

The Crisis and the Countermeasures in the Growth of China's Travel Agencies under the Influences of COVID-19

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Abstract

After more than 40 years of development, China's travel agency industry has grown rapidly, but the situation of scattered, small, weak and poor has not fundamentally changed. The unexpected the public health event crisis of COVID-19 in 2020 has brought great influence on China's travel agency industry, which makes China's travel agency industry face double challenges at home and abroad, but also breeds opportunities for development. In the face of the crisis, China's travel agency industry has responded to it, trying to restore confidence and revive the economy. This paper puts forward some idea from the aspects of crisis management, marketing and product development, including the establishment and implementation of the normalized tourism public crisis response mechanism; the reconstruction of the tourism image of the travel agency industry; the strengthening of marketing, with special attention to new media marketing; the emphasis on natural education, and the enhancement of the upgrading of tourism products.

Keywords: *China Travel Agency; COVID-19; Crisis Management; Coping Strategies*

1 INTRODUCTION

After more than 40 years of development, China's travel agencies have grown from "CITS", "CTS", and "CYTS" in the early stage of reform to 38,943 in 2019 (according to the data released by the Ministry of Culture and Tourism). However, although the number of travel agencies is large, the reality of scattered, small, weak and poor has not fundamentally changed. Most of China's travel agencies belong to small and medium-sized enterprises. On the one hand, their capacity for capital turnover is limited, and their ability to resist risks and crises is relatively low. On the other hand, compared with large-scale enterprises, travel agencies are in a weak position in the tourism industry chain, and are highly related to other enterprises. They are more likely to become loss bearers in the face of sudden crisis. Whether it is "SARS" in 2003, Indian Ocean Tsunami caused by strong earthquake near Sumatra Island in 2004, snow disaster in most provinces and cities in southern China in early 2008, Wenchuan Earthquake of "5.12", or financial crisis and H1N1 outbreak sweeping the world in 2009, the "catfish" typhoon in 2010, earthquake in Japan and the tsunami in 2011, etc., have brought great crisis and even fatal damage to the travel agency industry. In 2020, COVID-19 epidemic sweeping the world is a direct blow to China's tourism industry, adding to the misfortunes for very fragile travel agency industry. Therefore, the recovery and revitalization of travel agencies has not only become one of the focuses of global tourism industry, but also more and more travel agencies have begun to pay attention to and carry out crisis management in China.

At present, there are many researches on tourism crisis. Foreign research started in the 1970s. Deng Bing, etc. (2004) summarized that foreign research mainly focuses on tourism and terrorism, tourism and political instability, tourism and war, tourism and crime etc. [1], while there are few studies on travel agency crisis. However, the domestic research on tourism crisis rose in the late 1990s. There are many researches on tourism crisis management, while there are preliminary researches on the crisis management of travel agencies, but most of them are not in-depth enough, mainly analyzing the causes of the crisis, the forms of expression, and the Countermeasures for the crisis.

For example, Fu Anan (2007) thought that there is product design crisis, credit crisis and talent crisis in travel agencies [2]. Wang Tingting (2014) thought that small and medium-sized travel agencies in Hubei are facing policy crisis, customer source crisis, product and price crisis, talent crisis, reputation crisis, management crisis, etc. [3]; Huang Shaomei (2010) analyzed the causes of travel agency tourism crisis [4]; Ma Yun (2013) proposed four countermeasures, including to establish safety awareness and strengthen cooperation with insurance companies, transfer risk, establish emergency management organization and properly handling crisis [5].

Because every crisis has different reasons and different characteristics, the above research is very necessary, but in the long run, in order to prevent the unexpected, we should carry out relevant research from the aspects of product design, marketing, normalization and effectiveness of the crisis response mechanism. It is of great significance to the management of travel agencies, not only to help travel agencies to be fearless in the face of crisis, but also to it is beneficial to guide the rational consumption of tourists, and the rapid and healthy development of China's travel agency industry.

2 THE IMPACT OF COVID-19 PUBLIC HEALTH CRISIS ON CHINA'S TRAVEL AGENCIES

The emergent public health event of COVID-19 has undoubtedly caused heavy damage to China's tourism industry, and the travel agencies as a representative of tourism industry is even worse. Besides the travel agencies itself, its impact has also caused great panic to tourists' travel.

2.1 Impact on Tourists

Tourists are the main part of tourism activities. Without tourists, travel agencies will not survive.

1) Tourists Psychological Panic

First, the uncontrollability of the crisis causes the psychological panic of tourists. Second, because of the unpredictability of the crisis, if the crisis is handled improperly, it will leave a shadow for tourists, especially the major crisis of COVID-19, which will cause people's huge psychological pressure in the short term. In order to ensure safety, people are willing to adopt conservative strategies, prefer not to travel or reduce travel.

2) Frustration of Tourists Confidence

Tourism is an activity that can bring people aesthetic and pleasure. However, when the crisis of COVID-19 is occurring, Tourism activities stagnate, so people can't talk about aesthetics and pleasure. After the crisis, people's inner panic is hard to eliminate, which affects their desire to travel, and then affects people's confidence in purchasing tourism products.

3) Reduction of Tourism Demand

After the crisis of COVID-19 in public health event, the Chinese government closed Wuhan and other cities for the first time, and strict control measures were carried out everywhere. Residents stayed indoors and tourism demand fell sharply. However, the crisis lasted for a long time, from January 2020 to now. The local economy has been seriously damaged, which has also affected people's normal income and control, further aggravating the reduction of tourism demand.

2.2 Impact on Travel Agencies

1) Business Stagnation

In January 24, 2020, "urgent notice on prevention and control of COVID-19 and suspension of business activities of tourism enterprises" was issued by the general office of Ministry of Culture and Tourism. The national travel agency and online travel enterprises suspended business team tours and "ticket + hotel" products. After January 27, 2020, all team travel businesses and "flights + hotels" services including outbound teams have been suspended, and the business activities of travel agencies have been completely stagnated.

2) Economic Damage

At present, the income of China's travel agencies mainly comes from several golden weeks, while the business of Spring Festival Golden Week may mean the income source of travel agencies for half a year, but when the crisis comes, the early investment of travel agencies directly collapses. A large number of refunds of Spring Festival orders severely impacted the cash-flow of enterprises. In the following two or three months, the willingness of consumers to travel also collapsed, while the labor cost, rent and operating expenses of enterprises are still occurring.

Compared with the first half of 2019, China's travel agencies organized 7.7336 million domestic tourists and 30.675 million outbound tourists, respectively accounting for 2.52% and 37.74% of the total number. Referring to the tourism reception of the Spring Festival in 2019, it is estimated that the domestic tourism reception of travel agencies will be reduced by about 10 million during the Spring Festival. This crisis has seriously damaged the growing economy of China's travel agencies, and even faced a survival crisis.

3) Reputation Damage

Although after the crisis, travel agencies and related enterprises cancelled the booking of tourists and refunded most of the fees, but the crisis is force majeure, and tourists also suffered certain economic losses, which made some tourists question for the reputation of travel agencies, which also damaged the tourism image of travel agencies and related enterprises.

3 CHALLENGES AND OPPORTUNITIES BROUGHT BY THE PUBLIC HEALTH EVENT CRISIS OF COVID-19 TO CHINA'S TRAVEL AGENCIES

The public health event crisis of COVID-19 is a double-edged sword, when there is danger, there is opportunity. How to meet the challenges and seize the opportunities is a problem that must be considered by China's travel agency industry.

3.1 Challenges

1) Domestic Challenges

Most of China's travel agencies are small and medium-sized enterprises, which are vulnerable to various natural and social factors. During this crisis, some large-scale travel agencies are devoting themselves to training, and are ready for development. However, some small-scale travel agencies are unable to bear the huge cost of business suspension, or turn to other industries or be eliminated by the market, that is to say, China's travel agency industry is facing a reshuffle, which will undoubtedly bring a certain degree of turbulence to the travel agency industry in a certain period of time.

The crisis of COVID-19 is the most painful for the employees of travel agencies. In the early stage of the crisis, many travel agencies began to cut some staff and salaries. However, the crisis is still in progress, and even rebounded in some places. It is a strong challenge to how to get through the crisis for China's travel agency industry and employees.

2) International Challenges

Due to the reduction or suspension of China's international flights, both online and offline travel agencies have cancelled their inbound-outbound travel orders, which not only caused huge economic losses, but also failed to recover to the pre epidemic level in a short period of time. According to Professor Dai bin, a tourism expert at China Tourism Research Institute, after the epidemic, there will be no retaliatory growth in China's tourism industry, but good fundamentals will not change in the long-term, and the recovery period will take at least one year.

In addition, although the epidemic situation in China is basically stable in the near future, it has not been fundamentally curbed in other countries, especially in Europe and the United States. It is almost impossible for foreign citizens to travel in the near future, which undoubtedly brings a very unfavorable situation to China's inbound and outbound tourism.

3.2 Opportunities

1) Strong Tourism Demand

The crisis of COVID-19 has depressed Chinese tourism demand for too long and too much. The May Day Golden Week has just confirmed the strong demand market of China's travel agency industry. According to the data released by Feizhu website, the ticket price of the May Day Golden Week has been significantly reduced due to restrictions on cross provincial travel, nearly 30% lower than last year, and the average hotel price is 2% lower than last year. However, in recent three weeks, tourism search of the May Day Golden Week has continued to increase at a weekly growth rate of more than 90%. With the continuous success of the epidemic prevention work, the weekly to weekly booking of domestic resort hotels has increased by 2.36 times. Qunar website estimates that the number of tourists during the May Day Holiday Week this year has increased nearly 40% compared with the QingMing Holiday.

According to the survey of China's consumer confidence index in the tourism industry in 2020 conducted by AI media, although the current consumer confidence index in the tourism industry is relatively low, only 13.8, the expected confidence index is 63.4, and the comprehensive index is 41.3, which further shows the potential and strong demand of Chinese tourists.

2) Upgrading of Tourism Products

The crisis makes tourists pay attention to nature and the quality of tourism products. This has aroused the thinking of Chinese travel agency industry: what product do tourists like? What is environmentally friendly tourism product? What is a product with a long-life cycle? In order to meet the psychological needs of tourists, travel agencies must upgrade and transform the quality of tourism products.

3) Diversification of Tourism Marketing Methods

Nowadays, in the age of Internet, almost everyone is inseparable from the Internet, which provides enterprises with more marketing space and more marketing methods. Whether a child or an old man, they can use computer and play QQ, WeChat and so on. Young people are keen on playing new media such as TikTok, Xiao Hong Shu, Quick Worker. Therefore, it is a rare opportunity for travel agencies to make full use of new media and carry out a variety of new media marketing.

4 COPING STRATEGIES OF CHINA'S TRAVEL AGENCY INDUSTRY UNDER THE BACKGROUND OF COVID-19 PUBLIC HEALTH EVENT

Summarizing the lessons of SARS and other crises in the past, and drawing on the experience of other countries, the author believes that in order to restore confidence and eliminate the adverse effects of the crisis, China's travel agency industry should start from the following aspects.

4.1 Establish and Implement the Response Mechanism of Normalized Tourism Public Crisis

In order to reduce the adverse impact of the crisis on tourism industry in time, many international organizations, governments of many countries and regions have implemented a normalized response mechanism, set up permanent institutions or legislation for crisis management to coordinate tourism crisis comprehensively, and to carry out scientific and effective management from early warning, isolation, treatment, post crisis management, etc. For example, the World Tourism Organization set up a tourism recovery committee to deal with the crisis management of the world tourism industry after the "9.11" terrorist attacks in 2001, monitor the crisis events affecting the tourism industry, coordinate the crisis response and rescue activities. The Japanese government also included the response to the crisis in the basic tourism law and the travel law, and have formulated specific laws and regulations to deal with various crises

In contrast, in the state of stagnation of China's tourism industry, the travel agency industry is also actively self-help, but the response measures are very weak. So it is necessary to establish and perfect a normal mechanism to deal with the public crisis in the travel agency industry. The education and training of employees' crisis awareness should be carried out regularly, led by unit leader, and the crisis response team should be established. The response plan before,

during and after the crisis should be established, and should be publicized and communicated with the media and tourists in time when the crisis comes.

4.2 Regain Confidence and Reshape the Tourism Image of Travel Agencies

After the public health event crisis of "COVID-19 ", our travel agencies should not only regain confidence, but also realize the importance of reshaping the image.

4.3 Regain Confidence and Reshape the Tourism Image of Tourism Agencies

First, it is necessary to strengthen information communication. Through various channels and media, timely inform the public of the real information about self-help of travel agencies, products and marketing, and correct the public's wrong impression.

Second, we can hold special public relations activities, restart tourism activities, and establish a good image that tourism is safe in the mind of tourists.

Third, we can invite some mainstream media from home and abroad to China for on-the-spot interviews with major tourist destinations, and it is safe to transmit to China's tourism, so as to reshape the image of travel agencies, relevant enterprises and tourist destinations [7].

Fourth, travel agencies should be aware of the importance of social responsibility for the reconstruction of tourism image. Travel agencies are victims, but they are also part of society and must shoulder social responsibility. Although when the crisis comes, it is a social responsibility for travel agencies to organize donation actions or give preferential activities such as one-year free transportation or free tourism to the frontline staff, especially the medical staff, but travel agencies should more stand on the height of the community of human destiny and carry out a series of public welfare activities, science popularization activities and environmental protection activities This is very necessary for the image reconstruction of travel agencies.

Fifth, actively carry out brand building. Through brand construction, the formation of differentiated brand competitive advantage is conducive to further strengthen the image of travel agencies. The foundation of brand building is product remodeling. From this point of view, we can improve the height and quality of tourism products through in-depth experience of natural research-learning, popular science education and environmental theme travel, etc. Of course, it is necessary to carry out brand promotion activities by publicizing those events and stories with strong vitality in the form of documentary or urban promotional films, which are outstanding in the crisis, so as to reshape the brand of travel agencies and establish the tourism image of regions and countries.

4.4 Enhance Marketing, Pay Special Attention to New Media Marketing

After the crisis, if travel agencies want to restart quickly, they need to further seize the opportunity and plan. At this time, tourism marketing is more important.

For marketing content, on the one hand, it is necessary to correctly publicize and guide the tourism activities and catering related to wildlife, resolutely maintain national laws and policies, timely release tourist information, timely deal with tourist congestion, and give better service and management in customer. On the other hand, in addition to marketing superior natural resources, we should also market a better life, transfer the concept of ecological friendship, advocate a unique and healthy lifestyle, and create natural and comfortable tourism activities.

For marketing means, travel agencies should not only cooperate with tourism administrative departments, but also with scenic spots, airlines, hotels, etc. to jointly make the promotion in tourist source areas [7].

In particular, relying on TikTok, Xiao Hong Shu, Quick Worker and other short video new media, to carry out the production of short video content with the theme of natural education, life and health and various kinds of consolation trip. They will be launched before the travel agencies return to the tourism market.

We can use Webcast marketing, social marketing and other forms to let tourists "sign in online", and tourists make virtual tourism online in advance, increase the good feeling of tourism destination, and then generate the motivation of tourism.

4.5 Attach Importance to Natural Education and Strengthen the Adjustment and Upgrading of Tourism Products

1) Strengthen the Natural Education of Tourists and Guide Their Consumption Behavior

For a long time, the earth in which human beings live is not peaceful, and various disasters and crises happen one after another, such as climate disasters, acid rain and smog, greenhouse gases, water resource depletion, land pollution and so on. These natural environmental problems may push the contemporary human society to a dangerous situation. The COVID-19 in 2020 has made China and the world face the most serious survival crisis. Facing the whole nation's natural education, strengthening civic literacy and improving the quality of the people, it is imperative.

The crisis has made people realize the importance of respecting nature and loving nature. The travel agency industry should shoulder the responsibility and should guide tourists' travel behavior patterns and advocate healthy lifestyles to promote tourists' desire to travel, restore their faith and realize their tourism purposes.

2) Develop More Natural Tourism Products and Promote the Quality, Transformation and Upgrading of Tourism Products

Travel agencies are responsible for nature education and guiding tourists to carry out healthy tourism, but as the developers of tourism products, they should pay attention to the quality, transformation and upgrading of tourism products, and develop more natural tourism products, such as eco-tourism, holiday tourism, health tourism, wellness tourism, research-learning tourism, etc. The travel agency should also guide tourists to respect and protect nature through the pre trip briefing of the team.

CONCLUSIONS

This paper argues that the crisis of COVID-19 has brought great panic to tourists and brought huge losses to China's travel agency industry, and it also brings opportunities and challenges. Facing the crisis, Chinese travel agencies should establish and implement the response mechanism of normalized tourism public crisis, regain confidence and reshape the tourism image of travel agencies, enhance marketing, pay special attention to new media marketing and attach importance to natural education and strengthen the adjustment and upgrading of tourism products.

To sum up, brought more reflection to China's travel agency industry and profound changes to the consumption behavior of the tourism market. Due to the huge demand of tourism market, although tourism is a "sensitive" industry, it is no a "fragile" industry. It would follow to revive China's travel agency industry soon.

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