

The Impact of Covid-19 Pandemic on Consumer Behavior in Tourism Sector

Budhi W Fitriadi^{1*}, Ratih Hurriyati², Bambang Widjajanta³

¹ School of Postgraduate Studies, Universitas Pendidikan Indonesia Jalan, Dr. Setiabudhi No 229 Bandung 40154 Indonesia

² Universitas Pendidikan Indonesia Jalan, Dr. Setiabudhi No 229 Bandung 40154 Indonesia

³ Universitas Pendidikan Indonesia Jalan, Dr. Setiabudhi No 229 Bandung 40154 Indonesia

*Corresponding author. Email: budhiwahyu@upi.edu

ABSTRACT

This research aimed to at providing an exploratory description of changes in tourist behavior in at-risk communities and how they affect the marketing strategy undertaken by the tourism industry as a tourism service provider. The research method is carried out with a qualitative approach with an observation method which is indicated by recording tourist behavior patterns as consumers through analysis of the content or message of a document obtained from some secondary data. Documents related to changes in tourist behavior during the Covid-19 pandemic related to statements, news, and research results published in the journal were analyzed based on several theories and relevant literature. The study results showed that the global panic caused by Covid-19 affected travel intentions. The Covid-19 pandemic affected travel habits; people will avoid traveling in groups and being surrounded by people. They will also avoid the risk of traveling without travel insurance. This pandemic has attracted the general public's attention about hygiene and health issues. Due to the economic crisis, tourists will be more careful in spending their money on tourist trips. Tourists refrain from eating out and respect nature more and practice more responsible tourism. This crisis is seen as an opportunity to change their consumption practices. Therefore, it is recommended that tourism managers focus on media strategies, foster a positive image, and stimulate tourism during and after the crisis. In addition, motivating tourists to travel during the pandemic season is an opportunity for managers to raise awareness of the pandemic season by presenting the benefits of travel and its opportunities (attractions, activities, services, etc.). It is also an opportunity for managers to build customer loyalty by changing their perception of travel in the pandemic season.

Keywords: *Consumer Behavior, Tourists, Covid-19.*

1. INTRODUCTION

The World Health Organization (WHO) has announced the status of a global pandemic for coronavirus disease 2019 or coronavirus disease 2019 (Covid-19) on March 11, 2020 [1]. The action was taken as a form of world concern over the spread of the virus and its alarming impact and reminding all countries to activate and improve emergency response mechanisms. At the same time, all world citizens are potentially affected by the Covid-19 infection. Its massive spread and high mortality caused parts of the world to be paralyzed from all activities. Some countries are locking down their territories and disabling all community activities with a ban on leaving the house.

For Indonesia, at the beginning of the pandemic, considering Large-Scale Social Restrictions to be a provision made by limiting the movement of people and or service goods to control the spread of the virus, as previously stipulated in Law No. 6 of 2018 on Health Quarantine. The consideration is the spread of Covid-19, increasing and expanding in the number of cases and/or deaths, covering cross-region and cross-border and impacting political, economic, social, cultural, defense, and security aspects and welfare of the people in Indonesia.

The implementation of the above policy causes tourism activity to decline globally. UNWTO (United Nations World Trading Organization) estimates that the number of international tourists in 2020 will decrease between 850 million and 1.1 billion people due to the

coronavirus outbreak. The decrease in tourist numbers is estimated to cause losses between US\$910 billion to US\$1.2 trillion [2]. 97% decrease in international travel in April with a loss of \$195 billion, indicating global travel restrictions as a measure to reduce the spread of pandemics [2]. Based on the results of a survey conducted by the Ministry of Tourism and Creative Economy, nationally, the Covid-19 pandemic has resulted in 92% of the 5,242 tourism sector workers feeling the loss of their jobs. The most affected types of businesses are accommodation by 87.3%, transportation by 9.4%, restaurants by 2.4%, and the remaining 0.97% are other types of businesses that feel the loss of the Covid-19 pandemic, such as souvenir shops, spas, and other tourism services.

Still not including other types of businesses that are experiencing the impact of participation as a tourism support sector, such as suppliers and food for hotels and restaurants, event organizers, transportation, property, etc.

The government is aware of the economic demands that are weakening with the paralysis of various sectors of the economy. Restrictions on business activities can not be done continuously. The wheels of the economy must remain rotating. A strong desire also arises from the community to return to activities as human nature as a social being who needs others. After WHO (2020) provides guidelines for the transition to the new normal or new life, dated May 29, 2020, Indonesia officially announced the implementation of the New Normal period and marked by the easing of social activities in the regions and still emphasize the application of physical distancing [1]. However, with the high number of cases exposed to the Covid-19 Virus, this policy is straightened out as a "New Habit Adaptation" amid the Covid-19 pandemic, whose spread is so complex with uncertainty when it ends.

Facing the deterioration of the tourism industry that has implications for the stalled development of other sectors as well as paying attention to the sustainability of the workforce involved in tourism activities, the government took a role to maintain the country's economy with the emergence of an easing of public activities to re-energize the economy. Tourism activities were reopened while adapting the health protocol of the New Normality of the Tourism Industry and Business sector [3].

Although the easing of activity has been established, infected concerns during tourist activities, including the in-out transfer during travel to and from the destination area, are also a consideration for tourists not to do tourist activities. This pandemic has changed consumer behavior in determining the purchase of tourism products and services. Tourists need comfort in traveling in the form of guaranteed cleanliness, health, and safety from covid-19 infection. Not only consumers but workers and

the community environment. All stakeholders of the tourism industry should anticipate changes in travel behavior. Such market demands must be able to be understood by all stakeholders of the tourism industry.

In [4] understanding consumer behavior is crucial for the company; its purpose is to predict, explain and control consumers. By predicting consumer behavior, companies can design suitable patterns to influence consumers and produce goods according to consumer tastes. The company can also explain why, who, and what affects consumers, when, and how consumers want to buy an item or service according to their needs. Proficiency in predicting and controlling consumers will further make it easier for companies to control their customers to remain loyal to the products that have been purchased.

Tourism terminology is a trip done to create a vacation or includes any preparations made to do this activity. Tourism can not be separated from two things, namely tourists as people who do tourist activities and tourism products in the form of goods/services that tourists will enjoy. Tourism products can be found in tourist destinations or referred to as tourism destinations. Tourism products can be offered to tourists when visiting tourism destinations (supply). That is why one of the declines in tourism success is the number of tourist visits, considering that there will be an economic cycle in the form of sales of tourism products that occur from the departure of tourists, including the process that occurs while in tourist destinations, stopovers and returning to the place of origin of tourists. Tourism products are formed from several elements, namely: objects/attractions tourism; facilities; conducive atmosphere; mementos, and memories. To get tourism products as a form of need, tourists will spend a certain fee as demand. Tourists act as consumers.

Consumer behavior as actions directly involved in the acquisition, consumption, and depletion of products/services, including processes that precede the occurrence of the causes of consumer behavior and the impacts caused. In more detail, consumer behavior as behavior that consumers show to find, buy, use, evaluate and spend products and services that they hope will satisfy their needs. Consumer behavior as a study of purchasing units of individuals, groups, and organizations that will later form the market as an individual market or consumer market, a group purchasing unit, and a business market formed by the organization. Consumer behavior as actions or behaviors performed by consumers that start from feeling the need and desire, then trying to get the desired product by making a purchase, consuming it, and ending with a post-purchase action that is a feeling of satisfaction or dissatisfaction [4]. Consumer behavior is influenced by motivation. Motivation indicates a behavior directed towards achieving satisfaction goals. In [5], consumer motivation encourages a person to behave certainly.

Motivation is a process for the fulfillment of needs. Consumer motivation aims to increase satisfaction, maintain loyalty, efficiency, effectiveness, create a harmonious relationship between producers and consumers. Motivated behaviors lead to the activation of needs with the introduction of needs. Motivation arises because of a need that has not been achieved. The activated needs are finally expressed in the form of purchasing and consumption decision behavior.

There are several relevant research related to changes in consumer behavior as a result of Covid-19 underpinning this research, including [6] "Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research" this study discusses the significant impacts, behaviors, and experiences owned by three major tourism stakeholders, namely: tourism supply providers, demand and government as policymakers. The research illustrates the optimism of researchers on the Covid-19 outbreak, which, although it tends to harm the economy, can be an opportunity for social-based entrepreneurs to develop a business model that maintains a balance of profits in business and a positive social impact on the environment in a sustainable manner, to overcome social problems in society.

There is two scenarios of changes in consumer behavior. First, suppose the implementation of New Normal continues to occur. In that case, there will be adjustments to the behavior of tourists. For example, tourists will consume tourism products in different ways, and the market of tourism products will decrease due to the increase in product prices due to the addition of production costs for hygienists. The addition of space accompanied by a reduction in consumer capacity in addressing application physical distancing, the increase in investment in tourism facilities, tourists will look for the nearest area (domestic) to travel means that foreign tourists will be reduced. The second scenario is that the Covid-19 pandemic is only temporary. It will end when the Covid-19 antivirus is found, so tourists will return to the old tourist pattern (old normal) where social and physical distancing is no longer needed. [7], in "The Impact of Covid-19 on Tourist Consumption Behaviour A Perspective" article mention that Covid-19 has a significant effect on changes in travel behavior, including choosing a close destination, tourists will prefer lesser-known tourist attractions and away from the crowd, care about health and hygiene, choose personal travel rather than with groups, travel insurance becomes essential. [8] in "The COVID-19 crisis as an opportunity to escaping the unsustainable global tourism path," said that with Covid-19 sustainable tourism patterns would occur by themselves due to reduced human activity.

2. METHODS

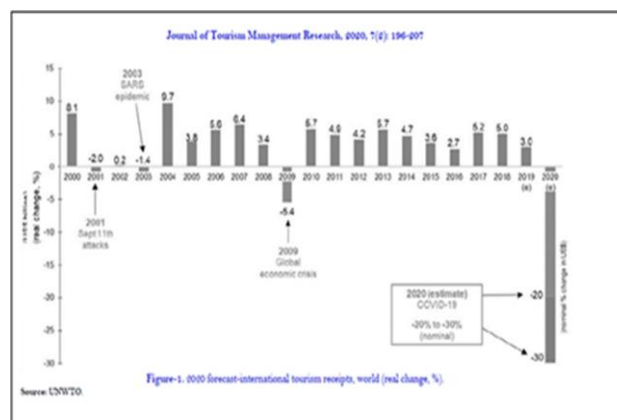
The methodology shows how to obtain truth by searching specific ordinances according to the studied

reality. With a qualitative approach, consumer behavior research was conducted on consumer conclusions that can determine and identify what affects consumers in terms of behavior change and how it affects marketing strategies conducted by the tourism industry as a tourist service provider [5].

Referring to [4], this study employed observation methods indicated by the recording process of tourist behavior patterns as consumers through content analysis of the content or messages of a document obtained from some secondary data. Documents related to changes in tourist behavior during the Covid-19 pandemic related to statements, news, results of research in the journal will be analyzed based on several relevant theories and literature.

3. RESULTS AND DISCUSSION

The case of the Covid-19 pandemic, which is happening globally today, has a significant impact on the economy and socio-cultural society. Referring to the research data that has been conducted by [7], as presented in the picture:



Source: [7]

Figure 1. Forecast-International tourism receipts, world (real change, %)

The data records five significant events in the last 20 years that resulted in the decline of world tourism is shown by the low acceptance of the tourism sector, namely terrorism in 2001, Epidemic SARS, Global Economic Crisis in 2009, and which is currently taking place in 2020 is the outbreak of Covid-19. As presented in the data, the Covid-19 pandemic has the most significant impact on tourism sector revenues which is below 30%, a very long gap when compared to the impact caused during the outbreak of sars virus, which is in the range of -1.4%, also when compared to the global economic crisis, the decline in world tourism sector revenue by 5%.

There is no motivation for tourists to make decisions on purchasing tourist products because the needs of tourists have not been activated by manufacturers

(manufacturers do not conduct bidding activities) [7]. Consumer needs are seen as the drivers and generators of purchasing and consumption decision behavior. Referring to [5], the needs of tourism consumers are dominated by a) Physiological, as a basic necessity; b) Security, related to physical survival and security; c) Appreciation and Ownership, the need to be accepted by others; d) Self-expression; e) Self-actualization; f) The search for variation, maintenance of the chosen level of physiological excitement and stimulation is often expressed in variation.

If in the period before the Covid-19 pandemic, the needs of tourism consumers were based on the fulfillment of physiological (recreational) needs, then during this pandemic, the need for safety and physical survival became a priority. Restrictions on avoiding the spread of this virus make security needs dominate as a necessity. When the government's policy on large-scale social restrictions, the tourism industry also does not open up product offerings. Travelers cancel and delay their purchases. Adapting [4], tourist behavior indicated by purchasing decisions is influenced by psychological factors, based on changes in attitudes to the response shown by manufacturers as the antidote to products responded by changes in consumer attitudes in response to tourism industry producers.

In this era of the Covid-19 pandemic, situational factors influence when making purchasing decisions. Consumers are in a state of anxiety over the impact of pandemics that threaten themselves and their families. Government intervention to protect its people by issuing rules to impose social restrictions is a social factor that influences purchasing decisions. One aspect of consumer behavior related to the decision to buy tourism products is the risk factor of the product itself. Prospective tourists will cancel the purchase of tourist products if they know the goods/services offered to threaten their safety and comfort, meaning that prospective tourists have a reasonable concern about the risks of choosing the product.

In response to the economic downturn and uncertainty surrounding the end of the Covid-19 pandemic, the government is easing to reopen economic activity even though it is still implementing health restrictions or protocols on public places and facilities. The implementation of New Normal resulted in the behavior of consumer tourists changing. With the reopening of the supply side of the tourism industry, tourist consumers again responded to the need to conduct activated tourist activities. According to [5], the activated needs are expressed to behavioral decisions and purchases so that two benefits are obtained, namely from utilitarian and hedonic benefits. The decision to buy based on the benefits obtained following what is needed is considered utilitarian benefits. In contrast, the other benefits are hedonics obtained from experience that will

get additional benefits in the form of recognition from others because it has shown its expression and prestige. The tourism industry can roll out both benefits, especially with the rapid development of social media tourism experiences broadcast and known to the public.

In the era of the Covid-19 pandemic, prospective tourists make purchase decisions based on the need to feel the benefits of traveling in terms of utility and hedonics. Based on several studies and articles relevant to consumer behavior during the Covid-19 pandemic, the decision of consumer tourists is based on the motivation to obtain satisfaction of tourism products that concern on the protection of comfort in the form of cleanliness, health, and safety as the main objective in deciding purchases.

Based on several motivations formed on the needs of consumers, the decision to purchase tourism consumers will underlie the behavior of tourism consumers, including:

- a. Travelers demand higher health standards. In the purchase decision, prospective tourists will ensure the health protocol rules to prevent and control the Covid-19 virus in public places, and tourism businesses have been appropriately applied and correctly, as stipulated by the government;
- b. Tourist destinations with green zone status with a low number of cases will be preferred by tourists to visit;
- c. The provision of discounts will be a consideration for consumers to experience tourism activities are based on motivation to achieve purchasing efficiency;
- d. Flexibility of bookings, given that this pandemic has not shown signs in a better direction, prospective travelers need to loosen bookings so that the plan can be fickle;
- e. Staycation or domestic travel with a distance that is not too far by avoiding crowds as the application of physical distancing is seen as effective to overcome anxiety.

Observing the phenomenon, the behavior of consumer tourists will be reflected in the satisfaction of achieving the needs following the underlying motivation. This is the role of the tourism industry and the government as marketers to customize their products or services to achieve customer satisfaction.

To activate adjustments to consumer needs in the era of the Covid-19 pandemic, the following steps are required:

- a. Implementation of health protocols under government-issued policies to ensure the health, comfort, and safety of tourists;

- b. Virtual Tourism which is one of the recommendations to address tourist behavior in social distancing.
- c. Segmentation of the domestic market, by increasing the tour packages of short-distance individual tours and family groups, tourists in the young age of 45 years and under
- d. Preparation of public and open space with more space;
- e. Re-branding products to attract empathy and sympathy for repeaters and new visitors.

4. CONCLUSIONS

The Covid-19 pandemic affects travel intentions and habits; people will avoid traveling in groups, avoid the risks of traveling without travel insurance, and the general public increasingly understands the importance of cleanliness and health, respecting nature, and practicing more responsible tourism. Due to the economic crisis, tourists will be more careful in spending their money on tourist trips. Therefore, it is recommended that tourism managers focus on media strategies, foster a positive image, and stimulate tourism during and after the crisis. In addition, motivating tourists to travel during the pandemic season is an opportunity for managers to raise awareness of the pandemic season by presenting the benefits of travel and its opportunities (attractions, activities, services, etc.). It is also an opportunity for managers to build customer loyalty by changing their perception of travel in the pandemic season.

REFERENCES

- [1] WHO, "Situation Report - 10," 2020. Accessed: May 30, 2022. [Online]. Available: <https://www.who.int/publications/m/item/situation-report---10>.
- [2] UNWTO, "International Tourism and Covid-19 ," UNWTO, 2022. <https://www.unwto.org/tourism-data/international-tourism-and-covid-19> (accessed May 30, 2022).
- [3] Kemenparekraf, "Siaran Pers : Penurunan Kunjungan Wisman ke Indonesia Akibat Pandemi COVID-19 Sesuai Perkiraan - Peduli Covid19 | Kemenparekraf / Baparekraf RI," *Kementerian Pariwisata dan Ekonomi Kreatif*, 2020. <https://pedulicovid19.kemenparekraf.go.id/siaran-pers-penurunan-kunjungan-wisman-ke-indonesia-akibat-pandemi-covid-19-sesuai-perkiraan/> (accessed May 30, 2022).
- [4] E. M. Sangadji and Sopiah, *Perilaku Konsumen: Pendekatan praktis disertai Himpunan jurnal penelitian*. Yogyakarta: Yogyakarta Andi, 2013.
- [5] N. Setiadi, *Perilaku Konsumen : Konsep dan Implikasi Untuk Strategi dan Penelitian Pemasaran*. Jakarta: Kencana, 2003.
- [6] M. Sigala, "Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research," *J. Bus. Res.*, vol. 117, pp. 312–321, Sep. 2020, doi: 10.1016/J.JBUSRES.2020.06.015.
- [7] A. Chebli, M. Chabou Othmani, and F. Ben Said, "Market Segmentation in Urban Tourism: Exploring the Influence of Personal Factors on Tourists' Perception," *J. Tour. Serv.*, vol. 11, no. 20, pp. 74–108, Jun. 2020, doi: 10.29036/JOTS.V11I20.144.
- [8] D. Ioannides and S. Gyimóthy, "The COVID-19 crisis as an opportunity for escaping the unsustainable global tourism path," <https://doi.org/10.1080/14616688.2020.1763445>, vol. 22, no. 3, pp. 624–632, May 2020, doi: 10.1080/14616688.2020.1763445.