

# Resiliency of Business Organizations in the Tourism Industry of Wuhan, China During the Covid-19 Pandemic

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**Abstract:** The COVID-19 outbreak which pushed the public actors to seek out customized solutions a dusted for local development. Especially for the city of Wuhan, The present paper investigates the role played by the public administration in rebuilding and supporting the tourist sector in Bukovina which has been severely affected by the restrictions imposed by pandemic. The study used a mixed research method: quantitative analysis and qualitative research (interviews). This paper mentioned many major crisis events before, because the harm, impact and scale of effect to the tourism industry by the current pandemic is very obvious and every government is implementing various programs and strategies to mitigate it. In this study, the effectiveness of such initiatives will be evaluated and the capability of tourism businesses to rebound from this crisis will likewise be assessed. The results show that the types of governance applied by the county and local administration will have a decisive impact upon the recovery of the tourism sector.

**Keywords:** Resilience; Governance; Tourism Company; COVID-19

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## 1. Introduction

Following the declaration by the World Health Organization (WHO) on 31 January 2020 that the novel coronavirus outbreak is a public health emergency of international concern and has been upgraded to the highest level of "severe"; A warning was issued on 9 March that the threat of a global pandemic had become a reality. Countries around the world have successively declared a state of emergency, and some countries have begun to adopt the strategy of "isolation" -- blocking cities and traffic, closing shopping malls and other large public facilities, closing schools, restricting the entry and exit of people and goods and so on. These measures have had a huge impact on the major economies of the world. China was the first country where COVID-19 began a large-scale outbreak, and its economy has been hit hard, especially in Hubei province, the epicenter of the outbreak. In terms of data, China's GDP in the first quarter of 2020, the worst-hit period of the epidemic, decreased by 6.8% year on year. The GDP in the second and third quarters increased by 3.2% and 4.9% year on year, but lower than the growth rate of 6%-7% in previous years. Affected by the epidemic, the short-term demand for domestic demand and supply have dropped sharply, resulting in a 14.3% drop in the manufacturing PMI and a 24.5% drop in the non-manufacturing business activity index in February 2020 compared with January. Among them, the demand for transportation, tourism, accommodation and catering, residential services and other consumer industries has dropped significantly. This has brought no small fluctuation to China's macro and micro economy.

## 2. Materials and methods

In presenting the prevailing conditions obtained from the venue of this study, the descriptive survey method was used. Among all other methods of research, this method was used because the researcher found it to be most fitting to resolve the truth. The descriptive Normative Survey research is essentially a method of quantitative description of the general characteristics of the group. It is directed toward ascertaining the prevailing conditions.

The participants of the study shall be owners or managers of travel and tours companies in Wuhan, China. The number of participants will be determined using the Slovin's formula:

$$n = \frac{N}{1 + (N)(e)^2}$$

Where:

n = sample size

N = total population

e = margin of error

There are total 274 tourism companies in Wuhan city, and according to this formula, I get a final sample size n=163. so I will select

163 tourism companies in Wuhan city as my survey sample size.

The researcher utilized a survey questionnaire to collect needed data. The questionnaire is self-developed and it was used for the collection of information pertaining to the characteristics of travel and tours companies, the effect of the pandemic to them and the strategies they implemented to address the negative effect of the pandemic and how effective are these strategies and the programs of the government in helping them recover from the crisis.

### 3. Results and discussion

#### 3.1 Conclusion

Based on the findings of the study, the following conclusions were arrived at:

(1) The typical respondent in the study were mostly male, married, about 30-50 years old, a bachelor's degree holder who served in his present position for at least four years.

(2) Most of the tourism companies in Wuhan are new established within 2 years, which specialize in specific areas of business. All the companies had a physical offline business before the outbreak, which had served at least 2,000 tourists in 2019 and went back to work after second half of year of 2020. Most businesses are small-scale and profitable before the epidemic.

(3) From the aspect of revenue from tourism, all the tourism enterprises have changed from the profits before the epidemic to the debts after the epidemic, and even went bankrupt. From the aspect of outbound and inbound tourism, during the epidemic period, according to the national policy, all outbound and inbound tourism projects were stopped. From the aspect of number of companies in the industry and number of people employed in the industry, due to the impact of COVID-19, nearly half of the tourism companies in Wuhan have closed down, and tourism industry has reduced by 2/3.

(4) Influence to the travel and tours companies in Wuhan by the pandemic. From the aspect of profit, more than half of the enterprises lost more than 10% compared with 2019. From the aspect of operation, all tourism enterprises are transformed from team tourism business to online business. From the aspect of manpower, a large number of enterprises have laid off staff, and the overall number of tourism employees has been reduced by two-thirds.

(5) 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.

(6) 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.

(7) 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.

#### 3.2 Recommendations

Previous government and major tourism companies have made a significant recovery in the tourism economy, but there are other areas where it could be further improved:

(1) Ticket change

Tickets are the cornerstone of many scenic spots. For a long time, the revenue structure of a large number of traditional scenic spots in China is single, and the main source of revenue is tickets, cableway, vehicle transportation and other basic projects. Scenic spots are increasingly dependent on tickets. According to statistics, these projects account for 70% - 80% of the total revenue, and the gross profit rate reaches 80% - 90%, which is the core of the profits of such scenic spots.

(2) Product transformation

The core problem of "ticket dependence" is that in the past, scenic spots mainly adhered to the single mode of "scenic spot tourism",

with few secondary consumer products, which led to the main revenue figure being ticket revenue and single revenue structure. This is especially true in mountain scenic spots.

### (3) Service transformation

This transformation not only takes place in scenic spots, but also a wave sweeping every corner of social development digital. The total consumption of online travel has reached trillions. With such a huge consumer market, it is imperative for scenic spots to grasp the trend.

### (4) Change thinking

For scenic spots, the first thing to bear the brunt is to break the original cognitive boundary of "scenic spot thinking" and turn to "cultural tourism destination thinking". Only after the change of thinking, can the scenic spot walk into the good night of culture and tourism more leisurely.

### (5) No web celebrity worship

After getting rid of the interference of some fleeting tourism projects, on the road to the ideal product planning, the scenic spot needs to be side by side with the local culture. For different scenic spots, there are differences in product planning. In natural landscape scenic spots, we can build experiential products and leisure products through the mountain as the core, so as to make it become a community and a destination.

### (6) The delight living

Scenic spots from the determination of what style, to build a product framework, and then on the details of the continuous carving, and to meet the needs of the emerging customers with The Times, not as simple and direct as in the past. Along with the trend of brigade fusion development, state-owned capital, private capital is bound to full access to the transformation of the construction of the industry, the future of the scenic area as an important bearing, the tour industry of inevitable earth-shaking changes, is become insects, or incarnate the dragon, was still content, quality,operation,and brand.

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