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## **Small Tourism Enterprises Sustain and Plan Their Businesses During COVID-19 in Bangkok**

Yadan Bai

*MBA, Hospitality and Tourism Management, Assumption University, Bangkok, Thailand.*

*Email: [yadan\\_bai@163.com](mailto:yadan_bai@163.com)*

### **Abstract**

As the epidemic spreads around the world, it seriously affects the global economy and tourism. The COVID-19 outbreak is sudden and there is no knowing when it will end. Keeping a social distance is an effective way to avoid the spread of the virus, which has also led to the shutdown of the tourism industry and confusion among travel workers about the future. This article will explore how small tourism enterprises can respond and plan to maintain their survival in the context of COVID-19. In qualitative research, non-probability purposive sampling technique, depth interview and open questions were used to collect data. In this paper, constant comparison analysis method was used. Small enterprises had virtually no business during the epidemic, and not all of them were able to get government help because of the large number of small businesses. Small enterprises should have the initiative to find their own way to survive. Small enterprises are highly flexible and can adjust their strategies quickly to the situation.

**Keywords:** COVID-19, Living conditions, Small enterprises, Strategy



## Introduction

With the global spread of covid-19, which has hit economies around the world once again, this pneumonia outbreak has been long and fast, and it is not yet clear when it will end, the tourism industry has shown its vulnerability to man-made or natural disasters.

According to the global tourism organization ("INTERNATIONAL TOURISM AND COVID-19," 2020) Covid-19 represents an unprecedented global health, social and economic emergency. Tourism is one of the most affected sectors. Available data show that international visitor Numbers fell by 22% in the first quarter of 2020, including a 57% drop in March. That means the loss of 67 million international tourists and about \$80 billion in revenue. International travel estimates have been revised down several times due to uncertainty over the course of the outbreak. Depending on the pace of containment, the duration of travel restrictions and the timing of border closures, the outlook remains highly uncertain.

Tourism provides a large number of employment opportunities, especially for poor people to create jobs, provide them with not only work, also improve their quality of life and community livelihood condition, but this COVID-19 epidemic outbreak, people to stay at home as the most effective protective measures, company, large-scale international activity was forced to cancel, such as the Tokyo Olympic Games. How to make ends meet when these

people lose their jobs is also a problem. The uncertainty about the future development of the epidemic has caused anxiety among tourism practitioners, especially small and medium-sized enterprises. Small and medium-sized enterprises account for 80% of the tourism industry ("COVID-19 AND VULNERABLE GROUPS," 2020), Small and medium-sized enterprises are facing the risk of going out of business or even closing down, and they will be the last victims without strong capital support. The aftermath of the SARS outbreak in 2012 cut 3 million jobs within the tourism industry, a decline in the gross domestic product (GDP) of China, Hong Kong, Vietnam, Singapore with a total estimate of \$ 20 billion and decrease of 70% in tourism flows across Asia (Lee, Song, Bendle, Kim, & Han, 2012). It is not only the small and medium-sized enterprises, and some of the airlines are

facing bankruptcy, such as Virgin Australia, Flybe, Avianca. The hotels also have a sad situation because of a large number of reservations was cancelled. Through Thailand Hotel Sentiment Survey, high-grade hotels and boutique hotels show pessimistic about the future, 97% of respondents said the Hotel occupancy rate will decline by 51% or more, they will go out of business by turning off the hotel reduce employee wages, even layoffs to maintain the survival of the Hotel (Nikhom Jansiritanakorn, 2020).

The impact of this outbreak is unprecedented, and finding ways for businesses to respond to covid-19 is an important way to help thousands of tourism practitioners keep their jobs. To understand the difficulties faced by enterprises and find solutions is also to help enterprises transform to cope with the new social form and reduce the social burden. These not only need the enterprise to improve the management and operating methods, but also need the relevant departments to provide help and guidance. This article will take small enterprises of tourism as an example to discuss how tourism enterprises should survive and maintain their operations during the COVID-19 outbreak.

These small enterprises include travel agencies, homestays, restaurants and shops around attractions. After the outbreak, people's lifestyle may change, what forms they will take to meet new challenges at that time.

The following four items are Research Objectives (RO) of this paper.

Get to know the status quo of small tourism enterprises through investigate their business situation. Analyzing the impact of the pandemic on them.

To find out how they earned money during the pandemic, and if they worked in other jobs, to find out why they made the changes, to find out the strategies for the future,

To know whether small enterprises have received government help. To find out What help do small enterprises want from the government.

To investigate small tourism enterprises' treatment of employees during the pandemic.

## Materials and Methods

(Jayawardena, Tew, Lu, Tolomiczenko, & Gellatly, 2008) put forward the strategy in the main role in the crisis management, through the interview can be found

that some small businesses lack of crisis management consciousness, their consequences of the crisis caused by a lack of forecast, they always walk one step at a time, the crisis resulted in a loss of more than his own estimates, not only caused property losses to the company is failing to safeguard the interests of the employees. In contrast, companies that rely more on strategic planning principles and decision-making practices take a more active stance (Wilson & Eilertsen, 2010). Through conversations with executives, once the strategy is applied, the impact on them after the crisis will be reduced, and they see opportunities for transformation in the company.

Most companies respond to the impact of the outbreak by stopping annual bonuses, reducing budget information, traveling, reducing salaries and tips for employees, reducing general costs, reducing promotional costs and finding cheaper ways to do so. This is consistent with (Tuclea, Vasile, Schiopu, & Marin, 2014).

It can be seen that small businesses are resilient in the face of crisis, which depends on having a good manager. A good manager knows how to change business thinking, apply new business methods, find new business partners and manage crisis situations with leadership without planning and control (Dahles & Susilowati, 2015).

This disaster has taken a very special form. Tourism has been hit hard. Government subsidies for SMEs seem to be ineffective. Create a link or "buddy system" (Faulkner & Vikulov, 2001) to connect businesses and enhance their response to disasters.

This research selects four small enterprises in Bangkok as the interview targets. The four companies are two agents, a restaurant and a hotel, have a total of 14 interviewees, including 3 boss, 4 managers and 7 employees.

Qualitative research can be very useful for gaining insight into routine or problematic experiences and what they mean to particular individuals. The author chooses Constant Comparison Analysis for data Analysis. In the Constant Comparison method, researchers encode and analyze the data at the same time to develop concepts. By constantly comparing specific events in the data, researchers refine the concepts, identify their properties, explore their

relationships, and integrate them into a coherent explanatory model.

## Results and Discussion

### Finding 1

This COVID-19 has also hit Bangkok tourism hard and affected businesses. Due to capital strength in the face of difficulties, will choose to monitor vulnerability, due to prohibit foreign tourists inbound travel, basically do not have any guest, especially those customers for foreigners, the company suffered a heavy blow, part of the travel agency chose together during closed for some failure directly, because they can't in operating costs, income, for the restaurant, for fear of infection risk, the government banned guests enter the restaurant, go to hall boss about the number of guests in March after a large number of reducing, there were no guest, they have opened delivery business, but the effect is not satisfactory.

Because of the curfew, they had to close before 9:00. Due to the declining customer flow, the boss chose to close the business from March to May to save labor costs, and let the employees go back to their hometowns to find jobs.

Because the restaurant was closed and had no income, he was able to return home and find a part-time job that paid significantly less than his job in Bangkok.

The real estate agents, who worked with travel agencies to provide hotel accommodation, which was completely shut down during the epidemic, they switched from working in the office to working from home, on-site to consulting online. On top of that, they've invested in new businesses during the epidemic to move markets from abroad to China.

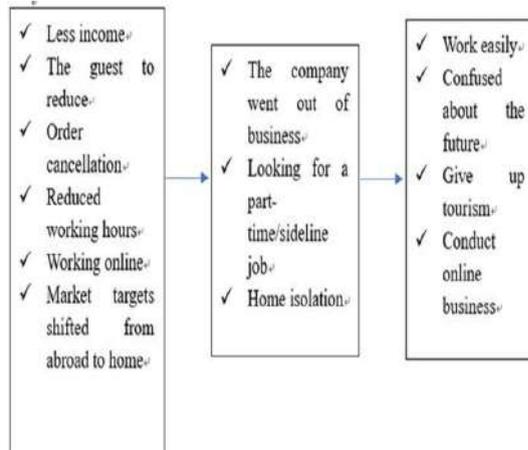
For hotels, the occupancy rate was almost zero during the outbreak. Customers from Europe, America, Japan and South Korea have

turned into local customers in Thailand. In order to adapt to the changes in the market, they have changed the downstairs hall into a flower garden and bakery. In order to make up for the cost

through sideline work during the epidemic, the shop owner also said that the cost during the period together is lower than normal, because there are no customers, so the electricity and water bills have been reduced. According to Resistors, most hotels of the same type have

closed during the day, but they don't because it's a good

time to get customers.



**Figure 1** Get to know the status quo of small tourism enterprises through investigate their business situation. Analyzing the impact of the pandemic on them.

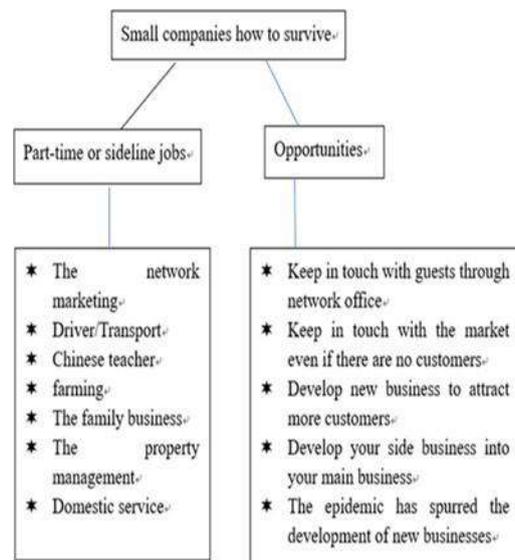
**Finding 2**

These enterprises have accumulated a largenumber of repeat guests of the guests to show sympathy for them, but not because in the line not only small businesses, the guests lost themselves because of the outbreak, although they sympathize with the store, for objective reasons they do not take the initiative to provide help to these small and medium-sized enterprises. These small-business owners have tapped into years of contacts to build side businesses, such as travel agents leaving contact information for tourists and former visitors selling Thai specialties like durian and latex pillows.

For those who choose to go out of business during the epidemic, employers and employees will choose to start a side business or find a short-term part-time job. If the company goes bankrupt, they'll have to look for work again.

They find part-time jobs through friends or family, or start businesses through previous customer relationships. The companies that are still in business, they are doing a lot less work, they are choosing to develop new businesses, and the common feature is that the market is moving from abroad to home. When it comes to development

opportunities during the crisis, some people think the outlook for tourism is bleak because they don't know when the epidemic will end. For those still struggling to stay afloat, the biggest goal now is to keep the business running and ensure basic salaries for employees. Others think they see opportunity in life, and a group of people are pushing them to develop new projects.



**Figure 2** To find out how they earned money during the pandemic, and if they worked in other jobs, to find out why they made the changes, to find out the strategies for the future.

**Finding 3**

Almost all respondents said they had received no help from the government, which has responded to the epidemic in more macroterms, such as restricting tourist arrivals and closing entertainment venues, and rarely to individuals. Although they heard that the government would subsidize 5,000 baht of living expenses for uninsured Thais, they did not receive it.

Most people think that the absence of guests will not cause them to close down, but the biggest problem is that they need to pay high rent and staff salaries, so they will not close down once the two biggest costs are removed. For the ordinary employees, they hope that the government will provide them with some job opportunities during the business closure, and

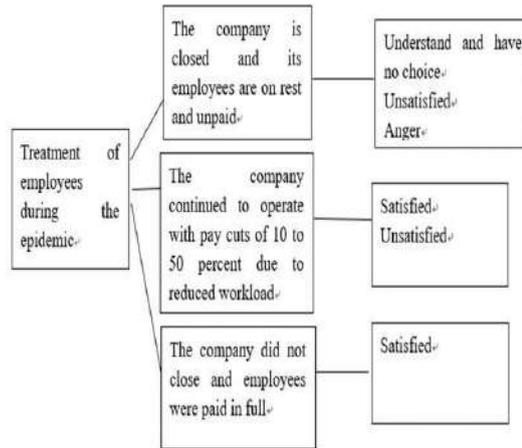


some people say that they want the government to send staff to inspect the survival situation of these small businesses and enact policies according to the actual situation.

The measures promulgated by the government are known to the respondents.	Respondents expect help from the government.
<ul style="list-style-type: none"> <li>✓ SMEs can apply for loans of 2 million baht.</li> <li>✓ Employees who do not have insurance receive a monthly stipend of 5,000 baht.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Workers who have already purchased insurance are also offered subsidies.</li> <li>✓ To reduce the rent.</li> <li>✓ Tax cuts.</li> <li>✓ The government sent its staff on a field trip.</li> <li>✓ Visitors from some countries are allowed in.</li> <li>✓ Recreational activities are allowed.</li> <li>✓ Provide more jobs for the unemployed.</li> </ul>

They believe that the government's prevention and control measures against the epidemic are excellent. Compared with other countries, the Thai government sacrificed tourism for domestic stability, and they understand that. Meanwhile, with the gradual improvement of the epidemic, they hope that the government can resume aviation as soon as possible and accept international tourists from safe areas. And it can lift curfews and restore entertainment. Some of the more negative people think that because circumstances limit what governments can do wrong; they just want the global environment to change for the better. do not lose their jobs while they are together. If the whole company cannot survive, they will choose to file for bankruptcy. Poorer companies typically don't pay their employees during the closing period and allow them to go out and find part-time jobs, while better-off companies pay 50 to 90 percent of their salaries. After all, the environment is not good. The employees of the closed company are very grateful to the boss for keeping their jobs. Once the epidemic is over, the boss will call them back to work. The employees of the companies in

operation, even though their salaries have been reduced, it's enough for them to cope with the relative daily life, and their workload has also been reduced.



**Figure 4** To investigate small tourism enterprises' treatment of employees during the pandemic.

**Figure 3** To know whether small enterprises have received government help. To find out What help do small enterprises want from the government.

**Finding 4**

In all enterprises which were interviewed, said that there is no change in human resource. It can be seen that in small enterprises, the relationship between employees and bosses is more harmonious, and the opportunities for them to meet and communicate are much more than in enterprises. However, because small businesses are weak in capital accumulation, they cannot provide employees with more employee benefits, so they can only ensure that employees

**Discussion**

This COVID-19 outbreak has come out of the blue, not just for tourism, but for the global economy. Small tourism enterprises suffered serious damage in this crisis. Many enterprises never recovered from the setback, while some enterprises with strong vitality developed new ways of coping with it by relying on their strong resilience. Compared with large enterprises, small enterprises are more flexible, they do not need cash flow, and some enterprises even believe that the epidemic has reduced their non-

fixed costs, or even pushed them to find new projects and new market targets. But for the employees of small enterprises, their interests are hard to be guaranteed. Small enterprises have weak capital, and once the company has no cash inflow, they will cut the salaries of employees to reduce costs. So, for the government to protect the interests of the employees of small businesses, can give them hope, especially in the special times.

### **Managerial Implications**

The measures taken by the Thai government to control the spread of the epidemic are effective and the domestic situation is basically stable. Thailand's tourism industry depends on a large number of foreign visitors. Due to the instability of the global epidemic, foreign tourists do not know when to enter Thailand, and tourism companies do not know when to operate, the future is full of uncertainty. The government should vigorously develop domestic tourism, let local tourism enterprises resume operations, reduce the pressure of government subsidies, and provide a sense of security and hope for tourism practitioners. Small business owners themselves also need to improve their professional quality, learn more about the operation of the industry, adjust the mode of operation, improve the ability to deal with special situations.

### **Future Research**

It can be seen from this study that small enterprises need more precise help from the government, and we hope that future studies will pay attention to this. How exactly should the government help small tourism enterprises in emergencies. In addition, it can be seen that the status quo of small enterprises varies from those that continue to operate and continue to discover new business projects to those that stop and face closure. This may be the professionalism and coping strategies of business owners. Future research can focus on the impact of small business owners' personal quality on the development of the company.

### **Limitation**

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### **Recommendations**

Here's some advice for small business owners and managers on how to respond to COVID-19:

Compared with large enterprises, small enterprises are more flexible and can adjust their strategies quickly according to the current situation. Managers should always pay attention to the development of the epidemic and adjust their operation strategies, so as to reduce unnecessary expenses, reduce the cost of the company and ensure the interests of employees. Small businesses keep an eye on government policy and try to get help from government departments.

In a small company, the boss and employees have a long contact time, and the relationship is closer than in a large company. The business owner should communicate with employees at any time, inform them of the company's plans, and improve their hope and confidence to survive the crisis.

Small companies should set up a crisis management system in order to deal with the crisis when it comes.

As a boss and manager. They should focus on improving their management skills and knowledge level and learn

to manage the company professionally

### **Conclusions**

This COVID-19 outbreak has come out of the blue, not just for tourism, but for the global economy. Small tourism enterprises suffered serious damage in this crisis. Many enterprises some enterprises with strong vitality developed



new ways of coping with it by relying on their strong resilience. Compared with large enterprises, small enterprises are more flexible, they do not need cash flow, and some enterprises even believe that the epidemic has reduced their non-fixed costs, or even pushed them to find new projects and new market targets. But for the employees of small enterprises, their interests are hard to be guaranteed. Small enterprises have weak capital, and once the company has no cash inflow, they will cut the salaries of employees to reduce costs. Therefore, for the government to protect the interests of the employees of small businesses, can give them hope, especially in these special times

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