

Chapter 6

COVID-19 Is the Iceberg in Front of the Titanic of Tourism: Theory, Concepts, and Implications

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ABSTRACT

COVID-19 causes severe harm to every industry and business function. However, the industries that received the most severe impact were the tourism and hospitality industry. Especially, international tourism has suffered a lot due to the spread of COVID-19 as well as due to travel restrictions. On the other hand, the traveling industry is one of the major contributors to the world's GDP as well as one of the largest employers. Although due to the severe hit from COVID-19 the negative impact has also been shifted to stakeholders of the tourism sector. Hence the chapter has been written purposively to reflect the detailed impact of COVID-19 on the tourism industry not only in terms of financial matters but also with respect to employment, growth, and future challenges.

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INTRODUCTION

There is no doubt regarding the significance of the tourism and traveling sector in the areas of job creation, socio-economic gains, and cultural development. Especially, tourism plays a special role in the development of various regions, cities, and countries & therefore the industry is treated as the cornerstone in the development of the economy. However, the industry is also on the list of most vulnerable industries, as the historical evidence that the industry always receives severe negative impacts from epidemics and pandemics (Abbas et al., 2021). The outbreak of COVID-19 in early 2020 resulted in economic and financial crises all over the globe. Past has also evident the impact of health crises on the tourism industry (Vărzaru et al., 2021).

However, the consequences were mostly of domestic nature but the long-term impact created by COVID-19 can never be mitigated through individual efforts or through innovating and improving local work settings (Vărzaru, Bocean & Cazacu, 2021). A similar has been traced by the study of Gössling Scott and Hall (2020) that among society, national economies, and the tourism industry the most drastic impact might be created upon the tourism industry.

Similar has been quoted by Shaikh et al (2021) that the pandemic creates a serious negative impact on almost all industries but the impact created on the tourism industry is much more devastating. The reason for the extensive disaster is the restriction that was imposed on local and international traveling. Research indicated that the pandemic will create a long-term impact, especially on International tourism as the role of vaccination campaigns is still under debate, especially regarding their impact on the sustainability of the sector (Vărzaru et al., 2021).

This actually is the result of the consumer perception related to the risk of contamination at the location. Therefore, the risk became more extensive as pandemics are not controllable and predictable and hence can cause infection anywhere. Thus, COVID-19 has the tendency to appear as one of the most critical external factors that need to be addressed through strategic management models for the optimization of business processes as well as tourism marketing. These statements are valid as COVID-19 is a virus that is creating an impact on tourism destination, tourists' behavior, and their preference irrespective of district or nationality (Rahman et al., 2021). A similar has been reflected through the help of the equilibrium curve by Bakar and Rosbi (2020), an equilibrium curve based on demand and supply to indicate the impact of COVID-19 on the demand for tourism. Analysis indicated that the pandemic resulted in a significant decrease in the level of demand for tourism activities. Though, experts are treating the pandemic as a blessing in disguise for the tourism industry as managers might use the learning to devise better strategies and action plans for better performance and attainment of sustainability (Vărzaru et al., 2021).

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