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PECULIARITIES OF TOURISM MANAGEMENT IN THE ASPECT OF THE COVID-19 PANDEMIC

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Abstract

Relevance and novelty. Tourism is defined as “the activities of persons traveling to an unusual environment for a maximum of one consecutive year for leisure, business or other purposes unrelated to remunerated activities” (EBRO (OECD), 2014). Since the last economic crisis in 2008, tourism has only flourished, but everything has come to a halt with COVID-19. The total economic loss to consumer markets due to the COVID-19 pandemic is around \$ 3.8 trillion, or 4.2% of global GDP (Sheresheva, M., Efremova, M., Valitova, L., Polukhina, A., & Laptev, G. (2021). According to R. Karsokienė and L. Dromantienė [3], the tourism industry is going through the most difficult period in its history due to 2020. January 30 The COVID-19 crisis, announced by the World Health Organization (WHO), gradually escalated into 2020. March 11 identified as a global pandemic. Travel restrictions imposed to stop the spread of the virus have had a devastating effect on the tourism business around the world. Tourism is an important part of the infrastructure of the world economy, generating 10% of the world’s tourism, according to the United Nations World Tourism Organization. gross domestic product and maintaining 1 in 10 of the world’s jobs. The tourism sector is particularly dynamic, where a rapid response to a changing environment and market is essential. In addition, tourism is the sector most affected by the COVID-19 pandemic. *Scientific problem.* The impact of the COVID-19 pandemic on the decline of tourism as one of the most important economic sectors. *The aim* of the article is to reveal the impact of COVID-19 on the tourism industry. *Subject:* Impact of COVID-19 on the tourism. *Tasks.* 1. Define the impact of the COVID-19 pandemic on the tourism market; 2. Discuss the innovations that can lift the tourism business out of recession. *Methods:* analysis, systematization and interpretation of scientific literature.

Keywords: COVID-19 pandemic, tourism market, tourism management.

Impact of the COVID-19 pandemic on the tourism market

Tourism has flourished since time immemorial, people travel for a variety of purposes: leisure, work, cognitive purposes. Most people name travel as one of their hobbies because it has already become commonplace in the world. Given the growing importance and significance of the tourism market in many countries, it is important to examine the possible negative factors influencing tourism demand. Analyzing such authors as A. Damulienė [4] and A. Simanavičius [5], it is obvious that the tourism sector can be negatively affected by different factors. Seven risk categories are distinguished and their specific factors are presented. Natural, criminal, health and safety, political, economic, technological and socio-demographic risks (see Table 1).

However, in 2020, with the outbreak of the Covid-19 pandemic, people around the world were restricted in their ability to travel. Certain countries were declared risky and could not be visited. And it all continues to this day.

Tourism is one of the sectors hardest hit by the COVID-19 pandemic due to the almost complete suspension of international and domestic travel caused by mandatory tests, quarantine and restrictions on travel around the world. February 1, 66 percent. all parts of the world have completely or partially closed their borders to international tourism [7].

World Statistical Database “Statista” [8] 2021. February 22 Most of these countries accounted for the top ten countries in the world affected by COVID-19 (see Table 2).

During this period, many businesses went bankrupt, people engaged in tourism have less and less work, tourism stops. In order to boost the economies of the countries at least to some extent, offers with particularly attractive accommodation conditions at ridiculously low prices have been launched compared to those offered before the pandemic.

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Table 1

Potential risks to the tourism sector [6, 5]

Factor Category	Examples
Natural	Includes: Natural disasters (floods, storms, fires, volcanic eruptions, tsunamis) climate change and other environmental factors.
Criminal offenses	Includes: Fraud, hijacking, acts of terrorism (Bali, 11 September 2001) bombing).
Health and safety	Includes: Various infectious diseases (SARS, AIDS), as well as inadequate water or food use.
Political factors	Includes: War, political instability, strikes.
Economic	Includes: Funding shortfalls, currencies exchange rates, financial crises, economic recession (both local and global).
Technological	Includes: Information Technology (IT), computer programs.
Socio-demographic	Includes: Age and sex, family life, new routes.

Table 2

Top 10 countries most affected by COVID-19 [3; 8]

Country	COVID-19 number of cases pcs.	Deaths number, pcs	General domestic product (trillions USD)		A country in the top seven of the world economy
			2019	2020	
USA	28,134,803	498,901	21,43	19,48	+
India	11,005,850	156,385			
Brazil	10,168,174	246,504			
Russia	4,130,447	82,255			
Great Britain	4,127,574	120,810	2,829	2,63	+
France	3,597,540	83,546	2,716	2,58	+
Spain	3,133,122	67,101			
Italy	2,809,246	95,718	2.004	1,94	+
Turkey	2,638,422	28,060			
Germany	2,396,496	67,955	3,693	3,69	+

Scientists around the world have invented a vaccine against the COVID-19 virus, which has opened up greater opportunities for people to travel and return to old-fashioned habits in small steps. Tourism seemed to flourish again as people were accustomed to traveling freely and this was lacking during the pandemic.

However, tourism, which will still not be the same for some time, due to the existence of self-isolation rules, disinfection, COVID-19 testing procedures, which currently make travel preparation more difficult.

Figure 1 presents an analytical matrix of possible evolutionary paths towards tourism transformation. It can be widely applied to changes in tourism with two reservations: first, it is simplified because both the development of PATH and the

change of INSTITUTIONAL are divided dichotomically (note: other pathways and institutions are always present); and second, it is regional-oriented (see: destination) but also includes the demand side of the institutional equation (note: tourism

		INSTITUTIONAL	
		Inertia	Innovation
PATH	Creation	<ul style="list-style-type: none"> Regional branching (supply side) Dissonance (demand side) 	<ul style="list-style-type: none"> Transformation (supply side) Transformation (demand side)
	Dependence	<ul style="list-style-type: none"> Business as usual (supply side) Bounce back (demand side) 	<ul style="list-style-type: none"> Dominant discourse (supply side) Dissonance (demand side)

Fig. 1. Matrix of potential evolutionary pathways towards tourism transformation [9]

demand is formerly regional). The matrix means that the transformation of tourism is possible (upper right square) when there are institutional innovations on both the demand and supply sides that will lead to a new path in the region. That is why real transformation is so rare – almost simultaneous institutional development is needed on both the supply (in a certain place) and the demand side (which is beyond the destination). The spread of COVID-19 in both economic and everyday life in many parts of the world gives us a rare leveling off when there is an opportunity for renewal and a global transformation of tourism is possible.

Insights into the rise of tourism business from recession solutions

The tourism sector is considered to be one of the worst affected by the COVID-19 pandemic in the world. In the Russian tourism market, in 2020, the tourism sector experienced a sharp collapse in business activity: tourism companies were unable to meet their obligations to tourists and their employees, and the sector was in dire need of state support. In the spring and summer of 2020, the authorities took systematic measures to save the industry, which led to some stabilization of the tourism market. The hardest month for the tourism industry was May. According to Rosstat, the volume of services provided by travel agencies and tour operators fell by 98% and that of hotels by 88%. From April and August, 60 tour operators were removed from the Rostourism register of tour operators, partly because insurance companies refused to provide financial guarantees to tour operators. Demand for Russian hotel services in the most popular local areas began to recover only in July-August. According to Cushman and Wakefield forecasts, the Russian tourism and hospitality market would only gradually recover in the second half of 2020, and a full industrial recovery would take three to five years [10]. The forecasts for the tourism market in Russia are quite good, of course it will depend on the global pandemic as things go on. An article in the Czech tourism market explained how the COVID-19 pandemic affected Airbnb's accommodation services. Initially, despite the global pandemic, the money was not refunded after the on-app visit was canceled, but Airbnb decided to change the rules when the pandemic broke out and, due to an unusual situation in the world, agreed to return the money paid by the people for accommodation. On this platform, people can rent their home, villa, cottage or the like to other people coming to the country, 30-40% cheaper than in regular hotels

or other accommodation establishments. The hosts lost their customers due to travel restrictions related to Covid-19. The measures taken to combat the virus have affected the management of the businesses in this business economy and the people who profit from it. Airbnb platform hosts are feeling the effects of the restrictions even more sharply. International tourism is currently completely paralyzed and tourists are canceling their reservations worldwide [11]. This downturn in tourism also opens up opportunities to look at the tourism market differently and bring more innovation, making the tourism business more sustainable and socially responsible than it was before the downturn. Research shows that there is a potential path leading to the transformation of tourism if relevant institutional innovations are taken into account on the demand and supply sides of tourism and new paths emerge. This would require a great deal of trust from tourism organizations, and it would be necessary to start changing the collective behavior of tourists to something other than to be used to being seen. However, this does not guarantee that tourist numbers will return to normal pre-pandemic levels [9]. Other scientists see this as a way to start saving the planet. The secret of tourism is that one of the most popular tourist holiday activities is to go shopping. While passive tourism is more popular, such as sightseeing, walking and eating, shopping (63%) ranks fourth among tourists' main activities (World First, 2017). It is more popular than sunbathing, reading, visiting the beaches, swimming, historical sites and museums. Barcelona, for example, is one of the most visited cities in the world, with millions of tourists visiting each year and the city suffers from a large number of tourists. Therefore, if the pace of tourism slows down, it would be possible to start guiding tourists not through consumerism, but through art, cultural heritage and the like, which would improve a person and meet his or her needs. S. Messori & S. D. Escobar [12] state that most of the research focuses on automation technologies, as they can prevent the spread of the virus, reduce human contact, thus reducing the risk of Covid-19 virus spreading worldwide. The economic benefits of automated travel, tourism and hospitality businesses would be significant, as they would require lower fixed costs, and in the event of a pandemic worsening, businesses always lose their jobs, income automatically and should not be made redundant [13; 14]. Comparing the tourism market in Russia and Airbnb's tourism in the Czech Republic, in both cases, entrepreneurs have been hit hard by the onset of tourism restrictions.

A number of businesses went bankrupt and were unable to survive in the market because they were out of nowhere. Almost all foreign and Russian experts predict that the crisis in the tourism industry will continue until 2023 or even 2024, and the price of travel services will increase in the long run. The crisis in the tourism sector in Russia has forced the closure of 30% of travel agencies. To keep the area functioning, the Russian government has adopted a refund program, wage subsidies and state support for travel companies. However, these measures did not stop the decline of the industry. Of course, the tourism sector will be revived, but the question is when and which current market organizations will be able to survive this downturn [2]. The same crisis has also befallen Airbnb's tenants in the Czech Republic, who have been out of income for a long time, affecting their quality of life. This downturn opens the door to new opportunities in the tourism market [15–17].

It can be said that scientists see good things in this downturn in the tourism market. Of course, the economy has shrunk, businesses have gone bankrupt, but this is the way to new tourism opportunities, to create sustainable tourism based on new technologies, to work with other organizations to divert tourist flows from places that are particularly popular, which are slowly disappearing. This is an opportunity to start changing tourism to help manage the COVID-19 pandemic and save our planet. [14; 15].

Conclusions and practical recommendations

The tourism sector is vulnerable to human-induced instability caused by various factors (terrorism, political situations) and natural disasters (natural disasters, epidemiological situations).

Therefore, it is important to have a contingency plan at the level of both the country and individual companies, which will ensure a quick, consistent recovery and restore the attractiveness and functionality of the place after the adverse events.

The negative shock of tourism demand can be caused by various factors such as security, political, economic, crime. In the event of an unforeseen situation such as a COVID19 pandemic.

First of all, tourists could not travel due to restrictions on movement, later, the behavior of tourists changed, which means that due to fear of infection, tourists choose to postpone travel or not travel.

The tourism sector was growing steadily before the COVID-19 pandemic, which means that increasing demand (number of tourists) also led to the emergence of new tourism services / products.

However, in 2020, the COVID-19 outbreak slowed the development of tourism both in individual cities and globally. The global COVID-19 pandemic crisis, described as a black event in the world, has caused an unprecedented downturn in the tourism business.

Particularly vulnerable were small and medium-sized enterprises, which had no financial income and had to sacrifice operating profits for the survival of the business. Almost all experts in the world predict that the crisis in the tourism and hospitality industry will continue until 2023 or even 2024, and in the long run – the price of travel services will become more expensive.

The crisis in the tourism sector has led to the closure of travel agencies, which have hit tourism retail hardest. In order to maintain the functioning of the area, the government is working to help revitalize the tourism business, looking for new solutions and promoting new business ideas that also target the local tourism development program.

However, these measures did not stop the collapse of the industry. Of course, tourism and hospitality will recover, but questions remain as to when and which of the current market players will be able to maintain their position.

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ОСОБЛИВОСТІ УПРАВЛІННЯ ТУРИЗМОМ В АСПЕКТІ ПАНДЕМІЇ COVID-19

Анотація

Актуальність і новизна. Туризм визначається як “діяльність осіб, які подорожують у незвичайне середовище протягом максимум одного року поспіль з метою відпочинку, бізнесу чи інших цілей, не пов’язаних з оплачуваною діяльністю” (ЕВРО (ОЕСД), 2014). Після останньої економічної кризи 2008 року туризм тільки процвітав, але все зупинилося з COVID-19. Загальні економічні втрати споживчих ринків через пандемію COVID-19 становлять близько 3,8 трільйона доларів, або 4,2% світового ВВП (Sheresheva, M., Efremova, M., Valitova, L., Polukhina, A., & Laptev, G. (2021). За словами Р. Карсокене та Л. Дромантене [3], туристична галузь переживає найскладніший період у своїй історії через 2020 рік. 30 січня Криза COVID-19, оголошена Всесвітньою організацією охорони здоров’я (ВООЗ), поступово загострилася. у 2020 р. 11 березня визначено як глобальна пандемія. Обмеження

на поїздки, введені для припинення поширення вірусу, згубно вплинули на туристичний бізнес у всьому світі. Туризм є важливою частиною інфраструктури світової економіки, генеруючи 10% світового туризму, за даними Всесвітньої туристичної організації ООН. валового внутрішнього продукту та збереження 1 з 10 робочих місць у світі. Туристичний сектор є особливо динамічним, де швидке реагування на зміну середовища та ринку є надзвичайно важливим. Крім того, туризм є галуззю, яка найбільше постраждала від пандемії COVID-19. Наукова проблема. Вплив пандемії COVID-19 на занепад туризму як однієї з найважливіших галузей економіки. Мета статті – розкрити вплив COVID-19 на туристичну галузь. Тема: Вплив COVID-19 на туризм. Завдання. 1. Визначити вплив пандемії COVID-19 на туристичний ринок. 2. Обговоріть інновації, які можуть вивести туристичний бізнес із рецесії. Методи: аналіз, систематизація та інтерпретація наукової літератури.

Ключові слова: COVID-19 pandemic, tourism market, tourism management.

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