

The Impact of Major Crises on the Behaviour of the Consumer of Tourism Services - A Perspective on the Impact of the Covid-19 Crisis

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Abstract

Tourism is one of the industries that has experienced spectacular growth in recent decades, while obviously influenced by socioeconomic developments and transformations. Recent crises have left their mark on the development of international tourism and the behaviour of tourism services consumers, at the same time revealing tourism's surprising resilience and pace of recovery from the effects of these crises that proved superior to other industries.

In this sense, the health problems associated, especially with international tourism, attract the interest of researchers from a wide area of social sciences and medical disciplines. This article aims to briefly present a perspective on the impact of the Covid-19 crisis on tourism and the behaviour of the consumer of tourism services, starting by highlighting the characteristics of consumer behaviour during major crises and bringing into focus particular aspects of the impact of the Covid-19 crisis on the industry and tourist behaviour.

Key words: consumer, tourism services, major crisis, Covid-19, impact

J.E.L. classification: M30, M31

1. Introduction

As Deb and Ahmed pointed out, rapid growth and development of tourism since 1950 has transformed tourism into a key sector at global level (Deb and Ahmed, 2022).

In 2019, before the Covid-19 pandemic that imposed travel restrictions and implicitly triggered a dramatic contraction of the industry, international arrivals reached 1.5 billion, with all regions recording increases compared to the previous year (UNWTO, 2020).

However, the development of the industry has not been without challenges, as various crisis events have had a more or less significant impact in the recent decades. Just to name the most relevant events, one may recall the events on September 11, 2001, Hurricane Katrina in 2005, the SARS outbreak in 2003, the H5N1 bird flu in 2003, the onset of the global financial crisis in 2007 and its effects which lasted roughly until 2010, or the MERS-CoV scare of 2012. More recently, we can mention the omnipresent climate change, the war and refugee crisis, or the COVID-19 pandemic and its aftermath. Moreover, the current landscape is characterized by uncertainty, and the effects of the war in Ukraine pose a different kind of threat to international tourism.

As far as the effects of the COVID-19 pandemic are concerned, according to a WHO report, they have affected all countries worldwide, with consequences ranging widely from economic to social losses (WHO, 2020).

There are multiple connections between tourism and health, while tourist activity has physical and psychological benefits, a major motivating factor for tourism being the improvement of the health of tourist services consumers (Henderson 2007, 104).

Consumer behaviour in tourism is a crucial issue, and its understanding is essential for the conceptualization and development of tourism products and for forecasting the decision-making process (Fratu, 2011).

In this context, this paper aims at highlighting the impact of major crises on tourism, offering a perspective on the impact of the Covid-19 crisis on the behaviour of tourism services consumers.

2. Literature review

The topic referring to major crises and their effect on consumption behaviour has been discussed over time in numerous studies, but it became of interest once again with the highlighting of the effects of the covid-19 pandemic at an economic and social level.

According to Lang (2010), the term "crisis" is used frequently, it denotes a rather large array of states from "petty difficulties" to "meltdown and reconfiguration", and is perceived differently by each individual (Lang, 2010).

Others view crisis as causing the disruption of everyday life and determining change (Koos et al., 2017).

UNWTO (2011) highlighted different types of crises affecting tourism: environmental events (geological or extreme weather); societal-political events; health-related events; technological events; economic events; and environmental human induced events (UNWTO, 2011).

Perriman et al. identified two categories of elements related to the effects of the crisis on consumers: internal factors - specific to the individual, dependent on their personality traits and psychological structure, and external factors - belonging to the environment independent of the consumer, located outside the sphere of individual control (Perriman et al., 2010).

It is obvious that the type of crisis and its particular form of manifestation affects consumer behaviour in different ways. There is a vast literature on how different crisis events affect human behaviour from different perspectives, ranging from the psychological to the economic perspective, given that crises, depending on their particular manifestations, affect and modify human behaviour. In turn, individuals deal with the effects of the crisis, responding and altering their behaviour in order to adapt to the new circumstances and essentially trying to minimize the negative impacts.

For instance, in the case of income reduction, Zurawicki & Braidot (2005) pointed out two types of consumer responses, i.e., reactive or proactive, respectively. The reactive approach generally includes methods aimed at adapting consumption to the new conditions, including re-examining and cutting/postponing expenses, while the proactive approach may include turning to savings or credit, taking second jobs, or, in extreme cases, even resorting to illegal activities (Zurawicki & Braidot, 2005).

One important issue debated in the literature analyses whether the transformations in consumer behaviour and the adaptations to the new conditions are temporary or permanent. According to Koss et al. (2017), consumers may either return to their old habits or maintain the newly adopted behaviour once the crisis has passed. The authors state that considering the habitual character of consumption, once routines have changed, an immediate reversal is unlikely (Koos et al., 2017).

Following the financial crisis of 2007, it was assessed that the crisis saw the emergence of a new type of consumer, more rational and less prone to impulse behaviour (Moraru, 2012). A HAVAS Worldwide (2010) study revealed that almost half of the participants in their research claimed they would not return to their previous consumption patterns following the economic recovery; they were considering the crisis as an opportunity to change their consumption patterns and look for purposes that were more meaningful.

Given the typology of the COVID-19 crisis, its magnitude and duration, one may state that it had an important impact on human life and behaviour. If the previous major crisis, the financial crisis of 2007, was perceived mainly as a pressure on personal income and professional activity, the COVID-19 crisis was less about income pressures and more about personal health and safety. Therefore, the transformations in consumer behaviour triggered different types of responses. Moreover, the importance of these types of responses from the perspective of tourist consumption resides precisely in the aspect that tourism is not perceived as indispensable in situations of crisis.

A study by Ernst & Young Global Limited (2022) on consumer trends showed that although when their finances are under pressure people look to cut costs, experiencing a pandemic has changed how many consumers respond to crisis. The study results revealed a change in the purchase criteria, with quality coming first, followed by price (Ernst & Young Global Limited, 2022).

Summarizing the elements identified in the literature, we may conclude that a mix of factors affects the buying behaviour in crisis situations, and the type of response is modelled by the particular development and impact of the respective crisis. Given the nature of the tourism activity and its perception as a leisure expense, it is even more interesting to approach the impact of the COVID-19 pandemic crisis on the tourist behaviour and the evolution of the industry.

3. Research methodology

The study methodology was based on the analysis of data published by international organizations and authorities in the global tourism industry. These statistics highlighted critical indicators, revealing the impact of the Covid-19 crisis on the tourism industry and the industry's path to recovery. The research also used secondary sources, including published articles and electronic resources, to further highlight the analysis.

4. Findings

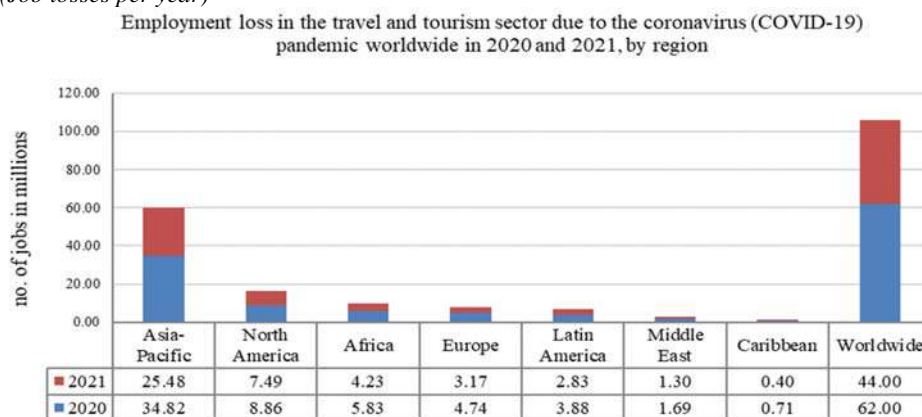
According to the Japan Tourism Agency (2021), a "tourism crisis" is defined as any "situation or phenomenon" posing a threat to the safety of tourists and requiring a response in conditions of uncertainty and under the pressure of time (Japan Tourism Agency, 2021).

Naturally, the unprecedented development of the tourism industry during the past decades has also raised the problem of associated health issues, and there is an important body of literature that approaches the matter from a variety of perspectives ranging from social sciences to medicine. It is accepted that there is an interface between health and tourism, part of the "tourism experience", which affects the overall level of tourist satisfaction and can ultimately affect their quality of life (Lawton and Page, 1997).

As tourism quality and visitor satisfaction are intrinsically linked to the tourism experience the adverse effects on tourists' health can, in turn, significantly affect the tourism travel experience (Meditinos and Vassiliadis, 2008).

Due to the COVID-19 pandemic, tourism was one of the most affected industries in the world (UNWTO, 2020). The travel restrictions and containment measures enforced worldwide triggered an unprecedented decrease in international travel. In other words, people travelled only, if necessary, very little or not at all, especially during the first stages of the pandemic. Such a situation had a large-scale economic and social impact, the pressure felt by the industry jeopardizing more than 100 million jobs in tourism and related fields (Figure 1).

Figure no. 1. COVID-19: job loss in travel and tourism worldwide 2020-2021, by region
(Job losses per year)



Source: (Statista Research Department, 2023a)

According to UNWTO (2023b), the pandemic effects on world tourism were all the more disastrous as more than 80% of the tourism sector comprises micro-enterprises and small and medium-sized enterprises, which offer jobs especially to women and young people.

Retrospectively, 2020 was the most challenging year for the tourism industry, according to the UNWTO statistics. Thus, considering the indicators recorded at industry level, the situation highlighted a decrease in international tourism by over 1.1 billion tourists, their number reaching the value recorded three decades ago (Eurostat, 2023).

According to a report by the OECD (2022, 20), international tourism has been "decimated by the crisis". This dramatic decline in international tourist flows followed six decades of steady growth (OECD 2022, 20). The closure of international borders and the introduction of travel restrictions were the main reasons international tourist arrivals declined worldwide.

However, the timid recovery began in 2021 with a 5% increase in international tourism, an increase of 22 million international tourist arrivals (overnight stays) compared to 2020 (an increase from 405 million in the year 2020 to 427 million in 2021). Despite this advance, in 2021 the volume of international arrivals was 71% below the level recorded in the pre-pandemic year 2019 (UNWTO, 2023a).

The statistics related to Table 1 reveal the moderate return of international tourism - relevant in this sense is the second half of 2021. This rebound can be attributed to the increase in demand, driven by the increase in confidence of individuals, amid the rapid progress of vaccinations and the ease of entry restrictions in many tourist destinations.

Table no. 1. Impact of Covid-19 on tourism

	2019*	2020	2021	2022
International tourist arrivals (overnight visitors)	1.5 billion	405 million	427 million	960 million
Export revenues from international tourism (receipts + passenger transport) USD	1.7 trillion	651 billion	728 billion	1 trillion
Tourism Direct Gross Domestic Product (TDGDP) USD	3.5 trillion	1.7 trillion	2.2 trillion	3.5 trillion

Source: UNWTO (2022a, 2023), * Pre-pandemic year

Despite these developments, the pace of recovery remained slow and uneven across world regions amid varying degrees of enforcement of citizen mobility restrictions, differences in vaccination rates, and traveller confidence. Thus, on the European and American continents, notable positive evolutions were registered in terms of the results related to 2021 compared to 2020 (increases of 19% and 17%, respectively), both positive developments being, however, 63% below the levels the pre-pandemic period (UNWTO, 2023b).

In 2022, receipts from international tourism reached the \$1 trillion milestone, registering a 50% increase in real terms from 2021 and reaching 64% of 2019 levels (UNWTO, 2023a, 4).

It should be noted that the 2022 recovery in tourism consumption was determined by the suspension of demand (postponement of travel) in previous years and by lifting travel restrictions in most countries.

According to the UNWTO World Tourism Barometer (UNWTO, 2023a, 1), in the first quarter of 2023, statistics show an increase up to 80% of pre-pandemic levels in the number of international tourist arrivals.

Compared to the same period of the previous year, the increase in international tourism by 86% in the first quarter of 2023 highlights a sustained evolution driven by notable variations in tourism indicators for Europe and the Middle East.

Estimates for the first quarter of 2023 highlighted 235 million tourists who made international trips, double that of a similar period in 2022 (UNWTO, 2023a, 3).

The Middle East recorded the most substantial performance (a 15% increase, which led to the recovery of pre-pandemic figures).

On the European continent, robust intra-regional demand led in the first quarter of 2023 to an increase of up to 90% of pre-pandemic levels, while in the Americas and Africa, the level of international arrivals came close to around 85% of the level recorded in the pre-pandemic period.

Arrivals recorded in the Pacific and Asia areas rose to 54% of the levels reached in the year preceding the pandemic.

As one may easily notice, the impact of the Covid-19 crisis on tourist consumption behaviours has been disastrous. After a difficult period, however, world tourism has recovered most of the gap. The results reported by the UNWTO for the first quarter of the current year align with forward-looking scenarios that predict the recovery of international arrivals between 80% and 95% of pre-pandemic levels (UNWTO, 2023a).

Nevertheless, this evolution towards the recovery of tourism is challenging.

The first challenge is, as UNWTO experts point out, that the economic situation worldwide is the main influencing factor on the effective recovery of international tourism in 2023 and the period following it. Important in this context are the inflation rate and the increase in the price of oil, which determined higher costs for transport and accommodation. Such a conjuncture creates the right environment for tourism consumers to seek an optimal ratio between quality and price, directing them, especially towards the initiation of vacations and trips closer to home (UNWTO, 2023a, 4).

A second notable challenge lies in the uncertainty of Russia's attack on Ukraine and other rising global geopolitical tensions (UNWTO, 2023a, 4).

Despite these challenges, the experts' expectations are encouraging. A survey carried out by the UNWTO Group of Experts revealed that 72% of them have expectations of improved performance for the period between May and August 2023 (UNWTO, 2023b). These views are in line with the relaunch of travel amid solid demand after a period of refraining from tourism activities, given the sustained recovery of air connectivity and the reopening of Asian markets, but mainly China (UNWTO, 2023b).

Given the changing circumstances and the very high level of uncertainty, tourists' consumption behaviours and habits have also changed.

In reviewing conceptual and empirical studies on the COVID-19 pandemic, Viana-Lora et al. (2023) highlighted that the pandemic acted as a catalyst for the tourism transition towards a sustainable approach.

Aschauer and Egger (2023) revealed that nature experiences, heritage tourism, and beach offers became more relevant within the vacation preferences. Regarding the future travel expectations, environmental concerns ranked higher than economic profits. At the same time, the advocates of self-direction, stimulation, and city tourism were reportedly less willing to restrict their travel behaviour in the future (Aschauer and Egger, 2023).

In our opinion, tourist behaviour is shaped at present by two rather conflicting tendencies – on the one hand, following the years of restrictions during the pandemic, people are ready and eager to resume their travels; on the other hand, the present context is characterized by increasing uncertainty – the perspective of an economic crisis which may affect their income and job security, safety concerns raised by the conflict in Ukraine and geopolitical tensions. Under these circumstances, we are expecting behavioural changes ranging from the preference for domestic or close to home destinations to the option for shorter stays or the predilection for package travel.

5. Conclusions

In the description of the perspective of the impact of the Covid-19 crisis on the behaviour of consumers of tourist services, we started by highlighting the characteristics of consumption behaviours in the situation of major crises, supplemented by information on the impact of the Covid-19 crisis on the decisions of consumers of tourist services.

As countries implemented severe travel restrictions to reduce the spread of the disease, domestic and international tourism came to a grinding halt. It has been estimated that global tourism and travel industry revenues fell by 42% in 2020 (Statista Research Department, 2023b). While the long-term economic damage caused by the COVID-19 pandemic cannot yet be fully assessed, the shutdown of public life has affected tourism and tourism-related industries.

Although tourism has proven to be a remarkably resilient activity, recovering relatively quickly from the negative impacts of crisis-type events, the effects of these events should not be underestimated. We consider it necessary to approach the uniqueness of the crisis, in the impossibility of separating it from the context in which it occurs, highlighting the contextual elements that offer the opportunity to find the best solutions to reduce the negative impact at socioeconomic level.

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