

Research the Impact of COVID-19 on the Tourism Service Industry – Macau SAR

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Abstract

COVID-19 broke out in the earth in 2020, economic and social development of the Macao SAR has brought huge economic losses and inestimable impact on the tourism service industry. This research focuses on the tourism service industry in the Macao SAR, study the economic trend and impact of the COVID-19 on the tourism service industry. Analyze the impact of the enterprise from the four aspects of the enterprise's production and operation, the use of funds, the sales method and the company's management, research put forward the difficulties and problems encountered by the tourism service industry enterprises. The study provides feasible recommendations and measures for the tourism service industry to address the impact of the COVID-19 and restore economic development.

Keywords: tourism service, economic, digital transformation, COVID-19

1. Introduction

COVID-19 broke out in the earth in 2020, It has brought an inestimable impact on the tourism service industry, tourism service industry is constrained by government policies and cannot conduct business as it was before the epidemic; employees cannot go to work normally and are forced to take unpaid leave; During the epidemic prevention period, the operating costs of enterprises continued to rise. The outbreak of the COVID-19 has had an unimaginable impact on the economic development of Macau. The outbreak of the epidemic has led to an "ice age" situation in the tourism service industry in Macau, which has affected the future employment layout of Macau; the impact of COVID-19, it is mainly in the short and medium term, long-term effect is not obvious for the time being under the impact of the COVID-19. The decrease in demand is mainly reflected in the contraction of consumption and investment demand and the rise in inflation and unemployment.

According to a survey and research conducted by the government of the Macao SAR of China, the number of tourists to Macao has dropped significantly in 2021, the income and profits of Macao's tourism service industry have declined. Macao SAR government has implemented more than 10 billion yuan of economic relief measures, including a series of measures to benefit the people and business, such as early distribution of cash, promotion of local consumption plans, exemption of business tax, encouragement of landlords to reduce rent, tourism allowance for Macao people. Combined with the Macao Policy Address and implemented precisely to provide certain support for the digital transformation of the tourism service industry. In the prevention and control of the COVID-19, the Macao SAR has effectively controlled the spread of the epidemic, realized the policy of zeroing the epidemic in Macao and cleared customs with China, the economy has gradually recovered.

Due to the emergence of the COVID-19, Macao's economy, citizens' lives, and business conditions of enterprises have all suffered heavy losses and impacts. The government immediately took effective measures to restore the normal development of the tourism service industry from the aspects of finance, taxation and finance. The research investigates the impact of the COVID-19 epidemic on the tourism service industry in Macao SAR, as to explore the development and opportunities that the tourism service industry will face in the future from consumer market analysis, industrial transformation, enterprise digitalization, intelligent development and other perspectives put forward corresponding strategies and suggestions.

2. Affected by COVID-19, the Basic Situation of the Tourism Service Industry in Macao SAR

The tourism service industry plays an important role in Macau's economy. Because Macau is a gaming, leisure and tourism city, the main source of income comes from tourists visiting Macau. Due to the impact of the

COVID-19, most tourists cannot come to Macau. The impact of the epidemic on the tourism service industry is huge. The COVID-19 has led to different changes in people's consumption needs and consumption concepts which has brought opportunities and crises to the entire industry. The impact of the epidemic has brought a severe test to the market and the circulation of goods in Macau.

2.1 Status of Enterprises

According to the survey results, companies and businesses have basically returned to normal operations. The epidemic has had different impacts on the company's operations, capital status and sales model. The impact of the epidemic on most companies still continues, but it has improved compared to the initial stage of the COVID-19.

3. Impact of the COVID-19

3.1 Impact of Enterprise

During the lockdown of the COVID-19, many companies implemented a stage of limited operation or even suspension of work after the lockdown, although there were tourists coming to Macau, the number of tourists was far less than the level before the epidemic and it was difficult for most companies to immediately return to the previous economy (Yan, S., & Li, S., 2020). According to the survey, the main operational adjustment measures taken by enterprises in response to the impact of the epidemic include: adopting online service platform services and developing e-commerce services; changing service targets from tourists to Macao residents; Product enrichment; staff adjustment. Due to the forced transformation of the COVID-19, the development trend of most companies has changed.

3.2 Impact of the Sales Model of Enterprises

COVID-19 has affected the normal travel and consumption patterns of citizens. Many offline physical stores in Macau are mainly tourists, so they have been severely hit and their operating performance has suffered a serious decline. Macau citizens are influenced by China's online consumption patterns. Under the catalysis of the epidemic, citizens began to like online consumption. In order to cater to consumers' preferences, many companies have launched online sales models and even developed online platforms or new retail platforms. In addition to reducing operating costs, they can continue to tap into their own business potential.

3.3 Impact of the Human Resource of Enterprises

In terms of human resources requirements of enterprises, it is mainly reflected in saving labor costs and a small part also improves the requirements of management capabilities. During the epidemic, based on the survey results, it was found that there were no layoffs in the company, but it did not increase after the natural loss. The main reason for layoffs was that the company chose to lay off employees due to operational difficulties caused by the epidemic. The impact of the epidemic has led to a certain degree of change in the working hours of employees. During the epidemic, many companies will let employees take unpaid leave or even leave without pay in order to save costs.

4. Measures and Suggestions for Tourism Service Industries and Enterprises to Cope With the Impact of the COVID-19

The COVID-19 is both a challenge and an opportunity. The negative impact of the COVID-19 has caused service companies to face the crisis of life and death, but at the same time, it has also caused service companies to "survive in desperation", the continuous development and transfer to online is a new sales model and strategy; Consumption concept, consumer demand and inertia have become "accelerators" for the rapid development of emerging technologies and industries (Zhang, W., & Liu, Z., 2020); new consumption patterns accelerate the application of emerging technologies, resulting in the development of emerging industries, enabling industries to continue to accelerate innovation, such as the application and development of various emerging technologies such as online platforms, offline entities, big data, cloud computing and smart industry chains to promote the development of innovative technologies and industrial technologies. The outbreak of the COVID-19 has made the market competition more intense, resulting in the market continuing to be increasingly segmented and specialized. However, in the fierce industry competition, the innovation ability of enterprises is stimulated, and the segmented market provides space and market opportunities for the differentiated innovation and development of service enterprises.

4.1 Diversified Development of Tourism Products

By the end of 2020, domestic tourism has gradually recovered while foreign tourism is still at a standstill. During the COVID-19, most travel agencies mainly promoted some related attractions through online platforms such as

OTA (online travel) (Zhang, W., & Liu, Z., 2020). Use OTA to attract passengers in advance. After the epidemic has stabilized, OTA platforms have launched promotional products one after another to stimulate people's desire to travel. However, the tourism industry is in a stage where the supply far exceeds the demand, and a large number of tourism products tend to be homogeneous, which are not very attractive to consumers, and the tourism industry has to face repeated epidemics.

In the context of the COVID-19, "rural tourism" has also set off an upsurge, using rural culture to attract urban residents to travel, stimulate people's desire for leisure consumption, and promote the common development of tourism economy and agricultural economy. Tourism enterprises can reasonably use the OTA platform to promote the service of "rural tourism", and formulate a variety of characteristic tourism plans for different consumer groups, so as to realize the diversified development of tourism service products.

4.2 Create New Online Services and Implement Multi-party Strategic Cooperation

The tourism industry needs to further tap the industrial kinetic energy through supply-side reforms. It can add short-term online simulation tours to its daily business for a small fee. At the same time, it also cooperates with VR technology and OTA platforms to give people a more realistic tour experience. Stimulate more people's interest in traveling to scenic spots, increase multi-party cooperation between enterprises and promote multi-party cooperation and win-win results. In this way, during the COVID-19, the business will not be completely stopped and it can also help some middle-aged and elderly people who are difficult to travel to travel online. Of course, this requires an increase in the cost and support of some technical services, which is more suitable for people with certain background and funds. There are enough tourism enterprises, but it can alleviate the situation that the tourism industry is stagnant and ultimately difficult to survive, and the services are more diversified, which is also conducive to the tourism industry to improve the tourism industry chain.

4.3 Recommendations for the Tourism Service Industry

Speed up capital turnover and reduce inventory backlog. Enterprises should continuously optimize the relationship with customers, shorten the account period and increase the liquidity of cash (Yan, W., & Yan, S., 2020); In strong regions, use low-price promotions to accelerate sales, thereby further increasing liquidity and avoiding cash flow shortages. In addition, enterprises can solve the urgent needs of enterprise funds in the short term by means of credit loans, and relieve the financial pressure of enterprises during the epidemic.

5. Conclusion

Due to the advent of the era of big data and the era of intelligence, all walks of life need to transform and upgrade their industries, and develop in the direction of intelligent financialization. The COVID-19 has caused serious economic losses in the tourism service industry, making the transformation of the tourism service industry. Upgrading is urgent, but the impact of the COVID-19 has also made companies realize the importance of intelligence and informatization of products and services. From another perspective, the COVID-19 has forced enterprises to accelerate the upgrading and transformation of the tourism service industry. The COVID-19 cannot hinder the development of data transmission, nor can it prevent the advent of the era of wisdom. The continuous expansion of data scale and the rapid development of technology determine the future development direction of enterprises. When the current tourism service industry integrates products and services with big data and intelligence, it is also necessary to analyze changes in market demand, consumer psychology and inertia, appropriately explore industrial kinetic energy, and meet the goal of popularization to achieve shared development.

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