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Considerations regarding the effects of COVID-19 on the tourism market

Cristina-Andrada BABA
Bucharest Academy of Economic Studies, Romania
baba.andrada@gmail.com
Aurelia-Felicia STĂNCIOIU
Bucharest Academy of Economic Studies, Romania
stancioiufelicia@hotmail.com
Manuela Rozalia GABOR
"GE Palade" University of Medicine, Pharmacy, Sciences and Technology of Târgu Mureș, Romania
manuela.gabor@umfst.ro
Florin-Alexandru ALEXE
Bucharest Academy of Economic Studies, Romania
florin.alexe@mk.ase.ro
Flavia Dana OLTEAN
"GE Palade" University of Medicine, Pharmacy, Sciences and Technology of Târgu Mureș, Romania
flavia.oltean@umfst.ro
Alexandra Cristina DINU
Bucharest Academy of Economic Studies, Romania
alexandracristina.dinu@gmail.com

Abstract. *Through this article, the authors aim to provide a detailed analysis of the influence of the COVID-19 pandemic on a part of the tourism sector, namely, the attitude that tourists have towards travel agencies and online platforms. While the situation on the tourism market is bleak, the conclusions lead us to the idea that, given the recent growing desires of tourists there is a chance of a systematic return. Through the research carried out on a sample of 435 people, the authors highlight the significant differences regarding the pre-purchase behavior of the tourist product, respectively the mode, travel booking, preferences, motivations of the tourist, in the context of the predominance of a specific factor during COVID-19 and post COVID-19 and respectively the trust in the tourist services/in the travel agencies in general. The results of this research can be a starting point for the analysis of other market segments in order to develop marketing strategies specific to the COVID-19/post COVID-19 period.*

Keywords: tourist market, COVID-19.

JEL Classification: Z30, Z32, Z33.

Introduction

In the context of the COVID-19 pandemic, the entire world economy has suffered and undergone drastic changes and desperate attempts to adapt. The economic effects caused by the pandemic began to be acknowledged once it began, but they do not finish with the end of the state of emergency. Some fields have not endured the consequences of the global crisis immediately after outbreak, but in the long run there persists the possibility of those facing huge losses. This article analyzes the effects of the COVID-19 in tourism, the area that was among the most affected during the pandemic, suffering high losses, but also the area that suffered directly without any obvious alternative to adapt.

Following the trend of recent years, international tourism is growing at a pace of 6% percent annually (UNWTO). Forecasts for 2020 predicted that a number of over 1.4 billion people would travel internationally this year (UNWTO), which would contribute with 3,3% to the global GDP (UNWTO). Only in the European Union, there are over 13 million people benefitting from tourism (Eurostat, 2019), 3.6 million people being directly involved in accommodation, travel agencies or air transport.

Although tourism is an area of activity with a major impact on each national state, the tourism economy is a volatile field in which stability is usually lower than in traditional economies, as 24% of the people working in tourism are part-time employed, and a 23% risk losing their jobs at any time, 13% of people are aged between 15 and 24, and 59% of those involved are women (Eurostat, 2019). With the onset of the COVID-19 pandemic, forecasts for 2020 have become unrealistic and, since then, those figures have begun to fluctuate, with tourism being directly affected by every local, national or international decision. Considering the reasons for instability, as well as the large number of people who are financially dependent on this sector and the context of the pandemic, it can be said that tourism is among the most affected areas, the outcomes of the crisis are directly felt in numerous adjacent industries and no medium term plan can be yet developed, but only day-to-day action plans aiming to maintain an income. In April 2020, the UNWTO estimated that losses could reach $ 450 billion, more than half of the amount originally planned for 2020, amounting to $ 730 billion according to Statista (2020).

Literature review

Before the pandemic, destinations as Venice, Italy or Barcelona, Spain faced such a great number of visitors that they declared a state of over-tourism and solutions were sought to better manage the incoming wave for the well-being of locals and tourists, to protect the area, but also for the environment. From where the number of visitors exceeded the capacity of these destinations, with the outbreak of the crisis, tourism ceased completely (Higgins-Desbiolles, 2020). In Italy are predicted losses of over US$ 63 million (STATISTA, 2020) and in Spain over US$ 62 million (STATISTA, 2020), being among the most affected areas by the pandemic.

Tourism belongs to the service sector, and one of the goals is to meet the needs of self-improvement, located at the top of Maslow's pyramid (Aurelia, 2004). This leadership position has been a privilege in times of economic growth, as an increasing number of people have turned to tourism to develop, to spend their free time, to increase their status in society or to increases self-esteem, but in a time of crisis, tourism is one of the first areas that is affected, it is neither a priority nor a necessity. In addition to the psychological factor on which the success achieved in tourism depends, there are also many physical factors that influence tourism and that have affected and discouraged it over time in various forms. Here we can mention political factors, such as the attacks in Nice in 2016, the attacks in Bali in 2002, the protests in Istanbul in 2013 or the protests in Hong Kong in 2019, as well as natural factors, such as the fires in Australia 2019/2020 which caused losses of 4.5 billion USD or the Asian tsunami of 2004 which led to a 36% decrease in tourism (Blazin et al., 2014).

The existence of such unforeseen events has led tourism to adapt to crisis situations so that it can manage such events and recover as soon as possible. To this end, tourism revitalization strategies have been developed for crisis management, including post-disaster actions and post-disaster assessment (e.g., the guide developed by Lynch (2004) or Hall et al. (2018), together with the principles of recovery marketing). Such measures were applied even during the SARS epidemic of 2013 (Rassy and Smith, 2013), which affected tourism especially in Southeast Asia, but the situation caused by the coronavirus pandemic in 2020 does not resemble any of the previous situations. It can be said that it is a global crisis, accompanied by a ban on travel in any form and for any purpose. The duration of the crisis is prolonging without being able to set a date for the end of the restrictions, moreover, a new wave of pandemic diseases is expected, which could reduce tourism again (Nepal, 2020). Even though the risks of illness have begun to decline and there is hope that mobility will be restored, tourism still cannot recover or reach previous level in no time, for the following reasons: the current situation is worse than in the 2008-09 crisis or even in The Great Depression 1929-1933 (Oxford Economics (2020), IMF (2019 and 2020), UNDESA (2020) and WTO (2020).

1) The pandemic attracts a recession or even an economic crisis that will reduce the willingness of people to spend large sums on non-essential services.
2) The rules that will be imposed on airlines, hotels, events, restaurants or beaches will reduce their ability to manage large masses, which will lead to higher prices for these services.
3) The fear of illness, the social distancing measures, as well as the recommendations addressed to citizens raise their level of anxiety, which will delay the availability of exposure.
4) The huge impact on tourism has destabilized the market. Some travel agencies did not cope with the crisis and went bankrupt, other agencies tried at all costs to maintain their business, which is why they laid off a large number of employees and did not fully or not at all compensate tourists who had book vacation programs, so that they managed to stay on the market, but their image suffered (Prideaux et al., 2020). There are also agencies that have managed to adapt to this period by implementing incremental innovations in an attempt to remain competitive, and which have managed to secure an

income even during the crisis by using technology. However, most companies relied on government aid to travel agencies and tried to keep a balance. After the end of the crisis, the relations between companies will be much changed, the competition will take place between different agencies and the market shares will differ (Gössling et al., 2020).

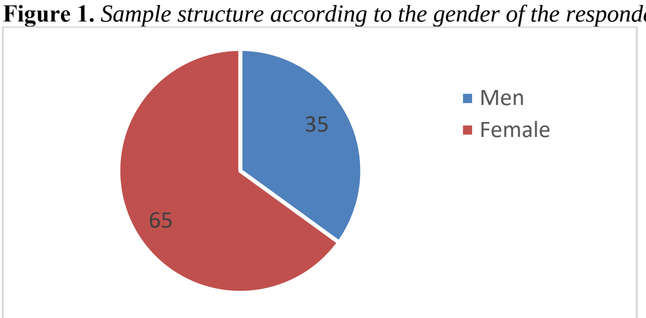
5) The crisis caused by COVID-19 will influence the travel preferences of tourists, the way tourism is organized and the perception of mobility.

Thus, during this period it is difficult to predict how the tourism field will evolve, but in order to meet the needs of the tourism organizers, authors analyze in this paper, a series of elements with major impact in the tourism industry, as an incipient approach, in order to develop marketing strategies that are updated to the "new" requirements in the field; in other words, the tourists attitude, starting from the analysis of the experience that tourists have with travel agencies, their experience related to online platforms, the analysis of the availability that tourists have for travel, the preferences expressed before the pandemic, and their motivation to post COVID-19 travels (Chee, 2020).

Research methodology

In order to analyze the behavior of tourists, respectively to understand their attitude towards post-COVID tourism19, the authors conducted a quantitative research between March and May 2020 on a sample of 435 respondents. The respondents are young people from various geographical areas of Romania: Muntenia, including Bucharest (56.2%), Oltenia (22.1%), Moldova (12.3%), Transylvania (5.1%), Dobrogea (2.9%) and Bucovina (1.4%), although according to the analyzed data, it results that there are no differences depending on the region of origin of the respondents and the behavior to travel in general or the habit of traveling in Romania (p-value = 0.738). They are between 20 and 30 years old, are graduates or students of a higher education institution and have an average financial situation. Of the 435 completed questionnaires, only 417 were validated, as 18 respondents stated that they did not have intends to undertake no travel for tourism purposes in 2020, neither in the country nor abroad. The results were analyzed and interpreted by the authors using the SPSS program. The sample consists of 417 respondents from all regions of Romania. The structure of the sample according to gender being: 65% female and 35% male (Figure 1) the distribution of the respondents according to the region of origin being the one presented in Figure 2.

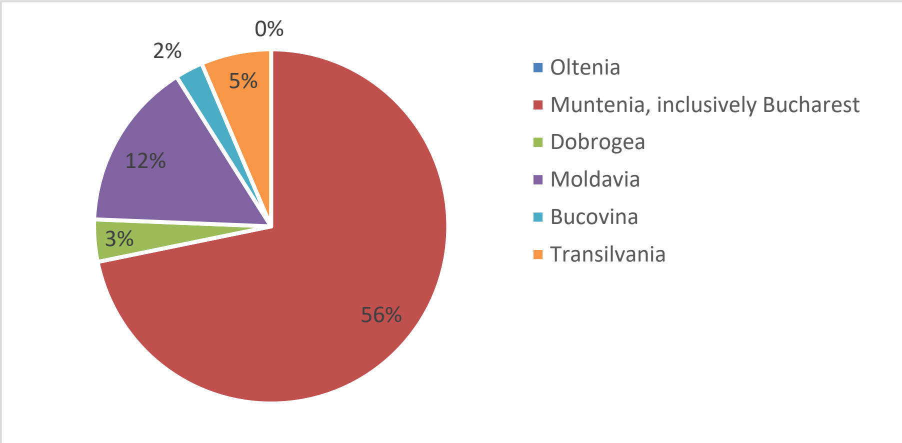
Figure 1. *Sample structure according to the gender of the respondents*



Source: Authors' own calculations.

Figure 2 shows that most respondents come from the Muntenia region including Bucharest (56%), followed by Oltenia (22%), Moldova (12%), Transylvania (5%), Dobrogea (3%) and Bucovina (2%).

Figure 2. *Distribution of respondents according to the region of origin of the respondents*



Source: Authors' own calculations.

The administered questionnaire included:

- a filter, dichotomous question, respectively whether or not they usually travel to Romania for tourism purposes;
- single-answer questions, regarding the form of tourism practiced in the last two years and the one they intend to practice after the pandemic, if they had not planned a trip during the state of emergency and how it was organized, how cancellation and how they acted in this regard
- dichotomous questions regarding the degree of trust in the crisis period in: online booking platforms, large travel agencies, small travel agencies and the question regarding the availability or not of changing a scheduled trip abroad during the state of emergency with one or more trips to the country;
- open questions, regarding the reasons for trusting online booking platforms, large travel agencies, small travel agencies;
- multiple choice questions, ranking the top three travel agencies and/or online booking platforms that they know and trust the most.

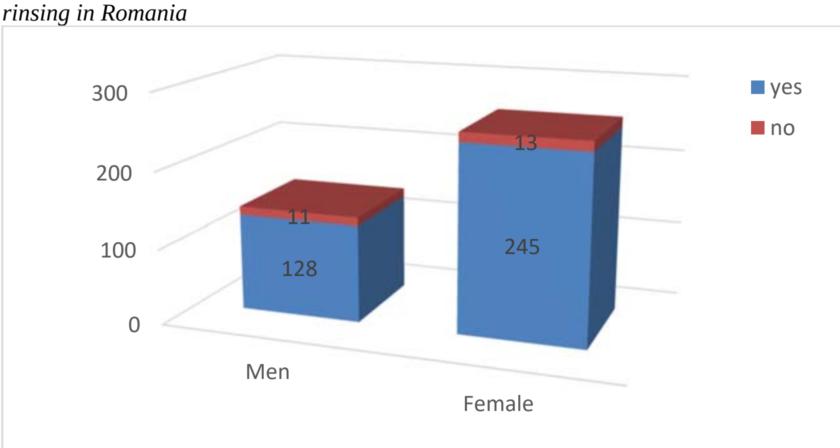
After data collection and analysis of the Excel form provided by the Microsoft Forms platform, the data were analyzed, non-answers, missing and/or incomplete answers were transferred and transferred to the statistical software SPSS 17.0 (Statistical Package for Social Science).

For the data analysis were used: descriptive statistics (absolute frequencies, relative frequencies, average scores), and the bivariate chi square test to test the formulated research hypotheses. The tested research hypotheses are those presented structured in Table 2, in the Results section, on the last column being presented the final result, respectively if the hypothesis was accepted or rejected, all hypotheses being tested using the bivariate $\chi2$ test.

Results

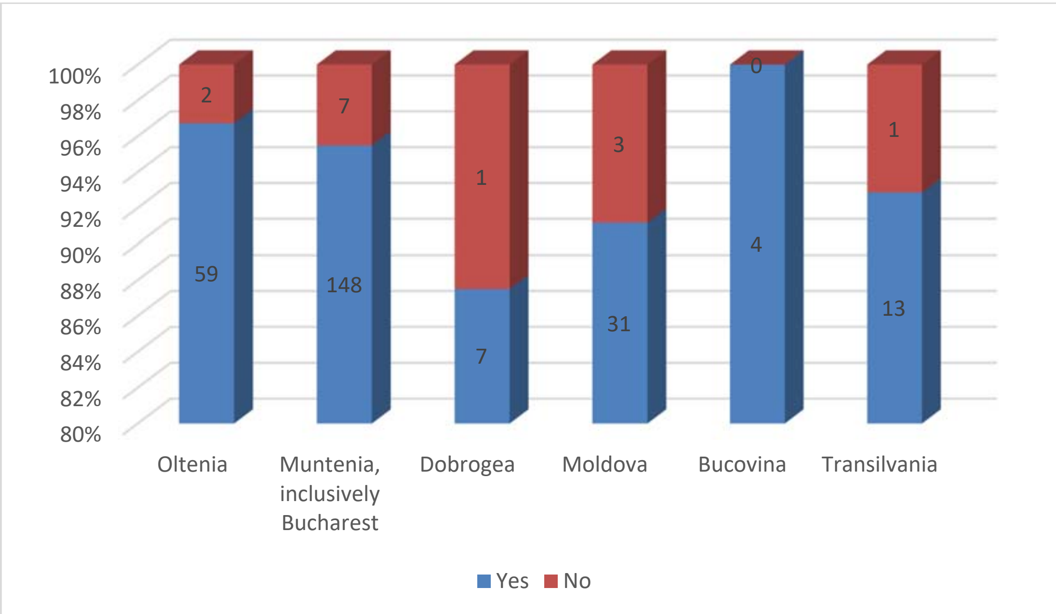
Following the analysis of the results of the first question, the filter question regarding the habit of traveling or not in Romania, 393 of the respondents answered affirmatively, respectively 94.2% of the sample. The distribution according to the gender of the respondents is presented in Figure 3 and in Figure 4 the distribution according to the region of origin is presented.

Figure 3. *Distribution of respondents according to gender region of respondents regarding the habit of rinsing in Romania*



Source: Authors' own calculations.

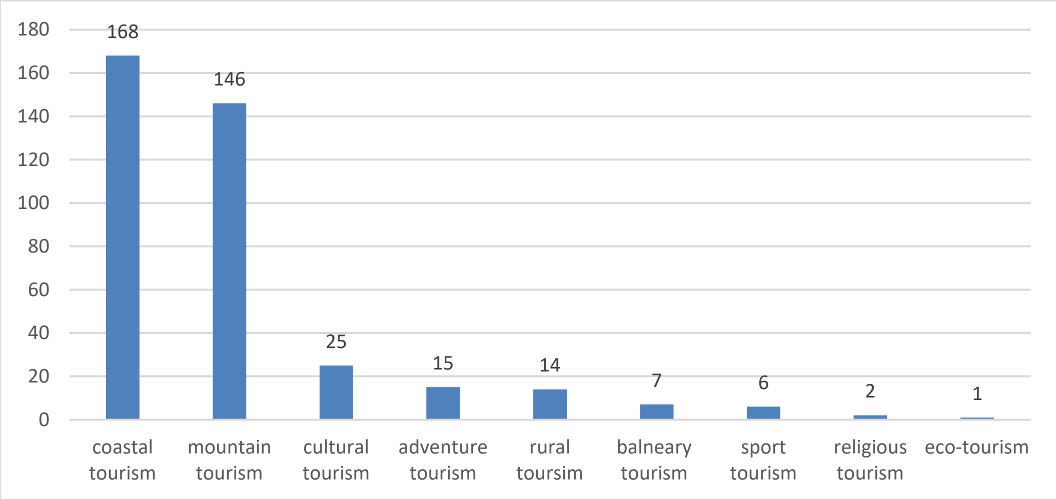
Figure 4. *Distribution of respondents according to gender region of respondents regarding the habit of rinsing in Romania*



Source: Authors' own calculations.

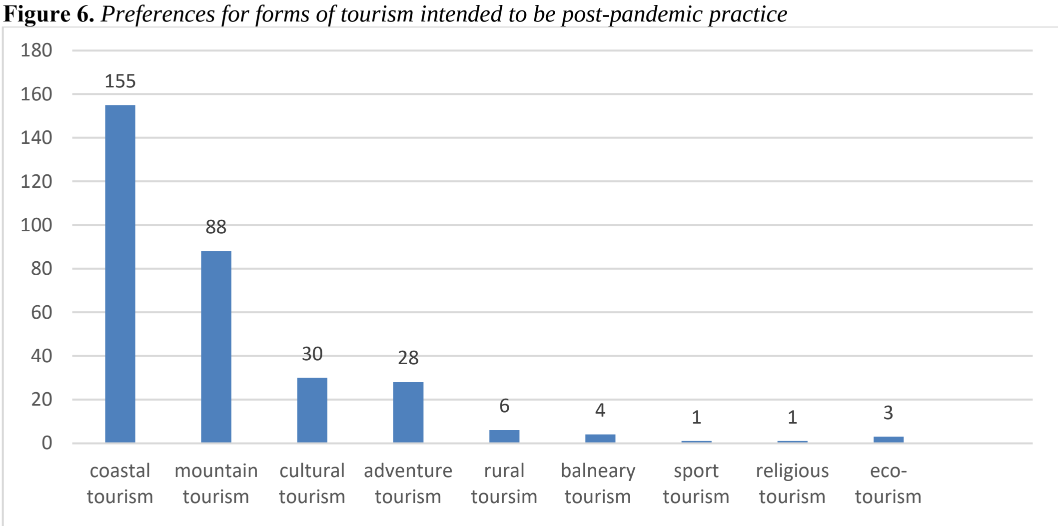
In order to compare whether the crisis period affected the tourism preferences of the respondents, they were asked what form of tourism they practiced most often in the last two years and what form/forms of tourism they would be willing to practice after the restrictions ceased. Figure 5 shows the preference for the forms of tourism practiced in the last two years and in Figure 6 the forms of tourism that intend to be practiced in the post-crisis, post-pandemic period.

Figure 5. *Preferences for the forms of tourism practiced in the last two years*



Source: Authors' own calculations.

Figure 6. *Preferences for forms of tourism intended to be post-pandemic practice*



Source: Authors' own calculations.

From the results presented above, it is observed that the discrepancy between the two periods is not large, the ranking remaining approximately the same even if the percentage of respondents varies. Before the introduction of emergency measures, 43.8% preferred coastal tourism, a percentage that could increase to 49.1%. Mountain tourism decreases from 38% to 27.8%, cultural tourism increases from 6.5 to 8.5%, and adventure tourism is increasing from 3.9% to 8.9%. Rural tourism, spa tourism, sports tourism, ecotourism or religious tourism were not among the respondents' favorites even before the pandemic, in addition there is a slight decrease that may be due to the avoidance of inter-human contact. Although the answers refer to both domestic and international tourism, 94.2% of respondents state that they usually travel locally at least once a year, so that among respondents who had scheduled trips abroad which needed to be canceled, 54.6% of the travelers said they would be willing to receive one or two trips inside the country, while 45.4% said they would not accept this exchange.

Of the total number of respondents in the sample, 54.8% had a scheduled trip during the state of emergency that could not be performed. Of these, 35.3% were inside the country and 19.5% were abroad, the difference of 45.2% having not made such programming.

Of the total bookings, 83.8% were made individually by respondents through online platforms, 9.1% of cases were a combination of online platforms and travel agencies, while only 7.1% turned completely to travel agencies.

At the time of the outbreak of the pandemic in Romania, 85.9% of respondents said they had taken the initiative to cancel the trip and only 14.1% waited for those to be canceled by the tour operator. All trips scheduled during the emergency period were canceled, and as a result, 34.1% received the money back in full, 15.3% received the money back in part, 39.4% changed the date of travel for the post period COVID-19, and 11.2% did not recover the amounts/advances paid.

Only the responses of people who planned at least one tourist trip in the country or abroad in 2020 were validated. Of these, only 25.8% are still willing to travel after the lifting of travel restrictions, 59.6% state that they will wait a longer period of time (at least 3 months) until they are willing to travel again and 14.6% state that they are not at all willing to travel any time soon after the restrictions end.

When asked whether or not to change the perception of the activity of tourism organizers, respondents say that following the experience with cancellations and communication with customer service, 57.3% of the sample have the highest confidence in online booking platforms, 50.8% of the sample have more confidence in large travel agencies and 15.6% of the sample put their trust in small travel agencies.

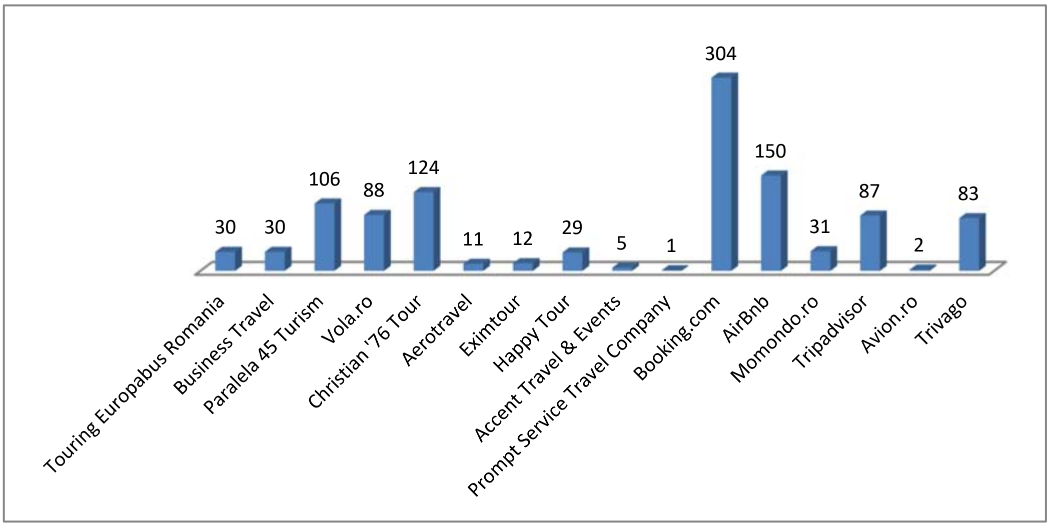
Respondents were asked to select a maximum of three travel agencies or online booking platforms which they trust more and which they will chose for further bookings. In the list provided, there were listed the top 10 tourism agencies with the highest turnover in 2019 in Romania and the top 6 online platforms that individuals use for bookings. The two categories were intentionally presented inside the same table, in order to be able to analyze both the clients' preferences regarding the reservation method (agency or online platform), as well as the companies that enjoy the greatest trust.

Table 1. *Research hypotheses, statistical values and the final result*

No.	Name of online booking agency/platform	Frequency	Percent
1	**Booking.com**	**304**	**72.9**
2	**AirBnb**	**150**	**36.0**
3	**Christian '76 Tour**	**124**	**29.7**
4	Paralela 45 Turism	106	25.4
5	Vola.ro	88	21.1
6	Tripadvisor	87	20.9
7	Trivago	83	19.9
8	Momondo.ro	31	7.4
9	Touring Europabus Romania	30	7.2
10	Business Travel	30	7.2
11	Happy Tour	29	7.0
12	Eximtour	12	2.9
13	Aerotravel	11	2.6
14	Accent Travel & Events	5	1.2
15	Avion.ro	2	.5
16	Prompt Service Travel Company	1	.2

Source: Authors' own research.

Figure 7. *The most well-known and trusted tourism operators*



Source: Authors' own calculations.

The companies that enjoy the most trust are first of all the online platforms Booking.com 72.9%, AirBnb 36%, followed by the most famous travel agencies, namely Christian '76 Tour 29.7% followed closely by Parallel 45 Tourism 25.4%.

To test whether there are significant differences depending on the two socio-demographic variables (gender and region of origin) related to the aspects of the study, we applied the bivariate check square test. In Table 2 are presented the research hypotheses, the values calculated with SPSS of statistics χ^2, the degrees of freedom (df), the values of statistical significance (p-value) and the individual conclusion of each main hypothesis or sub-hypothesis, respectively of acceptance or rejection according to the calculated statistics of the test.

Table 2. *Research hypotheses, statistical values and the final result*

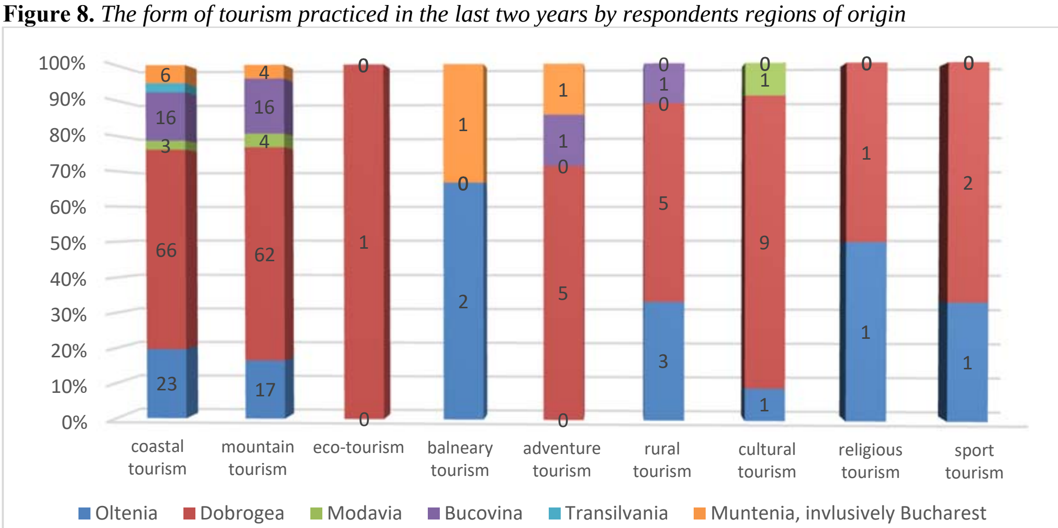
Research hypotheses	χ^2	*df*	*p*-value	Result
H1 - There are no statistically significant differences by gender of respondents regarding:				
H1.1. - the habit of traveling or not frequently in Romania	1,314	1	0.274	H1.1. accepted
H1.2. - the form of tourism practiced in the last two years.	14,635	8	**0.067**	**H1.2. rejected**
H1.3. - the form of tourism that intends to practice it in the post-pandemic period	6.051	7	0.534	H1.3. accepted
H1.4. - confidence in online booking platforms in times of crisis	5.181	2	**0.075**	**H1.4. rejected**
H1.5. - confidence in large travel agencies in times of crisis	3.988	3	0.263	H1.5. accepted
H1.6. - confidence in small travel agencies in times of crisis	0.767	2	0.681	H1.6. accepted
H2 - There are no statistically significant differences depending on the region of origin of the respondents regarding:				
H2.1. - the habit of traveling or not frequently in Romania	2.756	5	0.738	H2.1. accepted
H2.2. - the form of tourism practiced in the last two years.	28,938	40	0.903	H2.2 accepted
H2.3. - the form of tourism that intends to practice it in the post-pandemic period	32.755	40	0.785	H2.2. accepted
H2.4. - confidence in online booking platforms in times of crisis	6.128	10	0.804	H2.4. accepted
H2.5. - confidence in large travel agencies in times of crisis	53.862	15	**0.000**	**H2.5. rejected**
H2.6. - confidence in small travel agencies in times of crisis	8.988	10	**0.533**	H2.6. accepted
H3 - There are no statistically significant differences depending on the habit of traveling or not frequently in Romania and the exchange of a trip abroad with one or a thousand trips in the country.	0,033	1	0.520	H3. accepted

Source: Authors' own research.

According to the data in Table 2, it results that there are no connections between the type of respondents and their travel behavior in general, or the habit of traveling in Romania (p-value = 0.274) is not related to their geographical provenience: Muntenia, including Bucharest (56.2%), Oltenia (22.1%), Moldova (12.3%), Transylvania (5.1%), Dobrogea (2.9%) and Bucovina (1.4%) By applying the chi square test for the hypothesis There are no statistically significant differences depending on the habit of flushes or not frequently in Romania and exchanging a trip abroad with one in the country, it results that ($\chi^2_{calculed}$ = 0,033 and p-value = 0,520) that the hypothesis is accepted and therefore there are no statistically significant differences.

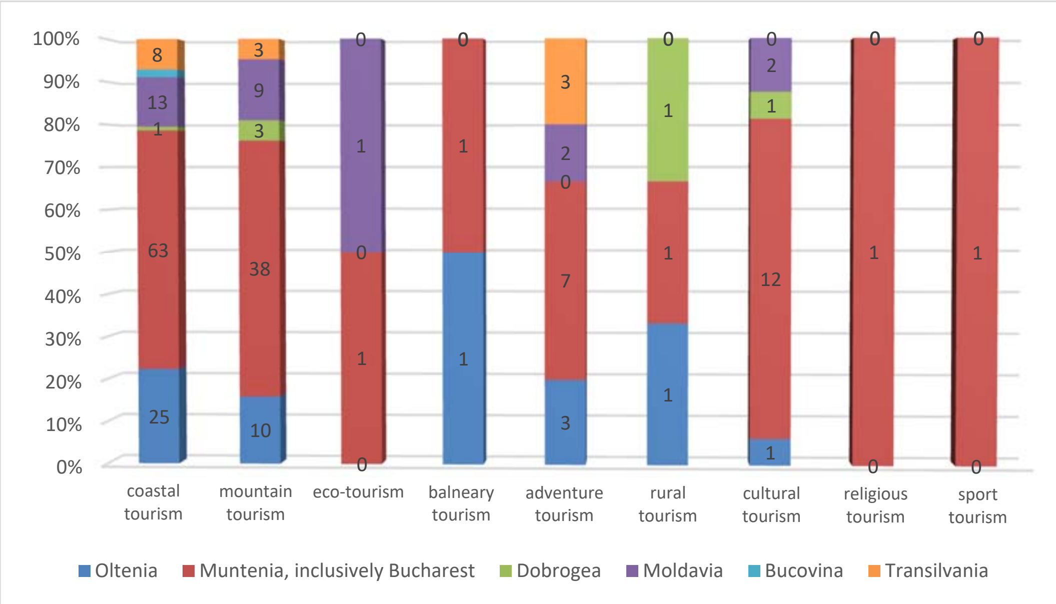
Figure 8 shows the distribution of respondents according to the region of origin of the respondents and the form of tourism practiced in the last two years.

Figure 8. *The form of tourism practiced in the last two years by respondents regions of origin*



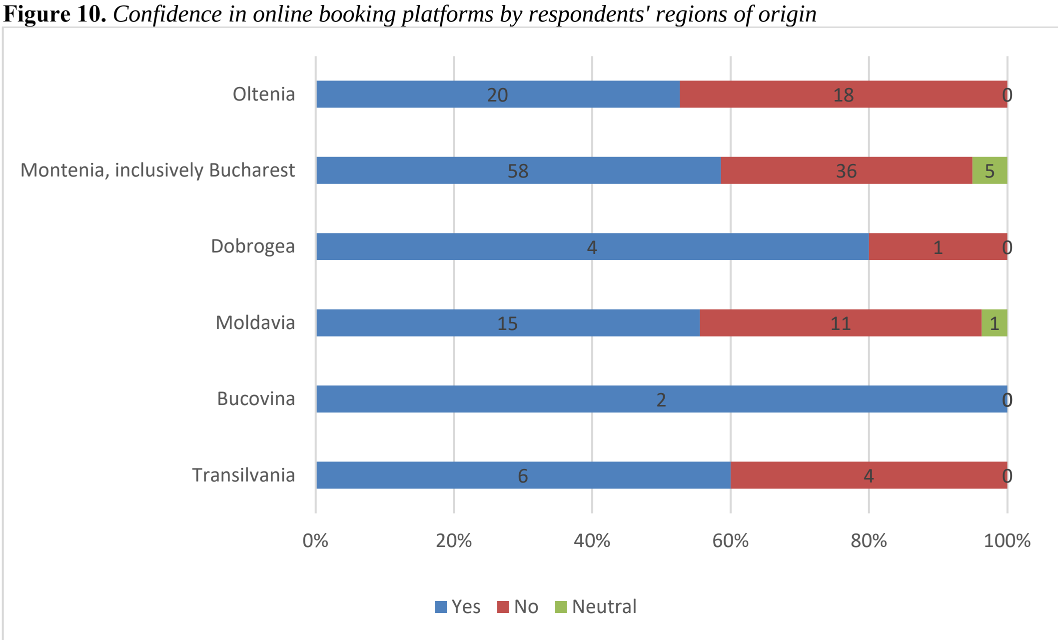
Source: Authors' own calculations.

Figure 9. *The form of tourism practiced post COVID-19 by regions of origin of the respondents*



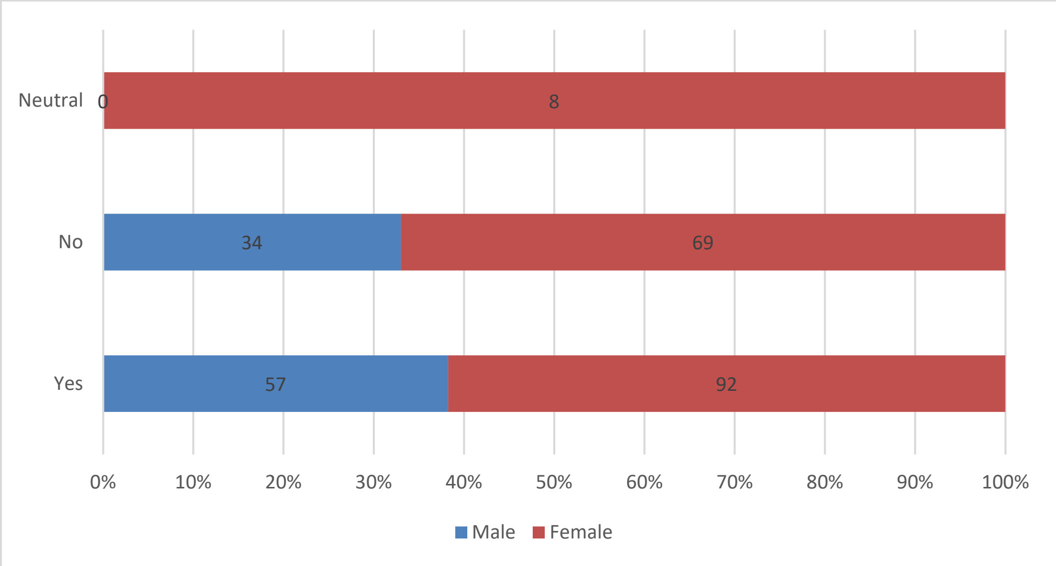
Source: Authors' own calculations.

Figure 10. *Confidence in online booking platforms by respondents' regions of origin*



Source: Authors' own calculations.

Figure 11. *Confidence in online booking platforms depending on the type of respondents*



Source: Authors' own calculations.

From the results presented in Table 2 follows that:

- about the traveler's gender, there are statistically significant differences depending on the type of tourism practiced in the last two years for 93.3% of the sample (p-value = 0.067);
- about the gender, there are statistically significant differences regarding the trust in online booking platforms, for a percentage of 92.5% (p-value = 0.075);
- about the region, there are statistically significant differences regarding the trust in large travel agencies for the entire sample (p-value = 0.000).

These differences lead to the idea that, in this controversial period, the marketer must focus his attention on those elements that lead to changes in attitude, namely, first of all the confidence in the agency, the motivation and preference for the form of tourism.

Discussion

Post pandemic? It can be stated that:

a. There will be no major changes in the forms of tourism practiced, but there will be an increase in the popularity of forms of tourism that require less inter-human contact and increased preference for the natural environment, including adventure tourism.

b. About 75% of people who were willing to travel in 2020 will postpone travel for tourism until things return to normal and will not be available to travel as soon as this is allowed.

c. Over 50% of people planning to travel abroad will agree to travel domestically, both to recover their costs and to be able to travel by car and to avoid exposure to a long journey.

d. Tourists will increasingly prefer to book their trips individually through online booking platforms that benefit from consumer confidence even after the end of the state of emergency.

e. Small travel agencies will decrease even more in popularity and confidence level, unless they not take the advantage of the increased adaptability capacity that small agencies present and diversifies their tourist offers.

Based on these results, following other analyzes related to other important environmental factors (economic and political environment) marketers must consider the changes in attitudes of tourists and focus on loyalty strategies, more rather than attracting new customers, given that tourism ultimately means a face-to-face relationship, the importance of the trust they have in tourism services in the context of the COVID-19 pandemic.

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