Study on the Recovery Strategy of Tourism in Hubei Province in the Post Epidemic Era

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Abstract: The outbreak and spread of COVID-19 has had a negative impact on the development of China’s tourism industry. Wuhan is an early outbreak of COVID-19 in the world and also a region deeply affected by the epidemic. How to repair the image of a tourist destination has become an important issue for the revival and development of domestic tourism at this stage. Based on the actual situation of Wuhan, this paper makes strategic measures to reveal the efforts made by domestic tourism marketing during the COVID-19 epidemic period to maintain the positive image of tourism, and provides reference for the selection and formulation of post-EPIDEMIC tourism destination image restoration strategies.

Keywords: Covid-19; Tourism Industry; Strategy

1. Research background

The tourism industry is highly dependent on and sensitive to many external factors, such as natural environment, economy, politics, society and so on, as it involves many industries of food, housing, travel, shopping and entertainment and forms a closely linked value chain of tourism industry. In addition, tourism activities are different in space and temporary in time, and are extremely vulnerable to the impact and impact of some uncertain factors and crisis events, which will lead to tourism crisis in a certain range and affect the overall healthy development of tourism. With the rapid development of tourism, tourism industry has become an important part of global and regional economic industry. However, due to the fragile characteristics of the tourism industry itself, it is extremely vulnerable to the impact of external crisis environment, which leads to fluctuations in the development of the industry. Major crisis events will pose severe challenges to the sustainable and stable development of the tourism industry.

With the spread of COVID-19 worldwide in 2020, global supply chains have been affected and the development of economic globalization has been hit. On 2 March 2020, in its World Economic Outlook, the ORGANIZATION for Economic Cooperation and Development (OECD) lowered its forecast for global economic growth in 2020 from 2.9% to 2.4%, and for G20 countries from 3.2% to 2.7%. The OECD report said the pandemic has become the “greatest danger” to the world economy since the 2008 international financial crisis. Although the epidemic has been brought under control at home, the spread of the epidemic abroad and its negative impact on the world economy will also bring new challenges to China’s economic development.

China was the first country to see a large-scale outbreak of COVID-19, and its economy has been hit hard, especially in Hubei province, the epicenter of the outbreak. In terms of statistics, China’s GDP in the first quarter of 2020, when the epidemic was at its worst, decreased by 6.8%
year on year. GDP in the second and third quarters increased by 3.2% and 4.9% year on year, but this was lower than the growth rate of 6% to 7% in previous years. Due to the impact of the epidemic, the short-term domestic demand and supply decreased sharply, resulting in a 14.3% decrease in the MANUFACTURING PMI index and a 24.5% decrease in the non-manufacturing business activity index in February 2020 compared with January, among which the demand of transportation, tourism, accommodation, catering, residential services and other consumer industries decreased significantly. This has brought great fluctuations to China’s macro and micro economy.

2. The impact of COVID-19 on Hubei Province

1) Tourism image has been damaged, and tourists’ willingness to travel to Hubei has declined significantly. In the post-epidemic era, tourism has gradually entered the recovery period. We can predict the recovery of the tourism market in Hubei province in the post-epidemic era by knowing the willingness of tourists to travel to the province. According to relevant data show that in May this year, compared with before COVID-19 outbreak, of visitors travel to Hubei province after about epidemic intention fell by 43%, among them to Xiangyang, Enshi tourism will drop more than 50%, in addition to Wuhan, Yichang, Shiyan, Shen Nongjia and other key tourist destination of tourism will have appeared declined dramatically. All kinds of signs show that this major epidemic occurred in Wuhan, Hubei province, sweeping the whole country hit the tourism image of “Smart Show Hubei”, comprehensively hit the confidence of the tourism market in Hubei Province, making tourists at home and abroad to visit Hubei, Wuhan hold a psychological shadow. It will take some time for the tourism image of Hubei province to recover in the overseas tourism market.

2) Wuhan adopted measures of “lockdown”, during which its economy was in a state of total stagnation. This measure has a huge impact on the whole Wuhan tourism market, related enterprises shut down, tourist attractions closed, travel agencies cannot make ends meet.

   A) Tourism

   Tourist attractions mainly rely on two aspects of profit, one is the ticket, the other is the scenic area catering, souvenirs and other related additional products. The outbreak of the epidemic has made it impossible for scenic spots to make profits; There is no return on tourism investment, while the immediate costs of maintenance, equipment depreciation, staff salaries and even loan interest are still incurred. Wuhan tourism enterprises have lost the revenue source of the first quarter, and even the income of the tomb-sweeping Day, Dragon Boat Festival and May Day holidays in the first half of the year are affected. A large number of cancellations, refunds, pre-activity expenditures, etc., have affected the cash flow of enterprises to a certain extent.

   Culture and tourism industry are a modern service industry which operates around consumer groups and involves the flow and aggregation of people. However, the epidemic “forced blockade” on the movement of people, the panic of consumer groups’ gathering activities needs a long time to ease, and the willingness to travel is greatly reduced, which will also affect the tourism development of Wuhan for a long time.

   B) Hotel industry

   Tourism statistics show that the occupancy rate and operating income of nearly 20,000 commercial lodgers in Wuhan were zero during the epidemic. According to the 21st Century Business Herald, reporters checked hotel prices in Wuhan on platforms such as Meituan, Ctrip and Qunar, and found that room prices at most five-star hotels had dropped to 300 to 500 yuan, and some even dropped below 300 yuan. By July 6, 2020, 43 out of 57 star-rated hotels had opened in Wuhan, with the operating revenue of star-rated hotels decreasing 77.01% compared with the same
period last year. After the epidemic was effectively controlled, high-star hotels in Wuhan generally cut prices by 20 to 25 percent. Economic chain hotels, such as city convenient, seven days, the price range of most of the 120 yuan or so, the drop is as high as 20%.

C) Tourism and transportation

According to flight manager data, Wuhan Tianhe Airport had 566 planned flights in and out on January 23, 2020, and 288 flights had been cancelled by 11:30 that day. From January 22 to February 1, 2020, Wuhan Tianhe Airport has 76 domestic direct flights and 2,879 planned departures. 30 international routes, 293 outbound flights planned; There are 4 Hong Kong, Macao and Taiwan routes, and 55 outbound flights are planned. Most of those flights were canceled. A total of 1.35 billion trips were made in the first 30 days of the 2020 Spring Festival travel rush, down 40 percent year-on-year. During the Spring Festival, passenger flow decreased significantly. The daily passenger flow of the railway has fallen by more than 80% compared with the same period last year. According to the Ministry of Transport, a total of 1.476 billion trips were made by railways, roads, waterways and civil aviation during the Spring Festival travel rush in 2020, down 50.3 percent from the same period last year. The average number of daily active passengers in the online transportation booking market was less than 15 million.

3. Strategies for tourism development in Hubei Province in the post-epidemic era

Based on the existing support policies and related research, this paper puts forward suggestions from both macro and micro aspects, in order to provide strategies for the revitalization of tourism in Hubei Province.

3.1 Government-led strategy

The intervention programs initiated by Wuhan’s government to fight the effect of global pandemic to the tourism industry. In order to deal with COVID-19, on the basis of the preferential tax policies for tourism enterprises issued by the State Council during the epidemic period and the temporary withdrawal of the deposit for tourism service quality issued by the Ministry of culture and tourism, a series of supporting policies are timely issued in terms of financing, labor, subsidies and insurance. Such as: Provide credit and discount support for tourism enterprises with good credit status; Delaying payment of social security and provident fund for employees of tourism enterprises; Establish epidemic situation support fund and policy insurance for tourism industry. Besides, government encouraged the development of online tourism; trial online research and learning travel; developing e-commerce business of tourism cultural and creative products; research and development of tourism products; make online training; optimize tourism service, etc.

Besides, the COVID-19 epidemic has not only brought serious economic impact to Hubei Province, but also brought about a huge social and psychological crisis. In the outbreak period, the government should strengthen the psychological counseling of tourism consumers at home and abroad, stability, stimulation of Hubei province tourism consumption, for example from May 14 solstice on June 1, Wuhan city nucleic acid testing for the tourism market at home and abroad to han tourism with great confidence and other tourist cities of Hubei province can also follow the same. In the face of foreign tourism consumers, it is necessary to plan and carry out a series of marketing activities with Hubei characteristics, in order to reshape the tourism image of “clever Hubei” and create a safe and healthy tourism destination image, so as to attract long-distance tourism consumers to Hubei.
3.2 The subjective coordination strategy of tourism enterprises

Strategies implemented by travel and tours companies in Wuhan. In order to deal with COVID-19, all enterprises took different measures, and the researchers identified measures that had a high adoption rates and took them as representatives from all the measures. In these several measures with high probability of adoption, the proportion analysis is carried out again. According to the survey sample, the most common measures taken by all enterprises include: establish epidemic crisis management project team; cash flow first and encourage the development of online tourism; developing e-commerce business of tourism cultural and creative products; research and development of tourism products; set up sales assessment index and reward and punishment standard and optimize tourism service; make good use of various financial instruments; trial online research and learning travel and chain transformation and upgrading, by doing bigger and stronger brand. Among them, “encourage the development of online tourism”, “developing e-commerce business of tourism cultural and creative products”, “research and development of tourism products”, “make good use of various financial instruments” and “trial online research and learning travel” are all come from government policy. It can be seen that the government’s response measures are still highly adopted by major enterprises.

4.Conclusion

The effectiveness of these interventions in helping the industry recover. The government’s policy support of the combination of inclusive and differentiated has alleviated the financial pressure of tourism enterprises, reduced the cost and layoff risk of tourism enterprises. From the May Day holiday and spring holiday tourism related data can be seen that these measures and strategies have a positive effect on the recovery of tourism economy. Strategies implemented by travel and tours companies in Wuhan. The government has launched many measures to deal with COVID-19, many of which are adopted by major travel agencies. It can be seen from the sample statistics that the government’s response measures are still highly adopted by major enterprises. Through these effective strategies to promote the recovery of tourism in Hubei Province, I believe that in a short time, the tourism industry in Hubei province, and even the national tourism can usher in a new spring.

5.References