

---

*Original Paper*

## Impact of the COVID-19 Epidemic on Travel Activities in a Developing City: The Case of Can Tho City, Vietnam

Huynh Van Da<sup>1</sup>, Truong Thi Kim Thuy<sup>1</sup>, Nguyen Trong Nhan<sup>1</sup> & Nguyen Thi Nghia<sup>2</sup>

<sup>1</sup> Can Tho University, Vietnam

<sup>2</sup> Ho Chi Minh National Academy of Politics 4, Vietnam

Correspondence details: Huynh Van Da, School of Social Sciences and Humanities, Can Tho University, Campus 2, 3/2 Street, Ninh Kieu District, Can Tho City, Vietnam

Mobile: +84 919233876, E-mail: hvda@ctu.edu.vn

ORCID: <https://orcid.org/0000-0003-4543-5502>

### Abstract

This study aims to evaluate the impact of the Covid-19 epidemic on travel activities in Can Tho City, thereby suggesting solutions to cope with the impact of Covid-19 on travel activities. The study used the questionnaire interview method to get the expected results. The results show that, under the impact of the Covid-19 epidemic, travel companies have been severely affected in terms of number of visitors, revenue, capacity and personnel. Since then, leading to some tour operators having to operate in moderation, temporarily closing down and more strictly the company collapsed. Those most affected are business owners. The problem of business costs, many taxes, jobs for employees, salaries for employees, etc. is really a difficult problem that travel companies are facing. The study also proposes solutions for tourism recovery in the coming time of travel agencies.

**Keywords:** Covid-19, Tourism, Can Tho City, travel

### 1. Introduction

Along with the synchronous development of tourism-related industries such as accommodation, restaurants, tourist attractions, etc., the activities of travel agencies in Can Tho City also develop. Accordingly, from only 17 travel agencies in Can Tho City in 2009, the number of agencies had increased to 66 by 2018, being nearly 4 times compared to that of 2009 (Department of Culture, Sports and Tourism, 2018). This demonstrates that, in line with the overall trend of the entire country and the world, the condition of tourism development as well as that of local travel companies is improving steadily. In terms of tourists, Can Tho has had a significant growth in travel activities, both domestically and internationally. The total number of tourists to Can Tho through travel activities in 2015 was 129,470 thousand arrivals and this number has increased to 222,110 thousand arrivals in 2019, nearly double that of 2015. In which, the number of international visitors to Can Tho was 21,090 thousand turns in 2015, and was 32,350 thousand turns in 2019, increasing nearly 1.5 times (Ai Lam, 2020).

Among 13 provinces and cities in the Mekong Delta, Can Tho is directly and heavily affected by Covid-19 because of being the tourism center of the region where there is an international airport, and also a gathering place of people from all over the region coming for living and working. Moreover, the preliminary survey shows that the majority of tourism agencies in the area operate at a small and medium scale, mainly are start-up agencies without a strong capital source that have few workers, especially contract workers, and mainly operate seasonally according to the tour program or tour desk hotels to serve tourists, etc. that have many crises. Travel activities depend a lot on tourists, but the number of visitors has been reduced by the COVID-19 epidemic, which has made travel business operation difficult.

## 2. Literature Review

The impact of Covid-19 on global tourism has received the attention of many researchers and tourism statistics organizations. Travel Pulse (2020) conducted a survey of tour operators and travel agency owners of 900 global travel agencies, saying that more than 40% of customers are rebooking trips that were affected by COVID-19 and they are still planning to travel to their booked destination. In general, according to the survey, tourism activities have been heavily affected by the epidemic. According to another survey by the World Tourism Organization (2020) in May 2020, tourism activities suddenly stopped due to the COVID-19 epidemic when tourists canceled tours or rescheduled trips, thereby causing serious problems. The loss of international tourism is three times greater than that of the global economic crisis in 2009. That led to a drop of 300 million tourists and \$320 billion in lost international tourism revenue through May 2020.

Talkbusiness.net (2020) quotes Frances Mayo, owner of Around the World Travel in Fayetteville, as saying business has dropped by about 90%. According to Mayo, the effects of the epidemic include fear of getting infected while traveling, uncertainty about the safety of destinations and closures for visitors. Talkbusiness.net (2020) also quoted Mary Barrett of Bentonville, an independent Cruise Brothers agent, as saying many people have canceled their vacations instead of rescheduling. People are still traveling, but in different ways. People are tending to stay closer to their home when traveling and go camping or rent recreational vehicles.

A number of surveys around the world shows that the impact of COVID-19 on travel agencies around the world is very significant, both the number of visitors and revenue have seriously decreased and safety issues are put on top, such as focusing on safe destinations close to home as well as traveling inside the country; customers must ensure about not being infected with COVID-19 to avoid affecting everyone.

In 2020, the COVID-19 pandemic has caused Vietnam's tourism heavy losses. According to statistics of the General Department of Tourism (2020), the number of international visitors to Vietnam decreased by over 80% compared to 2019, along with that, the number of domestic tourists also decreased by about 50%. These difficulties caused Vietnam's tourism industry to lose about US\$23 billion in revenue in 2020, causing about 95% of international travel businesses to shut down.

VOV (2020) quoted Ms. Nguyen Thi Thanh Huong, Deputy Director of the Vietnam National Administration of Tourism, said that the COVID-19 epidemic is a huge challenge for tourism businesses. As of June 2020, 148 travel agencies have applied to revoke their international travel business licenses, mainly due to the impact of the COVID-19 epidemic. The epidemic has changed the entire behavior and habits of tourists. The COVID-19 epidemic has forced the tourism industry to change direction and domestic tourism is the only solution to help businesses gradually recover and maintain operations. The goal set for the whole industry is to perform "dual duty" at the same time, both to ensure the safety of people's lives and health, and to maintain production and business.

## 3. Research Methods

The study uses mixed approaches and methods to achieve the expected results, including both qualitative and quantitative approaches. Specifically, methods of document research, observation and survey by questionnaire were used to achieve the set objectives. To assess the impact of COVID-19 on the travel activities of travel agencies in Can Tho City, a survey was conducted by 50 questionnaires to determine the extent of the impact of the COVID-19 epidemic on travel agencies in terms of number of visitors, revenue, capacity, and personnel. This survey also aims to clarify the response of the travel agencies as well as the requirements and expectations of these companies about the support of the local government in relation to tax, finance, business ability improvement, etc. Research uses SPSS software to get expected statistical results.

## 4. Impact of Covid-19 on the Business of Travel Businesses

According to the results, out of a total of 50 tour operators surveyed, the number of businesses specializing in travel business is 35 companies, accounting for 70% of the total 50 enterprises, the number of hotels doing travel business in the form of tour desk is 15 hotels accounting for 30% of the total 50 businesses. In addition, during the actual observation, there were 16 remaining travel companies

in the locality that were closed, so the survey could not be conducted. The survey results show that the epidemic situation is unpredictable and has a great impact on travel businesses in Can Tho city. Currently, the number of businesses still operating is only moderate with less revenue, and moreover, many businesses have to temporarily close to limit the impact from the epidemic.

According to the results of a direct survey at travel agencies in Can Tho City on the impact of the COVID-19 epidemic on the number of customers, from the outbreak of the COVID-19 epidemic until 2021, the results are as follows (Table 1):

**Table 1. Statistics of Reduced Number of Visitors at Travel Agencies**

Observed variables	Smallest value	The greatest value	Medium
Decrease in the number of customers (people)	200	16,318	2,888
% of customers reduced	20%	99%	65.8%

*Source:* Survey results and analysis 2021

It can be seen that the number of tourists at tourist sites is seriously affected by the COVID-19 pandemic. As mentioned, before the COVID-19 epidemic appeared, travel companies in Can Tho City exploited tourism very effectively and had a very high number of visitors. However, since the outbreak of the epidemic, its impact has made the number of tourists of travel companies sharply decrease. According to the survey results, only 13 tour operators out of 50 companies can detail how many people reduce the number of customers of the company, of which the lowest number of visitors is 200 people. If counting the above 13 companies alone, the average number of visitors decreased by 2,888 people, which is a huge loss that travel companies have to bear during this time. Also from the survey results at 50 companies, all companies can evaluate the number of visitors decreasing by percentage, in which the number of visitors decreased the highest was 99% and at least was 20%. This shows that the epidemic has caused people to hesitate to travel, thereby affecting the number of customers of large companies.

In terms of total tourism revenue, according to statistics, the revenue of tour operators decreased sharply due to the decrease in the number of visitors and the inability of related services to do business, with the overall level it can be seen that the average revenue of 50 travel agencies dropped 64.2%. The highest decline was up to 102 billion VND, the lowest was 45 million VND and the average revenue decreased by 1 billion and 134 million VND (Table 2). The reason for the decrease in revenue is the decrease in the number of visitors due to tour cancellations, apprehension, and because many tourist attractions are closed that tour operators are unable to organize tours.

**Table 2. Revenue Reduction Statistics at Travel Agencies**

Observed variables	Lowest value	Highest value	Medium
Decrease in revenue (million VND)	45	102,000 won	1.134
% of revenues reduction	20%	100%	64.2%

*Source:* Survey results and analysis 2021

The impact of COVID-19 has led to a series of consequences from the decrease in the number of visitors leading to a decrease in revenue, from which travel companies also have to reduce their operating capacity to fit the situation and minimize the impact of disease.

**Table 3. Statistics of Reduced Operating Capacity of Travel Companies**

Observed variables	Lowest reduction	Highest reduction	Medium
% of capacity reduction	10%	97%	58.6%

*Source:* Survey results and analysis 2021

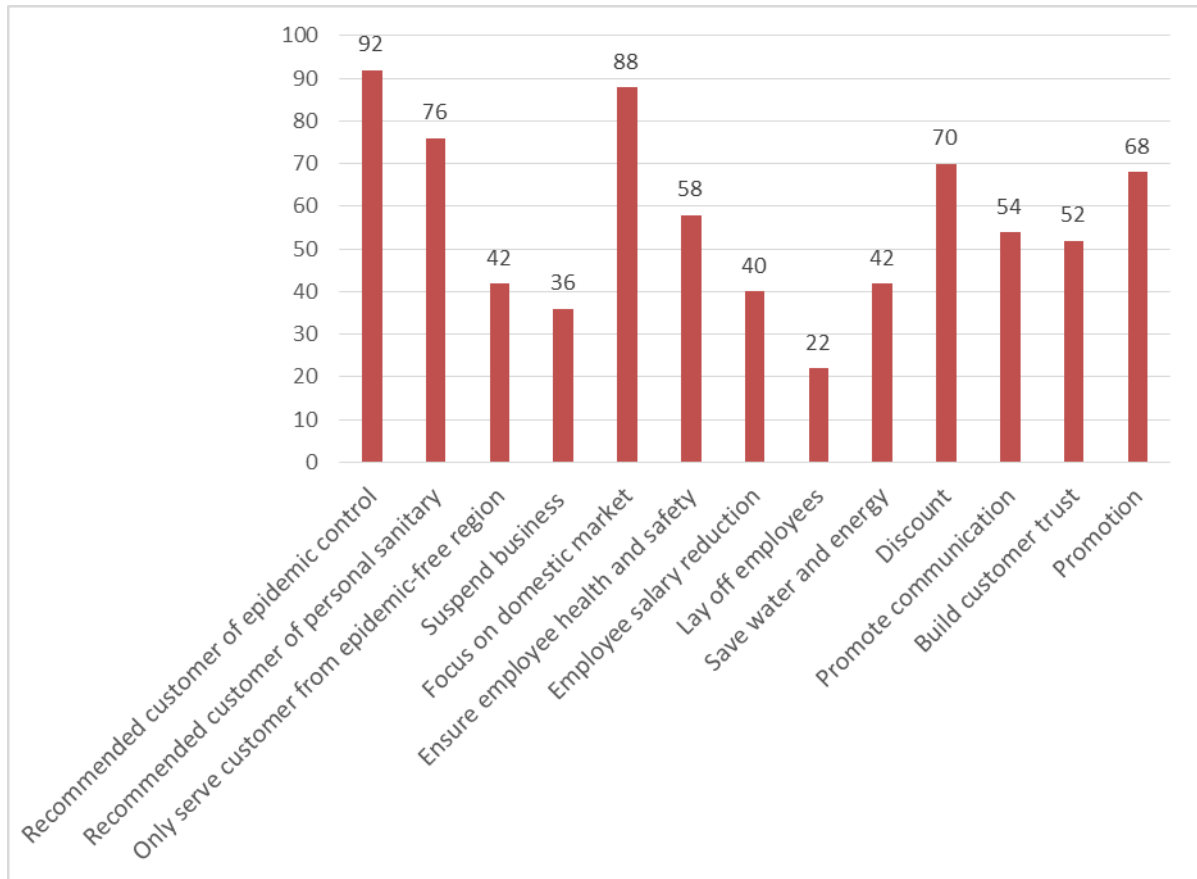
From the survey and analysis of the results, out of 50 companies surveyed, 46 companies had to reduce their operating capacity to minimize the impact of COVID-19, of which the lowest operating capacity reduction by 10% and the highest reduction by up to 97%. From this, it can be seen that the average operating capacity reduction of companies has reached 58.6% (Table 3).

In the context of the impact of the pandemic on the number of tourists, revenue and operating capacity of tour agencies, another worry for the company is its human resources, especially those needing skills such as tour guides, middle managers, etc. that have to quit their jobs and look for other jobs. When the epidemic is well controlled and the tourism industry is restored, it will be difficult to have enough human resources to serve the company. According to the survey results, over 50% of companies had to lay off employees because of the epidemic. The lowest number of laid off employees was 1 person and the highest was 40 people, so on average, about 6.2 people quit their jobs at travel agencies. Also from the survey results with statistics as a percentage, among 50 companies, there are 20 companies that lay off 100% of the company's employees, and the average number of employees laid off is 39.5%. In addition, in the 50 surveyed companies, nearly 50% of companies still maintain 100% of employees to keep human resources for the company and also to create jobs and help their staff to get through the difficult period caused by the pandemic. From that, it can be seen that COVID-19 not only affects the number of visitors, revenue, and working capacity of companies, but also directly affects skilled workers at travel companies.

Thus, the survey results can be seen that the COVID-19 epidemic not only affects travel companies on one hand, but also affects many aspects of companies, not only in the present but also in the future. Therefore, in the immediate future, companies will still have to face many different challenges and have to find ways to overcome those challenges, which is considered a huge challenge for companies.

### **5. Response Policies of Travel Businesses**

Facing the serious impact of the COVID-19 epidemic, travel companies have taken actions to respond to the disease.



**Figure 1. Statistics on Response Solutions of Travel Companies (%)**

*Source:* Survey results and analysis 2021

As shown in Figure 1, in the short term, the response solutions that are most widely agreed upon by companies are mostly focusing on advising customers to prevent the epidemic, accounting for 92%; focusing on exploiting the domestic market accounting for 88%; regularly cleaning of the company accounting for 76%; service discount accounting for 70%; which is the group of response solutions that companies are applying the most to deal with the epidemic. At the same time, the group of response solutions being applied by companies and agreed from 50% to less than 70% in the number of surveyed companies are promotions accounting for 68%, ensuring employee health and safety accounting for 58%, promoting communication accounting for 54%, creating trust for customers accounting for 52%. Some solutions in the group of response solutions that are applied less than 50% of the surveyed companies are only serving customers in localities without epidemic, accounting for 42%; reducing wages accounting for 40%, saving water and energy accounting for 42%, laying off employees accounting for 22%. Suspending operations is also a solution chosen by many travel businesses, accounting for 36%, partly due to mandatory local requirements to ensure epidemic prevention. In addition, businesses also have a number of other response measures, accounting for 46%, which are applied by companies to minimize the impact from the epidemic, such as measuring the temperature of customers entering and leaving the company, changing business structure, working from home, taking advantage of the epidemic time to train employees, rotating shifts for employees, supporting places for employees to do business during the epidemic, etc. As can be seen, these solutions are only for short-term, but in the long-term, more specific measures to minimize the impact, coordination of many agencies and sectors as well as the association of businesses are needed.

## 6. Solution to Restore Tourism Activities in Can Tho City

**Emergency support for businesses:** This is an immediate solution, including financial support for businesses through reducing interest rates on loans, guaranteeing for bank loan repayment, deferring payment of taxes and obligations to the State (deferring VAT extension and some taxes related to labor,...), supporting to reduce tourist tickets prices at tourist attractions that attract tourists, reducing unnecessary fees, supporting businesses in maintaining the number of necessary employees for business operations such as by salary and social security policies, support for labor resources.

**Restructuring the tourism industry:** Preparing the necessary scenarios for the restructuring of the tourism industry after tourism operation recovery. It is necessary to grasp the epidemic control situation in countries around the world, and at the same time ensure the flexibility to establish new markets to increase economic value. In particular, to strengthen the exploitation of the domestic tourism market, which is considered a key market at the present time and in the future after the end of the epidemic, it is necessary to develop new tourism programs, promotion and advertising with high quality to better exploit this market. Improving the operational efficiency of enterprises by improving labor productivity in the industry, and at the same time, restructuring tourism products with high value for the tourism industry. To do these things, it is necessary to continue to train high-quality human resources by maintaining training and retraining up-to-date knowledge for the workforce during the epidemic.

**Building a safe destination:** In order for the tourism stimulus program during and after the COVID -19 epidemic to be effective, tourism businesses need to develop stimulus products that are new, unique, low-priced and promotional tourism services serving tourists to participate in the program on the principle of: ensuring safety for visitors, reducing prices but not reducing service quality, keeping prices but increasing services for visitors. At the same time, businesses deploy solutions to ensure safety for tourists, such as: disinfecting rooms and equipment; preparing hand sanitizer and masks; regulations on a safe distance between tourists... to avoid being negligent and unwary to the epidemic.

**Prepare for the return:** When the epidemic is under control, policies focus on improving the competitiveness of local tourism businesses, including: Expanding passenger markets with quick flights to Can Tho. Continuing to reduce costs for businesses to create competitive advantages in price such as exemption from taxes and fees for businesses. Promoting the association between businesses in building promotional product packages to promote tourism demand. The locality supports businesses in advertising, promoting and reducing entrance tickets at tourist attractions. Promoting domestic and international tourism promotion programs to key and highly competitive markets.

**Minimizing the negative impact of the epidemic:** The top solution in the coming time for companies is to try to minimize the negative impacts of the epidemic on the company's business activities according to local directives as well as those of companies that have implemented since the outbreak of the epidemic such as ensuring epidemic prevention activities in the tourist environment (wearing masks, measuring body temperature, cleaning with antiseptic solution,...), ensuring the health of the company's staff in the process of working, ensuring the safety of visitors before and during a tour, and guiding customers to safe attractions. Especially, companies can temporarily close to minimize the impact from the Covid-19 pandemic if necessary, and also partially close due to local direction to prevent epidemic.

**Business recovery:** Companies need to have solutions to be ready to recover tourism in the near future. Discounting services to attract customers is considered the top measure of companies. In addition, companies also need to apply other measures to recover their business, such as transforming their business models that not only focus on travel business but also in other orientations in line with the actual situation. Focusing on exploiting the domestic market, strengthening communication, advertising, promotion, tourism promotion, launching travel programs with safety criteria put on top in order to create trust for customers when choosing a tour. Building a variety of products to create more choices for customers, regularly contacting customers to consult to show the company's thoughtfulness, and actively contacting and communicating directly with partners to find solutions to reduce service prices and diversify products to jointly restore tourism activities.

### *Disclaimer*

This publication is supported by the Australian Government through the Australian Alumni Grants

Fund. The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Australian Government.

### References

- Ái Lam. (2020). Du lịch Cần Thơ đón hơn 8,8 triệu lượt khách trong năm 2019. *Can Tho Online*.
- Department of Culture, Sports and Tourism Can Tho. (2018). *Report on tourism activities in 2018 and some key tasks in 2019*.
- Talkbusiness.net (2020). Travel agents highlight impact of COVID-19 pandemic. Retrieved December 15, 2020, from <https://talkbusiness.net/2020/08/travel-agents-highlight-impact-of-covid-19-pandemic/>
- Travel Pulse (2020). New Research Uncovers the Impact of COVID-19 on Travel Agencies, Tour Operators. Retrieved December 15, 2020, from <https://www.travelpulse.com/news/travel-agents/new-research-uncovers-the-impact-of-covid-19-on-travel-agencies-tour-operators.amp>
- UNWTO. (2021). International Tourism and COVID-19, from UNWTO.
- Vietnam News Agency (2020). In 2020, there are 3.8 million international visitors to Vietnam. <https://bvhttdl.gov.vn/nam-2020-co-38-trieu-luot-khach-quoc-te-den-viet-nam-20201229154948686.htm>
- VOV (2020). Difficulties pile up for tourism businesses due to the impact of the Covid-19 epidemic. Retrieved December 15, 2020, from <https://vov.vn/du-lich/kho-khan-chong-chat-voi-doanh-nghiep-du-lich-do-anh-huong-dich-covid-19-824515.vov>