

# Influence of New Coronavirus Epidemic on Service Industry and Countermeasures Firewood

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## ABSTRACT

The COVID-19 plague at the end of 2019 has had a huge impact on my country's economy, especially the service industry. Although my country's service industry is facing adversity, it has created a new service system that combines online and offline platforms and has shown new opportunities from the crisis. In the future, how to quickly resume stable development of my country's service industry is still a question that required our worthy consideration. The outbreak is a challenge but also an opportunity. We are constantly adjusting, making progress and reflecting on any new initiatives.

**Keywords:** *new crown pneumonia, service industry, transportation, tourism, catering*

## 1. BACKGROUND ANALYSIS

According to data compiled by Johns Hopkins University, the COVID-19 plague in early 2020 has spread to 185 countries and regions. Authorities around the world have imposed measures to block their countries and cities, including close their border, schools and workplaces. This is effective in controlling the epidemic, but it has also caused many economic activities around the world to come to a halt [1]. At the same time, this measure also harms the interests of enterprises and makes people lose their jobs. IMF chief economist, Gita Gopinath, wrote in a blog post "This is a real global crisis, and no country is immune."

## 2. IMPACT OF NEW CORONAVIRUS PNEUMONIA ON THE SERVICE INDUSTRY

### 2.1. Catering

During the period of epidemic, the catering industry in China has been seriously hit. According to the Ministry of Commerce, the retail sales and catering industries reached more than 1 billion yuan in 2019 from New year's Eve to the sixth lunar month [2-3]. And on 2020 Spring Festival seven days alone, the catering industry has incurred a loss nearly 500 billion yuan. As a result of the epidemic, people do not leave their home, resulting in a reduction in consumer demand for the catering industry.

#### 2.1.1. The restaurant is basically in a non-business state, operating costs soaring

According to the online questionnaire, only 7.8% of restaurants were in normal business operation during the

epidemic period, and most of other shops stopped their business. Restaurants have to bear their fixed costs such as utilities, rent and depreciation, even if they are not in business. The outbreak broke out during the Spring Festival, which is the peak season for sales. The outbreak has led to the withdrawal of orders, the backlog of inventory, the cancellation of dinner reservations, and others business activities. And yet restaurants have to continue to pay benefits and wages to employees. That is a dilemma for the restaurants.

#### 2.1.2. The income of restaurants has dropped sharply, and funds are short

Almost all restaurants closed during the epidemic, and sales activities were not allowed. Even in the late stages of the epidemic, people reduced dining out. At the same time, many restaurants seek another way out, with the help of online sales such as Meituan, to maintain survival. However, investigation showed that the order from take-out platform was also significantly lower than before. During the epidemic period, 48.4% of restaurant operators had daily orders of 0-20 cases, 36.2% had daily orders of 21- 50 cases, and only 15.4% had daily orders of over 50 cases. The food and beverage industry is in trouble because the take-out platform greatly increases the profit.

### 2.2. Tourism

#### 2.2.1. The epidemic has a huge impact on foreign tourism

According to World Travel & Tourism Council's statistics, Chinese tourists accounted to 1.5% of the global total tourists in 2003, the global tourism industry lost \$30 to \$50 billion during SARS. As of 2018, the number of Chinese tourists going abroad accounted to 1.5% of the

global total tourists. The impact of the epidemic on international tourism can be imagined. The number of Chinese tourists from January 24 to 31, 2020 fell by 60% from the same period last year.

### *2.2.2. The new coronavirus epidemic has a profound impact on domestic tourism*

According to the preliminary statistics of the Ministry of Communications and Transport, during the 2020 Spring Festival the national railway, road, waterway sent a total of about 190 million passengers. This was a decrease nearly by 73% from the same period last year. After the epidemic, people spent nearly half a year at home, and most of the original travel plans were cancelled. In the first quarter of 2020, the number of tourists and tourism income decreased by 56% and 69% respectively.

## **2.3. Transport**

As of January 31, 62 countries have adopted immigration control measures against Chinese citizens, such as the United States and Australia. It can be predicted that the epidemic will bring a greater impact on China's foreign trade exports [4]. And the situation is not optimistic. Under the current economic downward pressure, the severe epidemic situation has brought greater challenges to steady economic growth.

China's import and export trade is affected seriously, some foreign trade enterprises have been forced to stop production and cannot complete the order. Overseas buyers are also beginning to reject Chinese goods, if the COVID-19 is not effectively controlled, there will be more and more rejections, returns, and refunds.

## **3. RECOMMENDATIONS FOR SERVICES**

### **3.1. Catering**

#### *3.1.1. First of all, it is necessary to have a renewed confidence*

No matter how the epidemic develops, human beings need the existence of catering industry. And the catering industry has vitality. For consumers, the biggest change in the catering industry during the epidemic period is that the dining environment has changed. People cannot eat in the restaurant and only rely on take-away. Although the scene has been changed, the demands are still there.

#### *3.1.2. The take-away of standardized finished and semi-finished products are the advantage of catering industry*

Throughout the country, the catering industry has been trying to produce finished and semi-finished products. During the epidemic, in order to keep the better environment, many customers choose semi-finished take-away, which can not only solve the problem of satiety but also maintain their own health.

#### *3.1.3. Pay close attention to government policies*

In the outbreak, the government introduced a series of preferential relief policies, such as reducing the rent of small and medium-sized service industries and catering enterprises. The State has given a great degree of supports, to promote the continuous development of the industry.

## **3.2. Hotel Industry**

#### *3.2.1. Seize the main source of tourists during the recovery period*

After the epidemic, the tourism industry will gradually recover. The domestic market may become the main source of hotel income. Hotels and tourist attraction areas can cooperate together to promote development [5]. Hotels can increase their market share in addition to room income, is through a series of preferential activities such as pre-sales and promotions. At the same time, full attention should also be given to the advantages of online tourism and strengthening the channel construction.

#### *3.2.2. Strengthening health management*

Under the epidemic situation, health and safety is still the top priority, so the hotel must establish a complete epidemic prevention system [6]. For example, online booking, offline self-check-in, increase publicity efforts to enhance brand influence. These efforts will develop more potential customers and win good reputation for the hotel.

## **3.3. Tourism**

The tourism industry should make full use of the Internet, big data, artificial intelligence and other high-tech means. During this outbreak, people mostly stay at home, online entertainment is more popular with consumers. This is also a warning to our future development. In the future, online tourism will become an important link in the development of tourism.

In recent years, we have to reflect on whether the development of tourism is a single approach so far. Tourism products represented by The Imperial Palace cultural and creative products have been successful, but other businesses have failed to achieve satisfactory results [7]. How to excavate its own cultural advantages and connotations and realize a lower cost and higher-income business model with the help of e-commerce is particularly important.

Tourism requires a high level of service awareness and quality of its employees. But now the phenomenon of weak service consciousness and low service quality is widespread. After the epidemic, the related tourism industry should optimize the tourism service system, improve the brand image for the first time, gain the trust of consumers, and win more customers.

### **3.4. Transport**

The most important thing for foreign trade companies is to sort out orders and customer information in time, and establish long-term and stable cooperative relationships with customers. At the same time, pay attention to relevant policies and laws issued by the country. We should play our best role according to the actual situation and safeguard our own interests. Paying attention to the structure of transportation infrastructure is always an important guarantee for its development. The outbreak of COVID-19 is a unavoidable challenge. However, we should also have strong self-confidence.

## **4. CONCLUSION**

After the epidemic, the service industry should strengthen information construction and effectively integrate online and offline to fully meet customer needs. The new coronavirus is both a disaster and an opportunity. Putting customer needs first, and hitting the nail on the head can ultimately make the industry stronger.

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