

## IMPACT OF PANDEMIC ON SERVICE SECTOR

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### ABSTRACT

*Service sector plays important role in Indian economy. This sector contributes 70% in Indian Gross Domestic Product. These industries are servicing people without producing products. These industries uplift the living standards of the people by offering and serving good quality of services. If customer is not satisfied they can complain to the service provide for better and improved service. So there is always a chance for improvement. In services customers are the co-producer of the services. Without customer services cannot be produced and delivered. In today's time covid-19 infectious is spreading not only in India but all over the world. This virus adversely affected the service sector. The cause of the virus transmission is physical contact. So government has announced lockdown and during this lockdown only essential services were allowed to open rest market and industries was locked. Even after unlock period there is no major changes in people movement towards service industries. People try to stay at home to avoid the Corona infection. So service industries are facing issues to serve the customers. Education, banking, tourism, hospitality etc. service industries are beyond of thinking without physical interaction with customers. So they are facing financial losses. To cover this loses some industries like banking, educations etc. are moving towards digitalization but still the circumstances are not in their favor.*

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**Keywords:** GDP, Virus Transmission, Lockdown, Co-Producer, Digitalization.

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### Introduction

Service sector is a sector where companies work for customers. These industries dose not manufacturer the products but sometimes provide goods. These industries serve their customers by offering intangible products and services. This sector has wide range of activities. These activities help to generate profits for the companies by adding values. This sector includes industries like retail, banking, tourism, hospitality, education, transportation, food service industry etc. These industries are generally doing good business due to demand for human intelligence. Service sector plays important role in the GDP. Almost 70% jobs are created by this sector and have significant contribution in the economic development.

### Characteristics of Service Industry

Service industries are different from the manufacturing industries as these industries do not produce the goods. These industries can be differentiated from manufacturing industries on the basis of four key parameters. These parameters are the main characteristics of service industry. They are as below:

- **Intangibility:** Services cannot be touched and seen it can be experienced only. In manufacturing sector products are produced and customer can experience the feel of the products before its final purchase. So services are intangible and products are tangible. Example: of Services are education, consultant, legal etc. Products are car, cloths, table etc.

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- **Inseparability:** Services are inseparable by nature. It cannot be separated from the service provider and the person who is availing the services. The ownership of the services cannot be transferred to another customer. In a salon if a customer takes hair cut then it cannot be transferred to another customer. The service is delivering to the customer who is present in the restaurant not anyone else.
- **Perishability:** Services cannot be stored for future use. It perishes at the same time when it delivered and consumed. Products can be stored for future use. If a customer has booked ticket of an airline and by any reason if he/she does not able to catch the flight than that seat is not usable for his for next time. To avail the services of the same flight customer have to book the ticket again.
- **Heterogeneity:** Services are heterogeneous in nature. As it is delivered by people and human beings do not show same behavior all the time. In an academic institute a student can experience differently with the same teacher and same course even at same time. A bank customer can be treated differently by different banker or by same banker. To avoid this situation companies are trying to bring standardization in services. Banks are installing ATM (Automated Teller Machine) to avoid human intervention in delivering services.

### Covid-19

Covid-19 has is an infectious disease which is caused by Corona virus. It has declared a pandemic disease by WHO. This virus was unknown before December 2019, in was emerged in Wuhan, China. In India the virus is spreading its legs and killing the people specially old age. The common symptoms of the infection are fever, fatigue, cough, difficulty in breathing, loss of taste and smell. Some people may face mild symptoms and other can be in critical condition. The incubation period of the infection is generally of one to fourteen days. The world is waiting for its vaccine but there is no ray of hope till now. The infection spreads majorly from physical contact. The virus can spread easily and sustain in air. If a person comes in contact with an infected person the virus entered in that person too from nose and mouth. So it spread like a chain to break this chain people need to wear mask and. As of now people are protecting themselves by staying home. They are avoiding moving out unnecessary.

### Impact of Pandemic on Service Sector

The best precautions to avoid the Corona virus transmission are to maintain social distancing, wearing mask and keep hands clean. As the service industries deliver and receive by the people (service provider to receiver) but this is one of the biggest challenges for this sector to attract customers. Companies which required heavily interaction with people like banking, education, tourism, hospitality etc. are facing challenges to deal with the customers in an effective manner. Companies are taking quick decisions to face this adverse situation. They are moving towards digitalization and encouraging to customers as well. Work from home culture is opting for the employees. Here will discuss about educational, tourism and hospitality service industries.

- **Education Industry:** The virus has affected not only Indian education system but also at worldwide. To control the transmission of virus government has decided to close the educational institutions temporarily. The impact of the decision is not only on the students, teachers and families but also have economic and social consequences. Educational institutions have to maintain the academic and non-academic staff but they are facing financial crisis. As classes are closed so they cannot charge full fee from the students and parents are also against it. In such situations how to pay the salary to the staff is a biggest challenge for the educational institutions. Students are also at the same boat as they are not able to attend the classes.

Online classes is one of the option which can solve this issue at some extent but it has its own pros and cons. Students are safe as they are not going out and helping to stop the transmission of Corona virus. But it has it's darken side as well, long sitting in front of screen (mobile or computer) causing serious health issues.

- **Tourism Industry:** In the initial days of covid-19 infectious the government has started the lockdown process. People cannot move from one place to another place. Public transport was also banned. All the major tourist places are also closed. People also do not want to travel unnecessary. The situation is still not improved. People are not ready to visit the tourist places as they can increase the transmission of virus. Due to all these reasons tourism industries are facing losses. The local and the global tourists are not interested to travel and visit the tourist places.

- **Hospitality Industry:** This industry is directly linked with the tourism industry. During the lockdown period the hotels and resorts were also closed. Even after unlock process global tourists are not visiting the country so there is almost nil occupancy in the hotels and other related places. Companies are also not sending their employees to other state as they have to follow the quarantine rules. Even work from home culture is promoted in the organizations. To attract the customers the hotels and resorts are ready to cut their margin and offering even more than 70% discount. They are facing financial issues as they need to maintain the skilled staff.

### Conclusion

Service industries are the one of the pillar for Indian economy and create jobs in the country. Due to pandemic situation these industries are facing financial losses and lying off their staffs. As these industries server the customers by their services so contact points are required but pandemic situation does not allowed people to interact physically. To cover up the gap service industries are moving towards digitalization.

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