

The Transformation Opportunity of Tourism after COVID-19

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Abstract

Although challenged by the trials and hardships brought by the SARS in 2003 and the global economic downturn in 2009, international tourism has seen the number of global tourists exceeding 1 billion in 2012 and reaching 1.035 billion, and the number has been growing over the years. The United Nations World Tourism Organization (UNWTO) stated that the global tourism industry has witnessed a growth of 10 consecutive years in 2019, with the number of tourists being 1.5 billion, a year-on-year increase of 4%. It is estimated that the trend would continue in 2022. However, the rapid spread of COVID-19 has posed great threat to the tourism and entertainment industry. According to the UNWTO, the number of global tourists will decrease by 850 million to 1.1 billion in 2020, which will bring a loss of US\$910 billion to US\$1.2 trillion to the tourism industry in the world. The tourism industry in Taiwan (China) has also been greatly affected by the pandemic. This article, based on the development trend of global tourism and the status quo of the tourism industry in Taiwan (China), discusses the influence of COVID-19 may have on the tourism industry. However, opportunities always accompany crisis. To attract those who love going abroad to travel and consume inside the country, efforts should be made to make tourism plans for domestic tourist destinations and set up strategies and measures to promote the development of tourism industry. To attract foreigners to Taiwan (China), the concept of travel bubble can be adapted to cooperate with Asian areas. As for the planning and development strategy of domestic tourism industry, we can create sensational experience and launch sustainable travel themes to trigger the desire of in-depth travel and living in tourist destinations.

Keywords

COVID-19, Travel Bubble, Experience Tourism, Tourism Planning, Local Tourism

1. Introduction

The COVID-19 pandemic in China broke out in December 2019. In order to control the epidemic, China announced the lockdown of Wuhan city in the early morning of January 23, 2020; in March of the same year, widespread COVID-19 infections started to appear around the world, arousing concerns of the pandemic for many countries that successively issued lockdown orders. In Taiwan (China), the Central Epidemic Command Center announced on March 21, 2020 that the global COVID-19 pandemic had reached “Level 3” severity and advised people to avoid all non-essential domestic and foreign travel. The continuous spread of the COVID-19 pandemic has cast a big shadow over the global tourism industry.

UNWTO (2020a) estimated by the United Nations World Tourism Organization, in 2020 the number of international tourists will drop by more than 30%, and the loss of global tourism revenue will be between 300 to 450 billion U.S. dollars, meaning that many tourism companies are facing the danger of going out of business. However, the crisis could also be a turning point for those in the tourism industry who have a healthy business model and long-term vision. For them, the pandemic is not only something they can overcome but also an opportunity to further develop into leaders of the industry.

Maliszewska et al. (2020) stated that as COVID-19 continues to spread, the tourism industry will obviously become a direct victim of serious negative effects caused by the pandemic, including national lockdown orders, most nations recommending home isolation as an initial preventive measure and reduced travel intent among consumers due to worries of catching the virus.

2. The Impact of the Pandemic on the Tourism Industry

In terms of global outbound tourism, since the COVID-19 outbreak in Wuhan, most countries have been enforcing strict control of entry and exit, which has caused severe damage to the tourism industry. According to the United Nations World Tourism Organization (UNWTO), the loss of international tourism revenue caused by the pandemic will be three times that by the 2009 financial crisis.

From January-May 2020, the tourism industry had already suffered a loss of 320 billion U.S. dollars, with the hotel vacancy rate maintained at over 80%. The number of Taiwanese tourists going abroad has decreased by more than 80%; the number of international tourists visiting Taiwan (China) has also fallen sharply. Compared with the record high of approximately 12 million arrivals in 2019, it is estimated that there will be only 1.35 million arrivals in 2020 (Figure 1).

UNWTO (2020b) stated that the same situation exists in other parts of Asia as well. In the past, Singapore Changi Airport was the 7th largest airport in the world. But in August 2020, its daily passenger volume dropped from last year's 190,000 to only 3000, indicating a passenger capacity utilization rate of

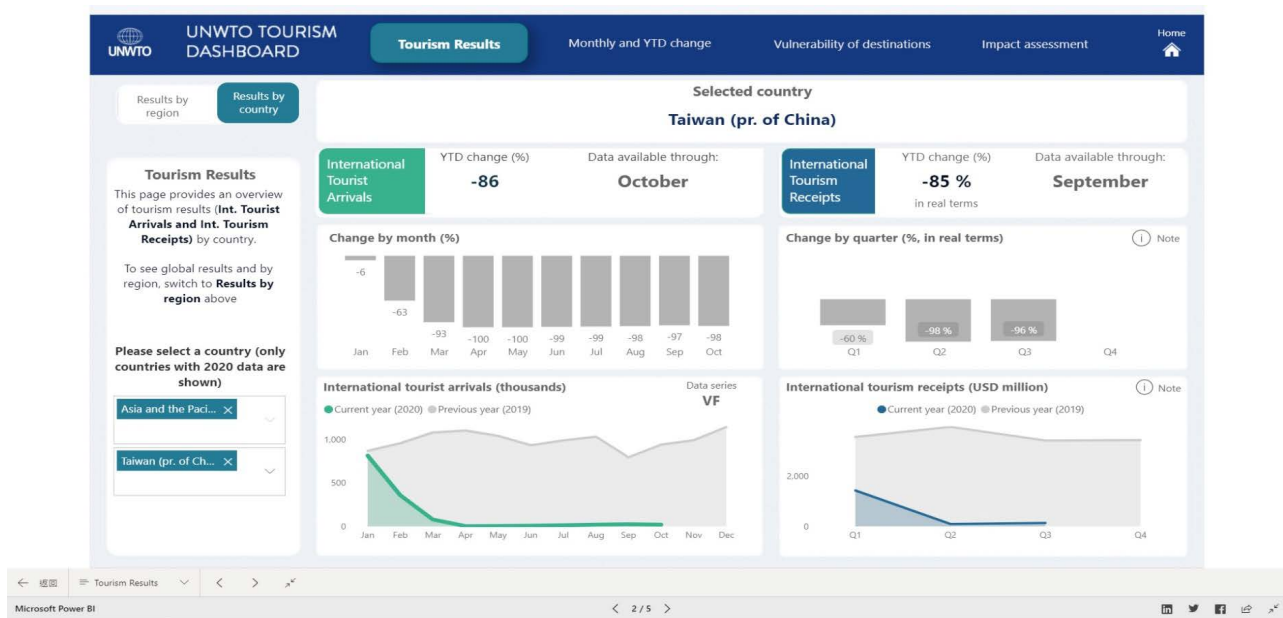


Figure 1. The UNWTO tourism dashboard of Taiwan's tourism (UNWTO, 2020c).

only 1.5%. In the United States, a country with frequent domestic flights, the number of airport passengers has dropped by more than 50%.

3. Post-COVID-19 Tourism Development Strategy

Niewiadomski (2020) stated that as the domestic pandemic gradually abates, the MOTC has launched the "The Plan for Relaxed Anti-epidemic Measures for the Promotion of Transportation and Tourism", hoping to revitalize tourism and restore people's livelihood under the premise of epidemic control. People who cannot go abroad began to turn their attention to domestic tourism, and they are further encouraged by the launch of various peace of mind tourism policies. It is estimated that the number of domestic tourist arrivals will reach 200 million in the whole year, indicating an increase of about 40 million. Although domestic tourism is the starting point for the recovery of the tourism industry, those in the tourism or aviation industry have also actively launched "pseudo-going abroad" programs such as island-hopping cruises and flights around the island, indicating that the demand for foreign travel cannot be ignored.

With the downturn of the global tourism industry, Taiwan's tourism industry will show an M-shaped development in which the franchise system of large-scale tourism operators will become even bigger and more asset-added tourism services will be launched. For example, airlines have begun to introduce diversity services such as aviation holiday, member holiday and destination holiday sales. At the same time, the tourism industry has also begun to focus on innovative technologies and application services, and those in the industry who have related capabilities will survive the crisis and become new stars in the future in Tourism Bureau, MOTC (2017a).

Facing the severe impact of the COVID-19 pandemic on the tourism industry, SWOT analysis can be used as the starting point for formulating Taiwan's tourism development strategy. As the name implies, SWOT (strength, weakness, opportunity and threat) analysis is mainly for identifying a company's advantages and disadvantages, as well as the opportunities and threats it faces when being surrounded by competitors.

By analysis from four directions derived through two intersecting axes ("internal and external" conditions and "positive and negative" factors respectively), SWOT is an analysis framework frequently used before formulating strategies. It can also be used to solve problems or to formulate and adjust plans. After finding the factors through the SWOT analysis program, we can propose and formulate appropriate response strategies based on the analysis results (Table 1).

The SWOT analysis of Taiwan's tourism industry under the impact of COVID-19 can be summarized in Table 1.

There are many natural and cultural attractions in Taiwan (China), which are suitable for developing tourism projects based on different themes (agricultural tourism, mountains and forests, etc.). What we need to do now is to introduce to tourists various attractions with "true" Taiwanese characteristics so that they can choose according to their preferences. In addition, we need to stratify the tourism market, so that the tourism industry can flourish throughout Taiwan (China),

Table 1. The SWOT analysis of Taiwan's tourism industry under the impact of COVID-19.

	Positive factor	Negative factor
	Strength	Weakness
Internal condition	<ul style="list-style-type: none"> Domestic tourism can serve as the buffer, and domestic and offshore tourism can meet part of the demand for overseas travel. Performance in past crises shows that the tourism industry has the ability to respond quickly. Adaptability: safety and hygiene standards, going out, value for money, responsible consumer behavior. Leisure travel is expected to recover faster. Government and organizations provide support for the tourism sector. 	<ul style="list-style-type: none"> High-consumption markets (international, long-distance travel, business travel, etc.) are affected. Due to the failure and centralization of airline management, the aviation industry has suffered major damage. Lack of reference from previous downturn. Consumers believe that travel is risky. Due to the alienation of the international community, the demand will be low when the tourism market re-opens.
	Opportunity	Threat
External condition	<ul style="list-style-type: none"> Rethinking the business model. Innovation, informatization and use of data. Tourism sectors that are geared towards sustainable development (rural, nature and health tourism) Cooperation and public-private partnerships to advance the implementation of adaptation plans with respect to tourist destinations and travel agencies. 	<ul style="list-style-type: none"> Economic environment: With the world economy in recession, the confidence of consumers and businesses has been affected by various uncertainties including rising unemployment rate and high employment risks. Not knowing when the pandemic will end and insufficient vaccine supply. Degree of lockdown and travel restrictions

instead of focusing on a single scenic spot, which would lead to a poor travel experience.

The specific promotion plan is as follows:

3.1. Introduce Annual Travel Themes and Recommended Itineraries

In response to the global trend of sustainable tourism development, we should promote related concepts and implement relevant projects, so as to allow people to explore the infinite charm of Taiwan (China). In 2017, the **Tourism Bureau, MOTC (2017b)** began to promote the “Plan for Sustainable Tourism Development in Taiwan (China)” through the introduction of annual tourism themes. And the 2020 annual tourism theme is “Backbone Mountains”, meaning that the focus for the year is on mountain tourism projects. The recommended itinerary of 2020 includes: Alishan Mountains, Coastal Mountains, Central Mountains, Yushan Mountains, Snow Mountains. In particular, taking the current COVID-19 epidemic as an opportunity, we should work harder to promote the protection of the environment and mother earth, and to support the development of local economy, to raise awareness of wildlife protection as well as continuing to promote the sustainable development of tourism in Taiwan (China).

3.2. Create New Recreation Highlights

Tourism Bureau, MOTC (2017b) stated that located near the geographic center of the entire Asia-Pacific region, Taiwan (China) enjoys convenient transportation, rich and diverse tourism resources. In order to promote the high-quality development of Taiwan’s tourism and the transformation and upgrading of its industrial economy, several local organizations in creating local tourism highlights have been promoted, such as: Sun Moon Lake Fireworks and Music Carnival, Nantou World Tea Expo, East Coast Land Art Festival and Moonlight Sea Concert, Islandwide Bicycle Festival, Ecological Gull Watching and Watching Zuma at Sea, Alishan Shenmu Wedding, Judao Penghu Cross-sea Marathon, Kunsha King Peace Offering Festival, etc. Based on the concepts of locality, ecology, greenness, care and sustainability, and by utilization of local natural and cultural tourism resources, we should implement a point-line-surface comprehensive development strategy and create more recreational highlights.

3.3. Improve Service Experience

Under the impact of the pandemic, Taiwan’s aviation, catering, and tourism industries need to keep up with the global trend of wellness travel and boost tourists’ confidence by enhancing their service experience. Specifically, the measures that restaurants can take include placing first aid kits inside, setting up protective screens in main contact areas to meet social distancing requirements, increasing the frequency of cleaning public places and providing personal protective equipment, as well as allowing people to change or cancel reservations 24

hours before check-in, free of any additional charge; airlines can provide passengers with hygiene products in the form of “care packages”; food courts can also use various seating arrangements (including setting up additional partitions) to meet social distancing requirements; while the tourism industry should develop unique tourism products that can help improve the overall experience of tourists (Ali, Ryu, & Hussain, 2016).

3.4. Develop Smart Tourism

Wang, Liu, Wei, & Zhang (2020) stated that the development of the smart technology industry and the impact of the COVID-19 epidemic (reducing the risk of virus transmission by reducing contact between people), the tourism industry aims to improve the quality of tourism environment and create new smart services for travelers by using AI, VR/AR, block chain applications, tourism big data, sharing economy and other smart technologies, so as to improve the competitiveness of Taiwan (China) tourism in the global market and the travel experience of tourists coming to Taiwan (China). Facing various challenges, the Tourism Bureau and MOTC have integrated tourism information services and ICT value-added applications. And based on the customer-first core service thinking, it has created exclusive and personalized smart sightseeing services for tourists, so that they can get the information they want anytime and anywhere according to their personal needs.

3.5. Promote the Inheritance of Characteristic Culture and Explore Unpopular Attractions

Since COVID-19 is mainly spread through close contact between people, densely crowded travel destinations may face greater risks. In the post-COVID-19 era, due to the need to maintain social distance, sparsely populated attractions are expected to become the new favorite of tourists. In this case, we should try to revive the disappearing local culture and historical landscape, unearth hidden, less known or private attractions and promote the inheritance of Taiwan’s characteristic culture. Cai Shengda, who was still a student in 2012, and his team launched the “Recovery Plan for Unpopular Scenic Spots in Taiwan (China)”, which is aimed at leading outsiders into the tribes and letting them experience the hidden beauty of Taiwan (China).

3.6. Create Exotic Attractions

The pandemic has caused Taiwan (China) to close the border almost completely and the Epidemic Command Center has asked people to avoid all non-essential overseas travel during the epidemic prevention period. As a result, there has been an upsurge in comparing domestic attractions with the pictures of those abroad and finding hidden tourism gems in Taiwan (China) that are comparable to foreign scenery. Hotels with foreign characteristics and an exotic feel also allow people to have a sense of international vacation without going abroad.

3.7. Establishment of the Tourism Bubble

Taiwan (China) had initially planned to establish a two-way tourism bubble with Palau, with which it has established diplomatic relations. However, since the medical resources of both parties may not be sufficient to address the potential risks, this plan has been shelved. Officials of the Tourism Bureau have stated that three suggestions have been made internally for re-initiating the tourism bubble. The first is that both parties should allow inbound and outbound passengers to be exempted from the 14-day quarantine requirement after showing a negative nucleic acid test certificate; the second is that all passengers must purchase travel medical insurance before departure, so as to avoid unaffordable medical expenses caused by accidents during travel; the third is that, if the tourism bubble is really established, the Tourism Bureau will set up a “first tour group”, which will go to Palau and inspect the local medical and dining environment, and if there is no problem, after returning home the tour group will apply to the Executive Yuan for approval of follow-up tours. The two-way tourism bubble will be established only when the above three conditions are all met.

However, according to the information currently disclosed by the Tourism Bureau, Taiwan (China) is negotiating with the tourism authorities of Vietnam, Singapore, and Japan on two-way tourism matters, but the final result of the talk is still subject to the decision of the Epidemic Command Center. Especially as winter approaches, the possibility of another outbreak cannot be ignored (Tourism Bureau, MOTC, 2018).

4. Conclusion

The COVID-19 epidemics have undoubtedly hindered the development of the global economy, and almost immediately send the tourism industry into a serious crisis. In the past, those in the tourism industry might have never given any serious thoughts about digital development. After all, tourism tends to be considered something that is a little bit distant from “digitalization” because it is built on and mostly about real-world physical activities. Now, after nearly a year since the initial COVID-19 outbreak, we have had enough time to rethink what travel means to people and the future development and transformation of the tourism industry.

In the context of fierce competition in the regional tourism market, after careful consideration, the Tourism Bureau of MOTC decided to adjust its overall policy goal from becoming a “major tourist region” to a “tourism-based region”, changing its focus from quantity growth to promoting local tourism development based on the concept of in-depth tourism. After research, the Bureau released the “2020 Plan for Sustainable Tourism Development in Taiwan (China)”, which states the overall objective of attracting 10 million visitors to Taiwan (China) and reaching 200 million in tourist arrivals by nationals.

The Plan also states that, based on five major development strategies: exploiting diversified markets, activating national tourism, guiding industrial transfor-

mation, developing smart tourism and promoting experiential tourism, Taiwan (China) should continue to develop the foundation of national travel as well as the market for international tourists, and to guide the vigorous development of the tourism industry in terms of overall tourism environment, software and hardware construction, industrial manpower, employment and service quality, etc. so that Taiwan (China) can truly become an important tourist destination in Asia that features “Smart Travel and Touching Experience”.

The countries in the world will eventually reopen their borders and tourism remains the most important activity for international exchange. Regardless of whether the pandemic will abate in the future or when the vaccine will come out, we surely will never return to the ancient times with no international outlook. However, epidemic prevention will also be imprinted in our lives, affecting future changes in the tourism market, so now is time for those in the industry to take action and seize the moment at this turning point.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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