

## TOUR OPERATOR ADJUSTMENT POST COVID-19: A PRELIMINARY STUDY

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**Abstract:** Tourism is one of the most vulnerable industries and, therefore, it has been affected greatly by the COVID-19 pandemic. Destination organizations and tourism related businesses are being required to apply new perspectives on destination development and community engagement. Tour operators and travel agents are not exceptions to this rule. This research explored the responses and adaptation of travel agents in response to the COVID-19 outbreak. An in-depth interview approach was utilized in this study. A purposive sampling technique was used in this study. At the early stage of the exploration, five key informants were interviewed. Content analysis was applied to the data. The interviews suggested three key adjustments of local travel agents in response to the COVID-19 event. First, the use of social media was greatly expanded. Second, it is evident that the key informants, especially those focused on domestic travelers, were required to improve their service quality and put the price of travel packages on hold. Finally, the reduction of fixed costs is evident. The key informants shared a few approaches used to cut their costs.

**Keywords:** Travel agents, Phuket, COVID-19, Crisis management

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### 1. Introduction

Tourism is one of the most vulnerable industries and, therefore, it has been affected greatly by the COVID-19 pandemic. Many tourist destinations have experienced a major decline of tourists visited their places. A number of hotels have temporarily closed due to the event. Many tourism employees were forced to find a second job for survival. Destination organizations and tourism related businesses are being required to apply new perspectives on destination development and community engagement. Tour operators and travel agents are not exceptions to this rule. The majority of travel agents in Phuket, Thailand have received little income since the health crisis pandemic began in early 2020. The literature provides a number of investigations on COVID-19's effects on businesses including tourism organizations. However, little is known about local travel agents at a world class destination like Phuket. This research explored the responses and adaptation of travel agents in response to the COVID-19 outbreak.

### 2. Literature Review

As the world faced the COVID-19 crisis that caused an economic downturn. Destination organizations and the hospitality industry will need to apply a new perspective on destination, development and community engagement. No matter where you are in the world, every industry was impacted within the first month of response to the viral disease (David,2020). There are businesses that are really affected in every sector but the type of business is obviously affected the most are tourism, retail, and restaurant businesses (StoreHub, 2020).

Tour operator is an organization, firm or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen, is called a Tour Operator. More precise tour operators are primarily responsible for delivering and performing the services specified in a given package tour. They can provide these services themselves as some have their own cars and coaches, hotels and other travel related services or can obtain these from the other suppliers (Tourism notes, 2019).

The review of the literature suggested a number of scholars have investigated travel business experiences during the crisis events. Several scholars have examined effected of the crisis on small business in general (e.g., Bartik et al., 2020, Mazurek, 2020, Nicola et al., 2020). For example, Bartik et al. (2020) shed light on how COVID-19 had an impact on small businesses. The survey with thousands of U.S. based businesses staff was received. The results suggested that the pandemic had already caused massive dislocation among small businesses. While businesses' beliefs about the duration of the crisis varied widely, the median business owner expected the dislocation to last well into mid-summer. Businesses were adjusting in a variety of ways, and over seventy percent of respondents anticipate taking advantage of aid when asked about a program that resembles the Paycheck Protection Program (PPP) that is part of the CARES act. Moreover, funding to influence other business decisions including layoff decisions and staying in business altogether were expected.

The other major group of researchers have focused on tourism businesses and examined consequences of crisis situations. In this key area, Garmash & Pererva (2020) studied experience of travel companies in overcoming the negative consequences of crisis situations and tracked the typical trends of the behavior of travel companies in the market. The present study introduced compliance programs within the travel industry in the framework of logistics management. This program helped to meet the needs of the client as well as the development of the travel company even in times of crisis. Furthermore, the recent study from Hamid & Isa (2020) explored the sustainable tourism practices adopted by tour operators in Malaysia. The results of their study indicated that the adoption of sustainable business management among tour operators in Malaysia was still limited in certain areas such as in facility design and purchasing strategy. Meanwhile, from sustainable destination management, more involvement by tour operators was required especially in the areas of preservation and conservation and supply chain efforts. The interviews showed that limited practices have been implemented by tour operators at sustainable destination management. Furthermore, Hartman & Nickerson (2020) recently found travel – related businesses perhaps were unable to last over 6 months if this pandemic continued. Cutting costs, cutting hours and laying off employees was the current response to staying afloat. As businesses thought about

re-opening, it was all about keeping employees and customers safe by adopting new cleaning practices and adjusting how their business operated.

The COVID-19 pandemic has occurred in late January 2020. Phuket Governor has issued an order forcing all tourism-related businesses on the island to shut down the businesses. Thus, this regulation causes Phuket tourism businesses such as hotels, accommodation, transportation, shopping has lost more than 30 billion baht from tourism income. (ThePhuketNew, 2020). A number of impacts have been experiencing by local tourism related businesses. Economic aspect is expected to the main suffer. In response to the COVID-19 pandemic, several measures have been launched. For example, the Tourism Authority of Thailand have promoted Thailand Safety & Health Administration (SHA) standard in order to guarantee the hygienic aspects of tourism businesses across Thailand. SHA certified businesses reassure tourists and visitors at the safe level for traveling by encouraging the operators in the tourism industry to improve both service and hygiene in accordance with public health measures. Besides SHA practice, little is known how tour operators in Phuket respond to the health crisis.

### 3. Method

An in-depth interview approach was utilized in this study. This technique was considered to be suitable for the current study as it was possible to approach travel agents in Phuket for interviews. Purposive and snowball sampling methods were used to recruit participants. An interview guide which contained questions in English, was prepared before the focus group was undertaken. The questions were open-ended style to encourage the participants to share their thoughts and feelings. At the early stage of the exploration, five key informants were interviewed. While three interviews were with those focused on international tourists, the rest were with informants serving a domestic market. The process of data collection began with interview guide development. The interview included questions about impacts, responses, and government assistance. Content analysis was applied to the data.

### 4. Result and Discussion

The in-depth interviews were conducted with five key informants. It was found that four of them were female, only one of them was male. Two of the key informants were staff of the business whereas the other three were the business owners. They were in their 40s to 50s years of age. Nearly of them targeted at the international tourist market. Only one of them focused on domestic Thai tourists. The profiles of the interviewees are shown in Table 1.

**Table 1. Profiles of the key informants**

No.	Gender	Age	Role	Key market
1	Female	45	Staff	European, Asian, and Thai
2	Female	40	Owner	International tourists
3	Female	35	Staff	International tourists
4	Male	58	Owner	Thai
5	Female	45	Owner	International tourists

The iterative analysis of the interview findings supported that all of the interviewees expressed their feeling of *loss*. For example, “*My company is now temporary closed. But we don’t know what we come back.*” (Informant 1). “*Before COVID, we have 22 branches, but now only six left.*” (Informant 2).

In response to this impact, the interview transcripts suggested three key adjustments of local travel agents in response to the COVID-19 event. First, the use of social media was greatly expanded. Due to the lockdown policy in Thailand, Thais have been socializing more online. *"We have nothing to do during the lockdown so we mostly spent time online."*(Informant 2). Therefore, the key informants marketed their products at a greater level on social media and websites. *"We do online sell because we are direct company, we do not sell by ourselves mostly we have agent at and hotel counters."* (Informant 5). *"I have always been open, not closed. I sell online and website."* (Informant 4).

Second, it is evident that the key informants, especially those focused on domestic travelers, were required to improve their service quality and put the price of travel packages on hold. *"I have always been open, not closed. I sell online and website, and we are confident that our price can beat others."* (Informant 4). There is very little business with tourists in general. But, particular types of tourists, such as MICE and corporate tourists, were mentioned.

Finally, the reduction of fixed costs is evident. The key informants shared a few approaches used to cut their costs. One of the most mentioned was that they did not arrange for in-house tourist guides. For instance, the informant 3 shares that *"Now I asked my staff to stop working, especially tour guides."* Rather, they preferred to contact a part-time tour guide when required, *"I have contact them when we have a job. At this point, we understand each other."* (Informant 5). In addition, staff salaries were cut. *"Now we can't afford to pay the staff."* (Informant 2). Many employees, who were not originally from Phuket, were not able to survive in Phuket with these reduced wages. So, they moved back to their hometowns. Another practice applied was setting up a home office. Hence, rental cost was cut. Informant 2 told that *"We don't have income to pay staff so they go back to up-country."* (Informant 2).

In addition, some of the interviewees showed their interests of seeking for another jobs. For example, *"I have now doing some food delivery. I cook at home and my daughter helps me deliver."* (Informant 1). *"I have started to work with a restaurant since February."* (Informant 2).

The research findings also highlighted that many governmental policies regarding domestic tourism support, like the "Travel Together" campaign, were beneficial for tourism operators. However, it was found that those who focused on an international travelers indicated that *"I don't know about this."* (Informant 1). *"I have heard about it but I'm not sure how this works for us."* (Informant 3). Therefore, tour operators need to be constantly kept informed as those who target international tourists need to know about the government policies that assist and affect the tourism businesses.

## 5. Conclusions

This research explored the responses and adaptation of travel agents in response to the COVID-19 outbreak. The current research findings supported the extant literature from Hartman & Nickerson (2020). They recently found travel – related businesses perhaps were unable to last over 6 months if this pandemic continued. Cutting costs, cutting hours and laying off employees was the current response to staying afloat. As businesses thought about re-opening, it was all about keeping employees and customers safe by adopting new cleaning



practices and adjusting how their business operated. In the case of Phuket, the employees were heading back to where they were originally from and waiting for a calling back for their company. Some of them were another job for survival. This study highlighted that food related business was one of the jobs for survival.

This research provided practical implications to the tour operators and travel agent business. We suggested that social media is applicable for crisis events. The tour operators and travel agents should utilise social media including Facebook, Instagram and Twitter to gain attraction from their target customers. In addition, social media should use to stay connect with their customers. Furthermore, the interview findings revealed that those who focused on domestic customers were less likely to temporary close. They still were able to have customers. Therefore, a group of domestic customers perhaps is a good alternative for travel agents. An attractive package for domestic MICE tourist is able to help a company post crisis event.

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