

HOW THE PANDEMIC HAS CHANGED THE TOURISM INDUSTRY

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Abstract: *The tourism industry has been one of the industries most affected by the pandemic. The borders were closed one by one, travel was limited or even banned, and people were asked to stay in their homes. For tourism, 2020 has been a continuous decline. In 2020, tourism was among the sectors most affected by the COVID-19 pandemic, due to the travel restrictions as well as other precautionary measures taken in response. In 2020, the number of nights spent at European Union (EU) tourist accommodation establishments totaled 1.4 billion, down by 52% compared with 2019. Market research confirms that 2020 has become the year of domestic tourism. 1 March 2021 marks a year since the beginning of the most difficult period in the tourism industry. People's desire to travel has not disappeared, but their behavior regarding the scheduling of the next vacation has changed. In 2021, tourists tend to choose more isolated destinations, with more green space and away from mass tourism. And while storm clouds appear to be dissipating in 2021 with the start of the vaccination campaign, there are still many questions about what this year's trip will look like. As the pandemic shows no signs of stopping soon and the vaccination campaign is progressing slowly due to the limited number of vaccines and logistical organization problems, tourism cannot stop and wait for better times. And, moreover, the future of this industry seems at this moment an equation with unknown Ns. The challenges will be especially for those who receive tourists, because they must give them the confidence to start traveling again as in the past. The aim of European tourism policy is to maintain Europe's position as a top tourist destination, while maximizing the industry's contribution to growth and employment and promoting cooperation between EU countries. Business Magazine identified five key questions for tourism entrepreneurs to determine how and where tourists will spend their holidays in 2021.*

Keywords: *tourism industry; COVID-19 pandemic; European Union; Romania.*

JEL Classification: L83; Z32

1. Introduction

Tourism is a complex ecosystem that includes many actors: providers of information and offline and online services (tourist offices, digital platforms, travel technology providers), travel agencies and tour operators, accommodation service providers, destination management organisations, tourist attractions and passenger transport activities. Tourism and transport are also based on major industrial sectors (e.g., construction, aircraft manufacturing, shipbuilding sectors, etc.). Following the COVID-19 pandemic, the tourism industry has been among the

most affected industries. As a result of travel and other restrictions, tourism has gradually ceased its operations in the first quarter of 2020 in the EU and worldwide. The OECD estimates that this decline in activity ranges between 45% and 70%, depending on the duration of the health crisis and the pace of recovery (according to the European Commission, 2020:9-11).

2. Research Methodology

In this paper, we have focused both on a quantitative, as well as a qualitative analysis. To conduct the quantitative analysis, we used statistical data provided by Insse.ro and Eurostat and, in terms of the qualitative analysis, we focused our attention both on documentaries (eBook Horeca, European Commission, etc.), as well as on the interview conducted by Business Magazine on *“How and where will we spend our holidays in the future?”* The 5 questions proposed by Business Magazine seek answers/solutions with regards to the changes resulting in the behaviour, attitude and expectations of tourists, following the COVID-19 pandemic.

3. Tourism in Europe and in Romania during January and July 2020 (statistical data)

In 2020, the number of accommodations in tourist units in the EU has halved in the first eight months of the year, compared to the same period in 2019. Overnight stays in tourist reception facilities in EU countries during January and August 2020 stood at 1.1 billion, two times less than in the same period in 2019, amid the effects of the coronavirus pandemic (COVID-19), according to data published by Eurostat. The largest decrease in the number of overnight stays recorded in the tourist reception facilities in the EU was in April (95%) and May (89%) 2020, compared to the same months in 2019, when Europe was practically closed. During July and August 2020, the number of overnight stays registered in the tourist reception structures in the EU decreased by 37% compared to the similar period in 2019 (according to NIS, 2020). The pandemic that locked up countries around the world did not bypass Romania either.

Table 1. Arrivals in tourist reception structures with accommodation functions - period 01.01-31.08

	Arrivals in tourist reception structures with accommodation functions		
	Period Jan-Aug 2019	Period Jan-Aug 2020	Period Jan-Aug 2019 compared to Jan-Aug 2020
Total	9137.0	4367.4	47.8
Romanian tourists	7317.0	4006.7	54.8
Foreign tourists of which:	1820.0	360.7	19.8

- Europe	1351.7	277.8	20.6
(European Union)	1052.5	205.9	19.6
- Asia	245.2	41.0	16.7
- North America	127.4	19.5	15.3
- South America	14.3	2.7	18.9
- Africa	13.1	3.5	26.7

Source: conducted by the author based on the information provided by NISES in the Press Release no. 260/2.10.2020

The arrivals registered in the tourist reception structures in the period 01.01-31.08.2020 amounted to 4367.4 thousand, representing a decrease by 52.2% compared to the same period in 2019.

Of the total number of arrivals, during 01.01-31.08.2020, the arrivals of Romanian tourists in the tourist reception structures with accommodation functions represented 91.7%, while foreign tourists represented 8.3%. Regarding the arrivals of foreign tourists in the tourist reception structures, the largest share was represented by tourists from Europe (77.0% of total foreign tourists), and of these, 74.1% were from countries belonging to the European Union.

Table 2. Overnight stays in tourist reception structures with accommodation functions - period 01.01-31.08

	Overnight stays in tourist reception structures with accommodation functions		
	m.u. -thousands-		
	Period Jan-Aug 2019	Period Jan-Aug 2020	Period Jan-Aug 2019 compared to Jan-Aug 2020
Total	20874.1	10163.4	48.7
Romanian tourists	17294.2	9382.5	54.3
Foreign tourists of which:	3579.9	780.9	21.8
- Europe	2574.1	590.2	22.9
(European Union)	1982.4	431.6	21.8
- Asia	546.9	103.2	18.9
- North America	273.6	41.7	15.2
- South America	30.2	6.2	20.5
- Africa	25.4	8.0	31.5

Source: conducted by the author based on the information provided by NISES in the Press Release no. 260/2.10.2020

The overnight stays registered in the tourist reception structures in the analysed period amounted to 10163.4 thousand, representing a decrease by 51.3% compared to those in 2019. The average length of stay during January and August 2020 was 2-3 days for both Romanian and foreign tourists (according to NIS, 2020).

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4. European Union endeavours to support tourism affected by the COVID-19 pandemic

The EU has relieved EUR 1 billion as a guarantee for the European Investment Fund in order to help 100,000 SMEs across the EU, including in the field of tourism. The Commission encourages collaboration between regions, to share, test and implement new smart solutions for recovery, creating a new value chain for an innovative, responsible and sustainable tourism. The Commission also aims to ensure that passenger and traveller vouchers become a viable and attractive alternative to reimbursing cancelled trips, in the context of the COVID-19 pandemic. Over time, several digital platforms have been created in an attempt to support and promote tourism in Europe. One of these digital platforms is the “*Europeana*”, which promotes the European cultural heritage, showcasing cultural jewellery and “hidden gems” from across Europe. At the same time, the European web application “*Cultural gems*” will launch, in the second half of the year, a campaign serving as ambassador of the citizens to support proximity tourism. In cooperation with the Member States, the Commission will continue to support the exchange of information and encourage Europeans to discover the diversity of Europe’s landscapes, cultures and experiences by organising various competitions, such as: “*European Capital of Smart Tourism*” and “*European Destinations of Excellence*” (according to the European Commission, 2020:13-17).

5. How the pandemic has changed tourism and the hospitality industry

Europe represents half of the tourist destinations at global level, and the situation is particularly difficult for tourism-dependent countries such as Spain, Italy, France and Greece. Travel restrictions imposed in the context of the COVID-19 pandemic have decimated the tourism sector, a major player in the EU economy. The borders were closed one by one, travel was limited or even banned, and people were asked to stay in their homes.

A few perspectives ...

After a year of restrictions and lockdowns, we should not be surprised to see an increase in popularity of the health tourism, wellness tourism, spiritual tourism and possibly religious tourism. It is, eventually, a rediscovery of the self (according to Antoniou, K. 2021)

Sabin Costea says that „*the pandemic constituted a major financial blow for the industry in which he works*”, stating the following: “*The impact for us, I'm talking about the tourism industry at large, has been colossal. In a few weeks, our years of planning and sales work have been wiped out. And for almost a year now, since March 2020, there has been a strong feeling that we are fighting in vain*”. From Pricop's perspective here are some opinions expressed by tourists: „*You feel tension, aggressiveness. Somehow, people no longer travel as prior to the pandemic*” says Ana-Maria Leu. „*I chose accommodations in small towns, with apartments or rooms in villas with private bathroom, I have always worn a mask indoors or when interacting with the hosts at the accommodation, and the hand sanitizer was always at hand. I have avoided crowded areas and beaches and used to choose the most secluded table at terraces*” says Sorina Severin (according to Pricop, S. 2021).

Restaurants and changes in customer consumption behaviours

For the restaurant segment, a dramatic decrease in traffic and the number of customers around the world was observed, in a context where, for several months, locations have been closed in Romania, most businesses opted for the development of a new line of business, that of delivery, which remains a clear plan for the future as well. During the lockdown, most of the well-known chefs moved to social media, where they started cooking different recipes and answering questions from those who used to watch their shows. Home-cooked food and home-made bread have become the new trend of 2020 - the amounts of flour, yeast, frozen foods and canned food sold have doubled (sometimes tripled), compared to the same period in 2019 (according to eBook Horeca 2020:14-15).

Behaviour changes in the Hotel industry

For the hotel segment, the lockdown period has brought about the closing of the locations and the cancellation of reservations for several months. Certain hotels abroad have opted to transform conference and event spaces into mini-offices, places where Zoom meetings can be organised with TV walls, web cams or spaces that integrate virtual reality, broadcast online events or virtual scenes are created. In Romania, architects and designers focus their attention on island-based design, with generous spaces between visitors, dividing walls made of vegetation or through art exhibitions (according to eBook Horeca 2020:22)

6. How and where will we spend our holidays in the future?

Business Magazine has identified five key questions for players in the tourism industry. Thus, the representatives of five of the largest travel agencies in Romania were selected to answer the following questions: *Is the era of city breaks on the wane? Are charter flights the future of Romanian tourism? Will we choose cars to the detriment of planes? Will mass tourism be replaced by luxury tourism? Could Romania become a significant name on the world tourism map?* (according to Roşca, C. 2021).

Is the era of city breaks on the wane?

Prior to the pandemic, low-cost airlines and travel agencies used to offer various compelling promotions and travel packages, in order to attract as many tourists as possible. If you were lucky and patient, you could fly from Bucharest to Rome for Lei 100 or 200 (round trip), the fare being lower than for a train ride from the Capital city to the northern part of the country.

However, the pandemic has cancelled the phrase “city break” from the travellers’ vocabulary. The multiple restrictions, the changing travel conditions and the costs of PCR tests required by most countries are strong enough reasons to make tourists look for vacations in their own country. In the opinion of tourism industry specialists, the demand in city breaks will dramatically surge once the pandemic will come to an end. *“In the long run, I don’t think that city breaks or short vacations abroad will die ...” On the other hand, we see an increase in local city breaks, so within the country. We are still talking about short vacations, only that instead of being in France, Spain or Italy they are in Romania*” (according to Javier Garcia del Valle, CEO of Happy Tour).

Are charter flights the future of Romanian tourism?

Until recently, Romania has not had direct flights to exotic destinations such as the Maldives, Kenya, Zanzibar or the Dominican Republic. During the pandemic, however, the first direct flights occurred. Christian Tour Group, one of the largest players in Romanian tourism, has launched a series of charter flights, and entrepreneur Cristian Pandel, the owner and CEO of the business, says the future sounds good. *“We are glad that after so many difficult months, in which tourism was down, towards the end of the previous year we could see a growing appetite of local tourists for remote, exotic and warm destinations, during the cold season in Romania.”* Thus, this pandemic, although it was like a hurricane over tourism worldwide, it also brought a positive side, precisely by the launching of these direct charter flights, for the first time, to exotic long-haul destinations, he added.

Will we choose the car to the detriment of planes, for safety reasons?

There are still many questions regarding COVID-19, and one of them relates to the way the disease is transmitted. People are afraid, many of them, that is why planes (closed spaces accommodating several hundred passengers) are considered with scepticism. Alin Burcea, the owner of the Paralela 45 travel agency, believes that the plane has strong enough arguments not to feel that its position is threatened. *“I do not think that this pandemic will lead to an increase of the number of car trips. It is more convenient to travel to Antalya (Turkey) in just one hour and 20 minutes by plane, and not by car, a journey that would take two days, with a stop for one night of accommodation”, he explains.*

Will mass tourism be replaced by luxury tourism?

Under the current conditions, in which the risk of spread of any disease increases with the number of people in one place, some specialists have circulated the information according to which countries could rather branch out to luxury tourism. Thus, with a smaller number of visitors, revenues could be similar. Could this be a long-term solution? *“It seemed so, at the beginning of the pandemic (that there is a branching out to luxury - ed. n.), but as other countries began to open up, I noticed a return to the old travel behaviours,”* says Sorin Stoica, owner of the Etura travel

agency, specialized in exotic destinations. He takes Egypt as an example, which is a mass destination, and here the number of charters has reached unprecedented records. These are direct flights from Romania to the resorts at the Red Sea - Hurghada and Sharm El Sheikh.

Could Romania become a significant name on the world tourism map?

The closure of the borders of most countries worldwide has determined local travellers to discover/rediscover tourist attractions in their own country. In the local market of Romania, many accommodation facilities and restaurants or cafés have been developed in recent years, at Western standards and at reasonable prices. Industry players say that rural and ecological tourism can be winning bets for Romania. *"The development of rural tourism in Romania was happening prior to the pandemic, as well, not at an accelerated pace, but it increased both quantitatively and qualitatively. The holiday vouchers used by many tourists not only for the seaside but to get to know new areas of the country have driven this trend"*, says Dan Goicea, CEO and founder of the Cocktail Holidays travel agency. Tourist guesthouses, by the fact that they are smaller accommodation units, in general, many even in remote areas, some with rates targeting lower budgets, represent an attraction and, implicitly, a solution for many nature lovers, not only for holidays, but also for weekends and even for working and relaxing at the same time, added the entrepreneur. *"Those who have discovered or rediscovered rural areas will return in the future, as well."* Rural Romania is a very attractive destination, not only for Romanians, but also for foreigners, having one of a kind areas and products, where nature, architecture, traditions, gastronomy and culture so beautifully intertwine. *"Many foreigners who know the destination, know that Romania is the last place to find wildlife in Europe."*

7. Conclusions

Considering current technology, it is time to focus on nature, culture, adventure and experiences to build a new travel and tourism industry (according to Trends HRB Magazine, 2020:39). The travel conditions imposed by the COVID-19 (testing/vaccination) will limit the options to travel abroad, but also nationally for people who have not been vaccinated. Sources of income are another issue that will affect tourism at global level, because many people have lost their jobs during the pandemic. In 2021, tourists will continue to travel to nearby destinations. They will more often go outdoors and will opt for shorter vacations (sometimes even by tent, minimizing the possibility to interact with other people). They will prefer to rent villas, apartments, caravans or those accommodation units that offer them a more generous personal space. Tour operators will try to organise group tourist programs differently: to offer smaller means of transport to a destination instead of large buses, to organise private tours (suitable for extended families/groups of friends travelling together), etc. being concerned with distancing, hygiene and ensuring safe travel conditions for tourists. Furthermore, the public accommodation and catering units will seek to implement new rules of hygiene and distancing (in the rooms, restaurant, common indoor or outdoor areas), to develop more attractive programmes for guests, to offer them contactless experiences (at check-in/check-out, restaurant, bar, other services), to include room-service among

the usual services they provide (especially, if they did not previously have this service) and to provide guests with excellent internet connection, as well as “work friendly” rooms (just as the “work from home” concept, for some time now, the “work from hotel” concept has emerged.

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