

IMPACT OF POST COVID-19 OUTBREAK OF ONLINE TRAVEL INDUSTRY

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Abstract

The present pandemic COVID-19 has resulted in global challenges, economic and healthcare crises, and excess impacts on the global industries, including tourism and travel that the major contributor to the service industry globally. Before COVID-19, travel and tourism had become one of the most central sectors in the world's economy, accounting for 10.2% percent of global GDP and more than 320 million jobs worldwide. The tourism industry has met the COVID-19 tourism impacts hardest hit and lies among the most dented global industries. The leisure and internal tourism indicated an abrupt decline amounting to 2.86 trillion US dollars, which quantified more than 50% revenue losses. Tourism-dependent countries will likely feel the negative impacts of the crisis for much longer than other economies. Travel companies had to reposition themselves for the post-pandemic market by activating a new strategy based on leisure travel. The need for social distancing and decongestion of booking centres has forced for adoption of digital approach to book tickets. This has been implemented on a large scale in the sector. The digitalisation of ticketing in the initial phases prior to electronic reservation system made it likely for people to book a ticket from any corner of the country. The study discusses direct COVID-19 online travel industries impacts, attitudes, and practices in gaining the industry's boom and recovery.

Keywords: *Digitalisation, impact, pandemic*

Introduction

The people's movement is changing with the help of technology and innovation. However, the coronavirus pandemic is likely to put moving wheels to a grinding halt. Technology and innovation can accelerate transport instead of impeding it, especially in terms

of digitalizing transport in urban areas. COVID-19 has accelerated the need for companies within the travel and tourism industry to rapidly invest in digital strategies including the global online travel market which is expected to grow at a compound annual growth rate (CAGR) of 8% to reach \$765.3 billion between 2022 and 2025, according to Global Data. The leading data and analytics company notes that due to more consumers shifting to e-commerce, if players fail to invest in a robust digital strategy, they will allow their competitors to take a greater share of the market.: Online Travel reveals that intermediaries are increasingly shifting from a high street presence towards an asset-light, online-only operation to meet changes in consumer demand and keep operating costs low. The pandemic has heightened the need to reduce physical contact and as a result consumer behavior has changed with customers now more likely to carry out their transactions online.

Review of Literature:

The Covid-19 pandemic has severely impacted the tourism industry across the globe covering sectors like hospitality, tour operators, travel agents, air, land and sea transportation industry and others (Mondaq, 2020) ^[1]. The travel, tourism and hospitality industry has been decimated by the impact of the coronavirus COVID-19 outbreak (Phocuswire, 2020) ^[2]. It's predicted that 120 million jobs are at risk, with economic damage likely to exceed over \$1 trillion (Weforum, 2020) ^[3].

Statement of the Problem:

The cultural and social change of the modern service and industrial society, as well as technical and economic innovations, especially in the transport system, led to enormous changes in the tourist demand side. However, other factors, such as the increased geopolitical stability and the opening of many national borders, are reasons for an all-round increase in international tourism. Tourism was one of the world's fastest-growing markets; until the world met a new brand pandemic in the 21st century. As this key travel segment returns, all affected face new challenges in a changed world. A health threat still looms, bigger in some countries than others. But even as it subsides, corporate travel will be affected by the changes adopted and lessons learned during the COVID-19 pandemic. Travel remains critical to many businesses' growth. But there has been realignment and reevaluation of the cost-benefit equation around face-to-face meetings and events.

Objectives of the Study:

1. A study on post pandemic recovery on travelling sector
2. A study on flexibility and sustainability of the online traveling sector
3. A study on technology for using payment methods during the pandemic
4. To know the Overall impact of the pandemic on online traveling Sector

Scope of the study:

This study aimed to present the decisions and reactions of individual tourism actors, tourists because of the pandemic trends outlined. Specifically, this study focused on revealing the effects of the COVID-19 pandemic on global tourism in India.

Strategies used by OTA's (Online Travel Agencies) to improve conversions in the era of COVID-19

The online travel market in India is mainly driven by several factors that include the increasing tourism industry, along with the rising penetration of internet usage and smartphone users across various countries. In addition to this, rapid urbanization, increasing per capita income, economic growth, and changing lifestyle of the customers shifting towards more enhanced services and comfort will have a positive impact on the growth of the market. The following strategies are used by OTA's:

1. Assure as well as inspire

Booking a trip is no longer about just inspiring the traveler to get away. Now, OTAs need to also consider how they will assure people that they will be safe. Traveler concerns are two-fold. They want to know whether they will be safe on their trip, and if there is enough flexibility to protect them from financial loss in case they can't travel as planned. To consider making a booking, travelers want to see enhanced cleaning measures onboard flights (71%), in hotels (73%), and in car rental (72%) while 64% said that flexible or refundable tickets are very important factors. But, for OTAs, what's even more interesting is that travelers are now more likely to book through an agent than before the pandemic. This is a vast majority when including those who said they were as likely to book through an agent as before. Of those showing a renewed interest in booking through an agent, 65% said this is because agents can provide them with information about the safety measures in place.

2. Be accessible and add a human touch

We know that travelers are turning to agents because they trust them to provide enhanced safety information. Given this added need for reassurance, OTAs must focus on offering a more human touch. Recent research shows that 65% of consumers feel comfortable

handling an issue without a human agent. Adding online chat functions to your website, run either by employees or using artificial intelligence (AI), will empower travelers to find answers to their questions around safety measures, and flexibility in change/cancellation policies — while adding a heightened sense of personal interaction.

3. Simplify the decision to book

In addition to the complexities caused by COVID-19, older frustrations such as identifying the right fare for their trip remain a challenge. Research carried out in June 2020 has shown that 50% or more of airline passengers from the U.S., U.K., Germany, Spain and China spend more time than desired using digital channels to book flights. Hotels are only marginally better. And with industry changes like NDC still a priority for airlines, OTAs need to improve their retailing experience to be able to compete with airlines' direct websites. OTAs have one big advantage over airlines they can offer huge time savings if they allow the booker to see and compare different airline offers through one shop window. The advancement of NDC will help enhance the buying experience through dynamic offers. But for OTAs to benefit from these, they need to be able to capture more information from the consumer, such as their loyalty card details and service preferences. By capturing this information, OTAs will be able to display a tailored offering to a persona or persona group creating a more personalized buying experience. The traveler can compare offers that include their own preferred trip attributes (such as increased leg room, seat selection, and priority boarding) plus engender loyalty with targeted bundles that add value at a favorable cost.

4. Build a loyal customer base

Speaking of loyalty traditionally the travel industry has used such schemes to grow a base of repeat customers. Although 91% of OTAs already have some form of loyalty scheme, these alone are not enough. Travelport's research found that 73% of travelers want to book their trip end-to-end in the same place, while 70% also believe a good mobile experience would improve their loyalty to an OTA. So how else can OTAs build a loyal customer base? Post-trip, OTAs should ask customers for feedback to better understand their preferences and then use the data gathered to tailor future deals and offers to that customer. Research has shown that 70% of passengers want personalized offers, but fewer than 20% receive them.

This is a missed revenue opportunity for OTAs, as passengers are likely to pay on average 11% more for offers that match their interests. And don't forget the value of feedback in the form of ratings, reviews, and recommendations. This user-generated content is especially important on social channels where an increasing number of travelers including 90% of Generation Z are

spending their travel-purchasing time. The more we as an industry can show travelers safely enjoying their trips, the more likely it is we will encourage others to do the same ^[10].

Travel Experience

It's becoming increasingly evident that customers are seeking customized, personalized and small-group trips, which has caused a rise in custom searching for guides. New platforms like Get Your Guide, Indy Guide and Kimkim take away the mediator and directly connect travelers with local guides and experiences. Through booking platforms, travelers can not only customize their experience but manage their trip from start to finish.

City Guide Experience

At the destination, businesses like welcome use AI technology to offer real-time recommendations based on a user's personality and interests, prioritizing local businesses that capture culture and spirit. Connecting travelers to businesses they may not have found on Google helps support locales that need tourism dollars in the post-pandemic era, while giving each city's personality back to travelers.

Local Shopping Experience

In December 2020, Local Purse launched an online marketplace for vendors and artisans to connect with global shoppers to share and sell their products. Since its launch, the business's two tours have expanded across the globe, creating connections, which would otherwise be non-existent without in-person travel, between travelers and local businesses ^[11].

The travel industry realized the importance of technology in payments during the COVID-19 pandemic

One general trend in online travel during the pandemic is the increasing use of technologies in payments. According to a September 2020 survey cited in this publication, more than seven in ten airlines globally plan to implement or advance mobile touchless payments by 2023. Moreover, in 2020, close to half of the global tourists stated that technology-driven solutions are a key confidence booster in travel; and a further four in ten of them noted that contactless payments, including Apple Pay, Google Pay, PayPal, Venmo, would make their travel experience better during the COVID-19 health crisis. With that, in 2020, almost one in five travelers worldwide left a travel-related purchase unpaid as a contactless payment option was not available. Additionally, a significant share of travelers in Canada, the US, Japan, and the UK found "ease of paying" to be a factor that substantially impacted their travel decisions in 2020, and, in particular, a choice of a travel agent or a tour operator.

Buy Now Pay Later solutions attracted online travelers worldwide in 2020

Another trend on the online travel payment scene is towards Buy Now Pay Later solutions. According to figures cited in the new market report, the availability of a BNPL option in 2021 was an important factor for almost a quarter of travelers worldwide when booking a service related to a trip. Moreover, in the Asia-Pacific area, over two in ten travelers opted for this payment method when it came to traveling during the health crisis, and the share of Chinese tourists using it was more than double the regional average^[6].

The tourism sector is one of the worst affected by the impacts of COVID-19.

International arrivals have increased by just 4% in the second year of the pandemic; with 1 billion fewer arrivals when compared to pre-pandemic levels. 63% of experts from the World Tourism Organization (UNWTO) believe the sector won't fully recover until 2024. While few industries have been spared by the impact of the COVID-19 pandemic, even fewer have been hit as hard as the tourism sector. As 2021 drew to a close with severe limitations to travel still in place, the World Tourism Organization (UNWTO) reported that international tourist arrivals increased by just 4 percent last year, remaining 72 percent below 2019 levels. That equates to more than 1 billion fewer international arrivals compared to pre-pandemic levels, keeping the industry at levels last seen in the late 1980s. Prior to the coronavirus outbreak, the global tourism sector had seen almost uninterrupted growth for decades. Since 1980, the number of international arrivals skyrocketed from 277 million to nearly 1.5 billion in 2019. As our chart shows, the two largest crises of the past decades, the SARS epidemic of 2003 and the global financial crisis of 2009, were minor bumps in the road compared to the COVID-19 pandemic. Looking ahead, most experts no longer expect a full recovery until 2024 or later. While the UNWTO Panel of Experts is confident to see an uptick in travel activity this year, just 4 percent of the surveyed experts expect a full recovery in 2022. Roughly one third of respondents believe that international arrivals will return to pre-pandemic levels in 2023, while 63 percent think it will take even longer than that. UNWTO scenarios predict that international tourist arrivals could grow between 30 and 78 percent in 2022 compared to 2021. While that sounds like a significant improvement, it would still be more than 50 percent below pre-pandemic levels^[12].

The tourism sector in India:

The tourism sector in India is an integral pillar of the Make in India program. The tourism industry in India plays a role of significant economic multiplier and becomes critical since India has to grow at rapid rates and create jobs. In April 2021, the percentage share of

(foreign tourists' arrivals) FTAs in India was highest at Bengaluru (29.96%), followed by Mumbai (17.48%), Ahmedabad (15.72%), Delhi (9.21%), Cochin (4.91%), Chennai (4.04%), Hyderabad (3.34%), Lucknow (2.40%), Bhavnagar (2.37%), Kolkata (2.11%), Calicut (1.41%), Amritsar (1.35%), Kakinada (1.32%), Dabolim (Goa) (0.91%), Mangalore (0.72%). Between January 2021 and April 2021, FTAs was 376,083 as compared with 2.35 million between January 2020 and April 2020, registering a negative growth of -84.0% year over year due to COVID-19. By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post pandemic. India's travel and tourism industry has huge growth potential. The industry is also looking forward to the expansion of e-Visa scheme, which is expected to double the tourist inflow in India. India's travel and tourism industry has the possible to expand by 2.5% on the back of higher budgetary allocation and low-cost healthcare facility ^[9].

Conclusion:

India's travel and tourism industry was the seventh-highest GDP contributor with its share of the country's GDP. Deeply affected by the restrictions imposed due to the spread of the **coronavirus pandemic**, the **global** online travel industry experienced a significant downfall in sales. Technology has made our life easier and more comfortable, and it has revolutionized the travel industry. Nowadays, travelers like to plan and book their trips online via a mobile app or website without human interaction. It is known that travelers are keen to use social media platforms, mobile application and websites to explore their destinations and technology is an important factor in every sector. The recent bounce-back in the travel sector is witnessed in its online booking segment compared to the offline one. There has been a noticeable growth in online bookings and increase in online travel market over the years and it is changed compared to offline bookings. The online travel industry can recover from the COVID-19 pandemic but it requires owners and entrepreneurs having good tactic, clear segmentation and technological advances, good products which entrepreneurs will offer to travelers. Entrepreneurs also need to deliver unique products and assess these carefully. However, those companies which are willing to meet the challenges head-on will see customer experience recover across the board. In turn, this will encourage not only repeat business from those customers who have booked with them previously but inspire new customers to come on board as well.

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