa, 2020). The virus has affected almost all industries, with tourism being the most significantly affected (Couto et al., 2020). Tourism industry is one of the most important industries across the globe. There are approximately 1.4 billion arrivals internationally in a year. Tourism contributes to 9.26 trillion US Dollars annually. The industry creates jobs for millions, apart from serving as a major form of business, recreation, and variable for people across the globe. It is one of the most crucial activities which serves varying purposes. Tourism leads to rise in disposable income of people and causes economic growth. Hence, it is essential to ensure the continued functioning and growth of the industry.

The tourism industry has faced various disruptive events like SARS, MERS, and the global economic recession in the past. However, the relative impact was short-lived unlike this pandemic. Studies comparing the effects of the present situation to these disruptive events are missing. The study aims to deploy a comparative lens examining the differences in impact between past disruptive events and their relative effects on the tourism industry in comparison to this pandemic. The study aims to outline the same. It highlights the unique challenges brought forth by this pandemic. The study aims
to briefly analyse some aspects of the present situation and its subsequent effects on the industry. It examines the relationship between travel and tourism and their contributions to disease spread.

Previous literature has examined the relative impact of the pandemic on the tourism industry. However, there are still a lot of aspects which have not been researched upon. The pandemic has changed many consumer variables in the tourism industry which will consequently impact the industry in the long run. Previous studies have examined and tried to forecast the relative demand in the short-run. However, the effects of Covid-19 have opened up various new research paths wherein we lack theoretical explanation and wherein a paradigm shift has occurred within the existing knowledge. These variables include changes in consumer spending and behaviour, resident behaviour, tourist behaviour, destination image, servicescapes, policies, risk perception, and relief packages. The study seeks to provide an elementary overview about the broad changes in these variables. It highlights the need for further research to facilitate understanding and to take actionable measures. It also provides suggestions on how relief packages can be designed to incentivise consumers to travel.

The tourism industry is closely linked to hospitality, aviation, and the transportation industry. Studies examining the cumulative effects of Covid-19 on these industries is missing. The study aims to provide a brief outlay of the impact on these industries and to provide an extension to previous literature by identifying opportunities and ways to combat losses and operational inefficiencies.

The tourism industry has been facing major exigent challenges brought forth by the pandemic. This has led businesses to implement several changes to preserve their brands, customers, workforce, and liquidity. There has been a widespread change in policies, operating environments, supply chain, technologies, and functioning of businesses. Special programs have been brought forth to adapt towards the new scenario. The events of Covid-19 have also led to a lot of fear and hesitance towards travel. Hence, it becomes imperative for firms to indulge in market research, re-orient their offerings and adopt new marketing methods and strategies. The study seeks to provide insights and recommendations on consumer behaviour and marketing efforts.

There is a lot of speculation and ambiguity on the recovery of tourism. Studies pertaining to the recovery of tourism are missing. The study aims to conduct further analysis, provide insights, and shed light on the recovery of tourism and the road ahead. There is an inherent need to realise and to suggest the roles to be played by different agencies. There are few studies highlighting the same. The novelty of the research lies in the suggestions put forth towards the roles of different agencies and government towards facilitating the recovery of the industry. There are other variables arising out of this pandemic like sustainability and concepts like e-tourism. The study seeks to explain the same. It also provides insights about the inclination towards sustainable tourism and discusses the meaning, scope, and need of e-tourism (Gretzel et al., 2020). The study discusses about transformation of mobilities in the tourism industry and urges for tourism research for examining effectiveness of various strategies and to conduct transformative Covid-19 research to address the new context brought forward in the form of social distancing and masks. It highlights the important role of research in developing future policies for the industry. Finally, the study examines various opportunities for current firms to capitalise on market opportunities to enter; for existing firms to transform while providing suggestions on various strategies to combat the pandemic, to alleviate businesses and to facilitate the recovery of the industry. The study aims to address the research gaps mentioned above.

The methodology adopted is the qualitative and the conceptual analysis of the literature on past disruptive events, effects of Covid-19, tourism industry, and other related sectors and topics. However, primary data is not collected and empirical analysis is not done. Quantitative analysis is not conducted since it is not under the ambit of the study. The purpose of the study is to elucidate upon different variables mentioned which have not been discussed before, and to provide further analysis. The study endeavoured to provide further analysis to pre-existing findings, address unique research gaps, provide new findings based on review, and also to elucidate about different arguments in detail. An in-depth literature review is undertaken for the study, and the variables are examined extensively. Moreover, the findings and arguments in the study are also based on studies which have examined their effects.
based on quantitative analysis while collecting and using data. The study provides further extensions to existing literature. It proposes new arguments and findings based on latest literature and other reports. The study provides various insights and paths which require further research by academicians.

The study is structured as follows:

Section 1 discusses the introduction to the study. Section 2 discusses the differences in impact between past disruptive events and their relative effects on the tourism industry in comparison to this pandemic. Section 3 discusses the effects of the pandemic on consumer variables in the tourism industry, with sub-sections 3.1, 3.2, 3.3, 3.4, 3.5, and 3.6 examining the changes in consumer spending and behaviour, destination image, tourist behaviour, new rules, servicescapes, and resultant effects along with risk perception and relief packages respectively. Section 4 further discusses effects of the present situation on inter-linked industries, strategies adopted by firms, and the need for re-orientation of marketing efforts, alongside changes and suggestions for the same, with sub-sections 4.1, and 4.2 discussing the strategies adopted by firms in the tourism industry, along with changes and need for re-orientation of products, brands, and marketing efforts. Discussions on the recovery of tourism industry, the road ahead, government intervention, need for research, sustainability, transformation of industry, practices, mobilities, proximity tourism, and e-tourism are done in Section 5. It further discusses opportunities for new firms to enter, and opportunities for current firms, and provides suggestions on strategies to combat the pandemic. It also discusses the roles of agencies and governments. Section 6 does a brief discussion on the impact of Covid-19 on tourism industry, with sub-sections 6.1 and 6.2 focusing on the theoretical implications and the managerial implications of the study respectively. Section 7 concludes the discussions with sub-sections 7.1 and 7.2 focusing on the limitations of the study and the avenues of future research respectively.

2. EFFECTS OF PAST DISRUPTIVE EVENTS, PRESENT SITUATION AND ITS EFFECTS ON THE TOURISM INDUSTRY

The tourism industry has faced various disease outbreaks and disruptive incidents in the past. However, the impact was relatively short-lived, followed by the resumption of normal tourism activities (Romagosa, 2020). The quantum of the effects of disease outbreaks on the tourism industry could be ascertained on metrics like vectors involved, rate of infection, severity of disease, mode of transfer, and treatment available, if any. It is important to note these variables in order to examine the relative effects of a crisis (Romagosa, 2020). A “crisis” is an event which disrupts an organization's (or destination’s) functioning, and of which a large part of its effects can be prevented or reduced by human efforts (Mattick Jr, 2020). On the other hand, a “disaster” refers to the situation where a destination is confronted with unpredictable catastrophic change over which there is little or no control (Blanchot, 2015).

The tourism industry has faced several crisis and events including terrorist attacks on various countries, the severe acute respiratory syndrome (SARS) outbreak, the global economic recession, and the Middle East Respiratory Syndrome (MERS) outbreak (Gössling, Scott, & Hall, 2020). However, none of them led to a long-term decline in the global development of tourism. However, the relative impact of the same has been heterogeneous. Most of the disruptive events, which have taken place in recent times, could thus be termed as crisis, with relatively less impact on the tourism industry. Although tourism activities have been halted before, it was restricted to a specific region with no long-term effects on outbound tourism.

There have been various warnings highlighting that pandemic can pose a major threat to society and tourism. For diseases like SARS, and Avian Flu, tourists act as carriers, and hence contribute to disease spread. Disease spread has been linked to a vector transmitting the disease by moving from one point to another and coming in physical contact with other organisms. Hence, it underlines the importance of recognizing the fact that tourism and travel are contributors to the spread of diseases. Another realisation of research is that travel is central to epidemiology and disease surveillance.
outbreak (Gössling, Scott, & Hall, 2020). One of the main methods to tackle virulent and easily transmittable diseases is through non-pharmaceutical-interventions. NPIs are absolutely necessary to tackle wide outbreaks and to control the spread of diseases. These mainly include isolation, distancing, avoiding physical contact, wearing gloves, and protective gear.

The Covid-19 virus is very different from previous virulent diseases (causing grave health repercussions and being easily transmittable). The virus affected various people differently according to their age groups, underlying health conditions, genetic make-up, and so on. However, the highly volatile rate of transmission was common throughout the world as it went on to spread across countries around the globe and by 22nd September, 2020 confirmed cases approached 32 million (with over 969,000 deaths) in over 213 countries. Most of the countries responded with non-pharmaceutical interventions (NPIs) including lockdown, social distancing, postponing events, closure of non-essential businesses and educational institutions along with restrictions and bans on large gatherings (Gössling, Scott, & Hall, 2020). The pandemic led to an impact on various national economies and tourism systems i.e., international and domestic tourism, transportation, hospitality, and segments like cruises, public and private transport, lodging, restaurants, events, gatherings, and festivals. Many countries took action in the form of closing borders, travel bans, and lockdowns (Gössling, Scott, & Hall, 2020). This led to a significant decline in overall tourism (Lee & Chen, 2020).

The response to the pandemic created by the virus initially was accompanied by immediate closure of all business centres, with the governments imposing lockdowns and curfews, and banning domestic and international travel to try and flatten the curve, thereby containing the virus to certain regions (Seyfi, Hall, & Shabani, 2020). In most countries, restrictions on travel were opened in a sequential manner, after different periods of time, owing to huge economic losses (Polyzos, Samitas, & Spyridou, 2020), issues in transport of necessary goods, shortage of food, citizens being stuck in other countries and states, and widespread public anguish (Uğur & Akbıyık, 2020). The first stages of re-opening were of government offices, retail stores, agricultural businesses, transport services, and some banks. However, these were not allowed in quarantine zones where the volume of cases was high. Subsequently, the second stage consisted of further relaxations being permitted, with public buses and some of the other forms of public transportation being allowed at a limited operational capacity. Inter-state travel was allowed. Malls, religious institutions, hotels, and restaurants were also opened during the same (Tsionas, 2020). Though large gatherings were still banned, slow movement was encouraged to help kick-start economies. The third stage of re-opening saw the approval of many services and activities. Almost all commercial and private institutions were allowed to operate with new norms and policies. Political, sports, entertainment, academic and other forms of gatherings were allowed with restrictions on the total number of people. Usage of masks was made compulsory in transport, workspaces, and public avenues (Feng et al., 2020). Social distancing became a new normal and was heavily emphasised by all governments. International travel was resumed through special transport bubbles which serve as temporary arrangements for travel between two countries (Farmaki et al., 2020).

Previous research states that inbound and outbound tourism flows are linked by a robust association and the resultant levels of exposure to Covid-19 (Farzanegan, Gholipour, Feizi, Nunkoo, & Andargoli, 2020). Hence, it also is the leading contributor to cross-country variations. Consequently, the immediate closure of all borders was the most effective strategy, though outbound tourism is slowly resuming with safety measures and precautions.

The pandemic has led to many structural changes in different industries. Such changes may also create openings for transformation of various policies and norms which are followed today.

### 3. EFFECTS OF PRESENT SITUATION ON CONSUMER VARIABLES

There are significant and widespread effects of COVID-19 on consumer variables. There have been varying effects on consumer behaviour, expenditure, attitudes, service evaluations, and other such
factors which affect tourism. These changes should be further researched upon, as they can generate valuable insights which can be consolidated into actionable items for academicians and managers. Hence, these changes should be treated as potential research paths ahead. These are highlighted in the following sub-sections.

3.1 Changes in Consumer Spending and Attitude

Consumer optimism is predicted to be higher at the starting and the ending of the pandemic, and it differs among countries (Gössling, Scott, & Hall, 2020). The rise in optimism can be attributed to various factors mainly ranging from decline in cases, vaccinations, favourable view of market conditions, and stages of re-opening. Consequently, consumers are also regaining confidence and are subsequently displaying a greater interest in environmentally friendly products. They are gradually shifting towards a sustainable class of products owing to various realisations arising from the pandemic. Due to high unemployment and losses in various sectors, the disposable income of consumers has reduced. This will lead to a rational and a restricted allocation of income on different goods. Due to the decline in disposable income, consumers will reduce spending on luxury goods and travel. Due to the losses in various fronts, consumers will be expected to become stringent in terms of spending behaviour and will allocate their budgets to necessary consumer goods, while cutting down on luxury and travel. This loss in wealth will increase the savings which will consequently depress consumer demand.

There are shifts in the scenario wherein consumers are increasingly substituting purchases of goods for purchases of services. Thus, as vacations, restaurants, events, and recreational activities are being reduced, consumers can be seen spending more at home on home-cooked meals and other forms of recreation. There is a tendency among consumers to indulge in last minute spending and an inclination towards discounted products.

On the tourism front, tourists may also be indulging in last-minute booking due to their under-confidence in their job stability or also due to existing overcapacities, since they might hope from gaining from end-moment bargains and deals. Thus, tourists may become extremely price sensitive due to these tendencies, a trend which may continue even after the crisis, and thus result in a genuine risk of “price wars”. There are inherent ramifications of this trend which are dramatic in nature. There might be deterioration in service quality and increase in difficulty to conduct investments due to the resultant liquidity crunch arising out of depressed consumer demand.

3.2 Changes in Destination Image

Research indicates that destination images may go through changes along with the passage of time. Hence, there is an inherent need to examine the same (Lee & Xue, 2020). Some destinations like USA, Russia, India, and parts of China were suffering from high infection rates which could have altered their images which potential tourists attribute to them (Zenker & Kock, 2020). These influenced imageries include perception of hygiene, health, infrastructure, and other such dimensions. It also includes associations like nightlife, tourism events, and crowds which have been impaired by Covid-19. These may entail certain ramifications like difficulty in garnering tourists due to impaired image, particularly amongst the risk sensitive groups. Secondly, these destinations may also benefit from charitable attitudes of future tourists or their residents who choose the affected destinations to support them. These must go alongside tourist segmentation since certain groups will be more relevant during the recovery phase of the crisis.

3.3 Changes in Tourist Behaviour

The pandemic has incited changes in tourist perception. Psychology research shows that people assume collectivistic traits in response to such situations. Thus, tourists may select domestic destinations over their foreign counterparts in an attempt to support their own economy (Zenker & Kock, 2020). This behaviour is termed as tourism ethnocentrism. Research has also found that people tend to
avoid crowds during such situations and there is a high propensity that it might initiate a shift in preferences resulting in the favour of more remote and less populated destinations (Kour, Jasrotia, & Gupta, 2020). People also try to avoid contact with foreign objects (Hoang, Gautret, Memish, & Al-Tawfiq, 2020). Thus, tourists might exhibit tourism xenophobia, which may result in reduced travel (Fotiadis, Polyzos & Huan, 2021), and purchase of travel insurance along with avoiding junk food.

3.4 Changes in Resident Behaviour

Residents may not welcome oncoming of new tourists and may not contribute towards tourism development (Zenker & Kock, 2020). This could be partly due to fear of transmission or bias towards people coming from countries wherein the quantum of cases is high. The pandemic thus may change both tourist and resident behaviour simultaneously by giving rise to in-group and out-group biases among both residents and tourists.

3.5 New Rules, Servicescapes, and Resultant Effects

Covid-19 has brought forth various implications like reducing social contact, ban on large gatherings, and travel restrictions. Social distancing may have a significant impact on how people experience and evaluate leisure, travel activities, and other services (Škare, Soriano, & Porada-Rochań, 2021). It may also influence their perceptions of different variables like health hazards, concerns, and insecurities (Sigala, 2020). Since tourism is heavily reliant on sensorial experiences, servicescapes play a major role in influencing consumer behaviour, emotion, attitude, and service evaluations (Baker & Kim, 2020). Covid-19 proposes the need to redesign servicescapes by eliminating or inhibiting elements and changing tourism experiences, e.g., ventilation, lighting, aroma, fragrance, and other elements like furniture and positioning.

3.6 Risk Perception and Relief Packages

Previous research has shown that residents perceive individual payments and the costs held by the community to be connected. This subsequently increases their willingness to pay for the maintenance of public health and for the reduction of infection from tourism activities (Qiu, Park, Li, & Song, 2020). It is also observed that disruptive events usually bring out good reciprocity from residents in terms of behaviour, responsibilities, and value. Hence, they are more inclined towards paying for charities, fundraisers, and social events. The willingness to contribute is also affected by metrics like age, income, and employment. It is noted that younger residents are usually more willing to pay for risk reduction (Qiu, Park, Li, & Song, 2020). This can be attributed to the fact that they are more connected to the world through the internet and other digital means, and there is a higher propensity for them to be involved in such initiatives. Local authorities should thus engage with younger generations who are likely to be more motivated towards the same.

There is heterogeneity in risk perceptions among different groups. A significant portion of tourists consider significant risks while travelling. However, there is a noticeable portion of tourists which correspond to a relatively carefree group and hence, is a good target group for marketing in tumultuous times because they do not possess major safety concerns (Seabra, Dolnicar, Abrantes, & Kastenholz, 2013). There are various other groups too, which need to be considered. These groups consider other metrics like budget, guarantee schemes, insurance, and travel agents. Niche marketing strategies can be prepared for such groups. The industry thus should also work towards developing a safety proposal in terms of communication or information materials and destination offerings. Travel agents should design affordable packages coupled with good guarantee schemes for the groups which are apprehensive towards travel. Similarly, they can offer medical assistance and health insurance for those who are concerned by health and personal risks. Different bodies should also urge the public to invest generously in health facilities for different destinations.
The Covid-19 pandemic has various effects on a number of industries. The hospitality industry has been severely affected by the pandemic. Occupancy rates have dipped significantly and the industry revenue has shrunk by a huge margin. Losses are estimated to be in billions, with some chains filing for bankruptcies. The events have led to an innovation surge in the industry due to the need of changing various aspects of the hospitality experience. Hotels have invested a lot of their time, energy, and resources in new-product-development and have revamped their operational workings. Servicescapes have been transformed by changing various elements like positioning of furniture, installing glass shields between the counters, sanitisation platforms, and ventilation.

The impact of the virus is significant on the aviation industry which is grappling with an unprecedented wave of cancellations and a significant drop in demand amid strict governmental instructions to implement social distancing and the restriction of unnecessary travel (Nižetić, 2020). Airlines have sought for bailouts and called for emergencies worldwide (Nicola et al., 2020). Moreover, work has shifted to the digital medium, with most of the companies adopting work from home policy for their employees (Schur, Ameri, & Kruse, 2020). This may also reduce the propensity of some of the executives to fly, particularly for staff meetings and such affairs where relationships and trust already exist (Simacek, Elmquist, Dimian, & Reichle, 2020). Thus, the digital context may have a detrimental impact on the aviation industry by influencing the travel requirements of people engaged in business.

The effects of COVID-19 are different for various industries. While the pandemic has caused severe losses for aviation and tourism industry, transportation industry has the potential for prosperity (Abu-Rayash & Dincer, 2020). Due to physical distancing and other implications, it might lead to a situation of high demand for the transportation sector, as it approaches full operation capacity. Thus, the transportation industry can leverage this opportunity to invest in expansion of their infrastructure and fleet. It is also important to identify other revenue sources to generate profits. The industry should ensure seamless operations without increase in costs or without burdening the consumers financially.

### 4.1 Strategies Adopted by Firms in the Tourism Industry

Tourism businesses have made several changes to preserve their brand, customers, workforce, and liquidity (Sigala, 2020). To encourage participation and to revive activity, they have heavily indulged themselves in revamping different variables in their services ranging from visiting experiences, dining, tours, entertainment, and other such facilities to accommodate smaller groups of people and subsequently ensuring compliance with the new norms. They have also reduced their staff, and adopted new procedures in sanitisation and cleaning (Kaushal & Srivastava, 2021). Special programs are being developed to counter such exigent situations. Various professionals are obtaining certifications to combat the pandemic (Osman et al., 2020). Efforts are also there to reconstruct operations in different places like restaurants, airports, cafes, and hotels to make the services contactless. Prominent changes can be noticed ranging from adoption of mobile apps for ordering food, checking-in, payments, and the widespread use of technology for replacing situations which entail contact and physical presence (Sigala, 2020). The new context has also brought in changes in the operating environment and hence, many organisations have adopted use of technology for managing people and crowds. Many tourism agencies have also used social media marketing to promote their value proposition and also have made use of augmented reality for promotional initiatives. Firms have employed stringent measures to preserve cash liquidity. They have also updated their terms and conditions after revising their cancellation policies. Businesses can be seen cutting down on their suppliers and instead focusing on new product development and formulation of different marketing strategies to create appeal for customers.
4.2 Changes and Need for Re-orientation of Products, Brands, and Marketing Efforts

Marketing efforts need to be focused on varying factors. Customers are expected to be more mindful during these times in terms of their behaviour and purchasing decisions owing to reduced disposable income arising out of unemployment and losses. They will also expect the same from brands rather than the brands being opportunistic (Liu, Hu, Lin, Tsai, & Xiao, 2020). Gradual changes can be noticed in the form of cause marketing, and connecting with customers on a deeper level (Sisodia, 2020). Cause marketing can help brands appeal to consumer sentiments and build a strong and loyal customer base. Brands should also refrain from indulging in aggressive promotion and push strategies. Efforts should be made to maintain liquidity and brands should strategize innovative ways of marketing their offerings. Benefits will be in standing by the company’s core purpose and values. Firms should pay attention towards the same while communicating their value propositions. New-age start-ups and smaller brands will be focusing on the bottom of the funnel content to push for better results (Knowles, Ettenson, Lynch, & Dollens, 2020). Brands should focus on instilling safety and trust among their customers and revise their strategies. Brands should try to cut down on marketing programs not working quickly and should invest in their key products. The crisis is expected to bring a lot of changes in the sector and how we do things today. Thus, it is imperative for marketers to constantly adapt towards the dynamic scenario and adapt their policies to garner customer trust. The evaluation process of tourists might be affected by various types of metrics and concerns which may subsequently influence their decisions. Since risk perceptions are highly subjective, it is imperative for marketers to indulge in market research and develop effective marketing strategies. Businesses should choose target markets realistically and cater to their specific needs. It is also important to consider alternatives and deliberate before entering a market. Marketing strategies should encompass various groups and should also address concerns and fears while travelling along with real and projected risks.

5. RECOVERY OF THE TOURISM INDUSTRY, ROAD AHEAD, GOVERNMENT INTERVENTION AND POLICIES, NEED FOR RESEARCH, TRANSFORMATION OF PRACTICES, MOBILITIES, SUSTAINABILITY AND E-TOURISM, OPPORTUNITIES, STRATEGIES TO COMBAT THE PANDEMIC

There will be a number of significant changes within the tourism industry post COVID-19. These changes will be affecting a lot of important parameters in tourism and will shape the manner in which future activities will be performed. Tourism researchers worldwide have highlighted the inherent need to take this time for making structural changes towards tourism, starting with a reflection on its sustainability.

Tourism is a service and there is no stock-building process in tourism. Hence, the recovery of the industry might take longer than that in production and trade. The overall recovery of the tourism industry is expected to be slow (Škare, Marinko & Soriano, 2021). The slow recovery can be attributed to varying factors like new Covid-19 variations, consequent travel bans, travel concerns, and low operational capacities. It is indispensable to address travel concerns. Important variables which need to be considered are destination image, materiality of air transport, and factors concerning health and hygiene. Agencies must invest resources to mitigate these concerns. Efforts should be made to make destinations appealing while convincing tourists that safety protocols and health standards are being upheld. Domestic tourism is expected to recover earlier. The recovery of domestic tourism is expected to be earlier than that of outbound international tourism by one or two years. This conclusion is driven by multiple factors like fewer travel restrictions within own countries, more travel options like cars, trains, yachts) There can also be noticed a trend wherein demand for rental spaces can be seen increasing due to its advantages like lesser contact and private space. In the short-term, demand will decrease. Recovery of outbound tourism will vary across countries. Country specific
policies, restrictions, and allowances will also play a role in the same. The slow recovery will also lead to unemployment and will have other implications in the aviation industry. Analysis of past disruptive events suggest that aviation and transportation industries will take longer time to recover. This will consequently, increase the prices and will shrink the industry. Increase in costs due to new cleanliness and hygiene standards may affect profitability and subsequently, increase prices (Kaushal & Srivastava, 2021).

The effects of the pandemic will not be the same everywhere. Developed countries will be in a better position than lower income and developing countries and are bound to face relatively lesser effects (Prideaux, Thompson, & Pabel, 2020). This is because the latter is heavily dependent on outbound markets which come from developed countries. However, proximity tourism is expected to facilitate the recovery of the tourism sector in developing and emerging economies (Prideaux, Thompson, & Pabel, 2020).

Destinations need to have a more diversified offer to obtain an advantage and resilient position against a specific market. Companies which have been loyal to the principles of sustainability, regardless of size, can be expected to be well positioned in the new context (Romagosa, 2020). Larger companies also may have more leeway in terms of operating costs and consumer demand due to having a pre-existing user base and resources to outreach and capture vital tourist segments. Emphasis should be on promoting enterprises that are offering eco-tourism products and are deeply rooted to the destination owing to their natural or cultural heritage. Businesses should focus on offering value driven experiences, while taking into account needs of different groups while following the requisites brought forth by the new context.

It should also be noted that companies which survive the pandemic will need to make their products more resilient towards future pandemics and be able to adapt to the dynamic scenario. There should be efforts for diversifying and extending the tourism experience and to attract more tourists to pandemic-stricken countries. Efforts should also be there on improving tourism infrastructure and service provisions, particularly at remotely located destinations (Nepal, 2020). This can be done through investment on such destinations. Setting up different bodies and establishing tourist information centres, along with designing campaigns for promoting such destinations may be vital in attracting tourists. There should also be focus on communicating hygiene, cleanliness, and access to quality health services. Destination image will be critical in the coming times, especially for the tourists which are risk-averse or on extended travel (Nepal, 2020).

Tourism businesses suffer from innovation deficiencies. The businesses require a strong collaboration with external systems like health and emergency systems (Zenker & Kock, 2020). On a micro level, it is imperative for businesses to find new ways of operating under, for instance, social distancing rules. Collaborative action and social bricolage also might have a stronger influence for the tourism industry during and post-Covid-19. Tourism industry will be seen inclining towards sustainability. However, striking a balance between levelling rich activities in affluent countries and attracting activity to poor countries will be the major challenge for global sustainable tourism. Thus, markets will also need a lot of incentives to recover, and thus tourism may act as an instrument for local development as well. It will also be necessary to obtain social balance in terms of equity and justice, and economics (Polyzos, Samitas, & Spyridou, 2020). This highlights the importance of tourism planning and management. These must be implemented to ensure sustainability and strength at all levels. Tourism planning coupled with effective governance and coordinated efforts towards integration of public and private sectors may facilitate the recovery of the tourism industry.

Governments and destinations provide various incentives and packages to the tourism industry in the form of subsidies and deferrals of payments to preserve the viability and to facilitate the recovery of the tourism industry (Sigala, 2020). The Covid-19 pandemic has resulted in a greater intervention of governments in the functioning and in the operations of the tourism industry (Sigala, 2020). The governments are heavily involved since the beginning of the pandemic (imposing lockdowns, curfews, and shutting businesses). The governments have become bigger actors in the tourism economy (e.g., re-
nationalisation of airlines and other tourism firms). Governments should formulate recovery strategies which are encompassing different needs and ideate them with a holistic approach (Škare, Soriano, & Porada-Rochoń, 2021). They should also create relief packages for the benefit of the society at large (Sigala, 2020). Governments should actively implement initiatives to reduce the damage caused by such disruptive events. Governments engaged in stabilizing the economy should also reduce the huge debt burden accumulated by increasing taxes and cutting public spending, which can subsequently limit consumer expenditures. Campaigns should be taken up to boost domestic tourism (Jaipuria, Parida, & Ray, 2020).

The events of the pandemic create scope for information technology and e-tourism. E-tourism refers to a phenomenon and research area in which the adoption of information and communication technology (ICT) by tourists and businesses transform the processes and the value chains in the tourism industry (Gretzel et al., 2020). There is a need to envision transformative e-tourism research and a need to call for e-tourism research that is:

- Mindfulness of the past and has value for continuity (historicity)
- Awareness of the factors which affect knowledge creation (reflexivity)
- Transparent about its values (transparency)
- Encompassing of different opportunities to participate in research and varying impacts of its findings (Equity)
- Openness to diversity in different topics and approaches (plurality)
- Willingness to ignore boundaries and be ingenious (creativity).

It can be assumed that in the post-COVID-19 era, tourism will be transformed (Lapointe, 2020). Businesses will have their economies of presence shrunk due to mobilities being impaired, and thus might become more inclined towards the needs of the local consumers. In the longer run, landscapes will encompass all tourists while local links will remain as diversification strategies. If mobilities remain tightly constrained, over a longer period of time, it may pave way for many changes in the present tourism structure, and also transform many tourism products (Lapointe, 2020). As the pandemic persists it is laying down several patterns and trends which may continue even after it subsides. Thus, mobilities may transform significantly over a period of time (Ioannides & Gyimothy, 2020). Some observations which can be noticed include limited seating capacity and social distancing along with sanitisation procedures to be followed in major destinations (Yeh, 2020). Such policies and procedures may aid in avoiding widespread infection in case of any future disruptive events.

Research is absolutely essential in the recovery of tourism. It will help in setting a benchmark and in examining the effectiveness of different strategies. It will help visualise, define, and forecast the scope of tourism agents and bodies, while building resilience to develop, examine, and to implement such strategies (Sigala, 2020). Transformative Covid-19 research will aid the industry to ideate and to implement a new operating environment which is sustainable in nature. It is also important to discover new methods for doing research, and to address the new context brought by the pandemic in the form of social distancing and wearing masks. It is also important to consider various stakeholders while addressing the same.

Many tourism companies will shut down due to the external shock. This will act as a market-entry opportunity for new firms to enter. Due to the focus on sustainability and its correlation with financial performance, new businesses might invest in the same manner (Assaf & Scuderi, 2020). They can also undertake a holistic and innovative approach towards different initiatives. Innovation and adaption in capabilities will play a significant role for recovery (Ioannides & Gyimothy, 2020). Consumers can also follow this trend and behave more sustainably, and subsequently lead to an increasing cycle of sustainable development. Firms which will approach models of sustainability and environment friendliness will be in a better position than other firms. Firms will have to re-orient their offerings and will have to market their goods due to changes in consumer behaviour (Fotiadis, Polyzos, & Huan, 2021). This calls for extensive market research to know wants and needs of consumers, and subsequently, preparing marketing strategies towards outreaching various
diverse groups. Establishing an effective marketing information system to keep in touch with trends is impertinent. Covid-19 will result in various dynamic and structural changes in different sectors, and subsequent changes in policies and norms. Also, non-price strategies may be helpful to change perceptions of consumers regarding products.

Some other strategies are mentioned below.

Emphasis should be on maintaining superior standards of hygiene and sanitisation. Regular cleaning cycles following requisites will help in reducing infections. There might be revisions or changes in policies which may entail firms to refurbish their premises in the form of ventilation systems, flooring, and furniture (Assaf & Scuderi, 2020). This trend could be seen in various places like shops, banks, and hotels. The hospitality industry will undergo various changes post-pandemic, and there may be a shift towards contact-free interactions.

Occupancy can be reduced in hotels. Gatherings can be minimised or avoided. This may aid in increasing the safety perceptions of tourists. Other reforms that hotels might implement could be in the form of keyless entry, mobile check-in, and check-out, contact-less valet, digital resources, changes in menus, regular temperature checks, and so on.

The dependence on a limited number of source markets can be reduced by diversification of markets. Firms can outsource some services and revise their policies to reduce risk. Purchase of insurance services can help with the same (Assaf & Scuderi, 2020). Though a number of variables affect customers, businesses should focus on winning the confidence and the trust of customers. In the long run, tourism will recover and consequently return to pre-pandemic level. Governments will play a major role during this crisis and can facilitate the recovery of the tourism industry. They could establish centres or statutory bodies to oversee coordination of recovery efforts and employ new financing mechanisms. There is an inherent need for transparent and consistent communications on different recovery protocols (health, hospitality, and openings). They should offer flexible loans and other such financing advances to different businesses. They may undertake marketing campaigns for various destinations, and also provide funding for the same. Restrictions and constraints for international tourism may be done slowly over a period of time (Assaf & Scuderi, 2020). Governments may implement regulations, organise fundraisers, and other revenue generating activities for supporting the industry (Jaipuria, Parida, & Ray, 2020). There can also be an introduction of a recovery tax to aid in the recovery process. Overall, it is essential for governments to play a critical role for the successful recovery of the tourism industry.

6. DISCUSSIONS

The Covid-19 pandemic is challenging the world with limited scope for medical treatment, widespread outbreak, and limited vaccine or measures to fight it apart from non-pharmaceutical interventions. It not only led to the cessation of all activities but also affected almost all parts of the hospitality and value chain, with tourism suffering the biggest losses.

6.1. Theoretical Implications

Academicians will be sensitized about the changes in different consumer variables within the industry. These changes act as potential research paths which can be further analysed by them and converted into actionable steps. They will also receive further insights on the role of different agencies and can further suggest effective steps which can be taken by these bodies to facilitate the recovery of the industry. They can conduct transformative Covid-19 research to frame future policies for the industry and address the new context brought forward in the form of social distancing and masks. Academicians can conduct research about concepts of sustainable tourism, e-tourism, and proximity tourism to gain a better understanding and implement these concepts into models. Finally, researchers can indulge in further research which helps them understand long-term changes in the tourism industry.
6.2. Managerial Implications

The discussions may help managers generate insights about changing consumer behaviour, product image, and changes in spending and allocation of income by consumers in the tourism industry. Various suggestions are put forth in terms of changes in marketing efforts, changes in brand positioning, designing training programs, changing servicescapes, modifying operational environment, and other variables. Managers can also generate insights about different opportunities to enter new markets, opportunities to transform their offerings, cut down costs, and maximise profitability. Managers should focus on building products, and experiences which are sustainable in nature and are environment-friendly. They should invest in extensive marketing research to know more about new developments and changes, and develop an effective marketing information system. Efforts should be made to innovate and to transform the tourism experience while addressing the new context brought forth by the pandemic.

7. CONCLUSION

The study deployed a comparative lens examining the differences in impact between past disruptive events and their relative effects on the tourism industry in comparison to this pandemic. The study also discussed effects of the pandemic on consumer variables in the tourism industry. It further discussed effects of the present situation on inter-linked industries, strategies adopted by firms, and the need for re-orientation of marketing efforts, alongside changes and suggestions for the same. The study discussed the recovery of the tourism industry in detail and provided insights on the road ahead and on the transformation of practices and mobilities. It discussed about concepts of sustainability, proximity tourism, and e-tourism along with their roles in shaping tourism in future. It also provided insights on the roles of government and various agencies in the recovery of the industry. The study finally discussed about opportunities for various firms and strategies to combat the pandemic. The study urged for the need for further research and its indispensable role in facilitating the recovery of the tourism industry.

7.1. Limitations

The study did not aim to collect primary data and did not conduct empirical analysis on various aspects related to the tourism industry. Empirical and quantitative analysis might generate insights which are actionable and which might result in effective strategies and initiatives.

7.2. Avenues of Future Research

Researchers may collect primary data, conduct empirical analysis, and come up with initiatives and policies which are actionable. They may understand the strategies, the policies, and the response mechanisms of tourism companies and suggest better strategies and policies to be followed in future for better adoption and for attracting more customers. There will be a lot of changes in consumer behaviour, product image, and other consumer variables. Researchers should collect data and suggest strategies and policies accordingly. Researchers should also study about sustainable tourism and conduct research on environment friendly products. There should be research conducted on proximity tourism, e-tourism, and other research paths suggested in the study. Efforts should be put to come up with effective solutions for combating the pandemic. Studies should be conducted on ways to approach market diversification and to reorient existing products, brands, experiences, and other variables. Research should be conducted on the long-term recovery of tourism, alongside identifying the roles of different agencies and the government in facilitating the path to re-opening of outbound international tourism to pre-covid levels. Researchers may study and investigate the effectiveness of the various strategies mentioned in this study. They should also conduct further research to come up with actionable strategies to facilitate the recovery of the tourism industry.
FUNDING AGENCY

The publisher has waived the Open Access Processing fee for this article.
REFERENCES


