

EFFECTS OF COVID-19 PANDEMIC ON SERVICE INDUSTRY

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ABSTRACT

This research paper aims to describe the effects of COVID-19 pandemic crisis on service industry. It describes how various services survived in a critical situation. It also gives a brief view of how service providers and consumers are affected in the COVID-19 pandemic crisis.

Keywords: *Service Industry, Health Care, Information & Communication Technology, Logistics.*

Introduction

The coronavirus was originated in Wuhan city, China in November, 2019. Coronavirus is the infectious disease and spread in humans from the cough & unhygienic things. After some days, it is immediately and badly spread in Italy, the USA, Iran, Germany, England and other countries in the world. The WHO announced the pandemic. More than 200 countries of the world were affected by the infectious coronavirus disease. India was less affected by this coronavirus because Prime Minister Modiji takes the decision of lockdown on proper time & to give the importance of citizen's health. In before, 50 years ago the main income source for the nation is the agriculture sector. Dynamic changes were there in the structure of GDP occurring to various natural & man-made disasters. That is why now, the main source of income is the service industry for the developing country India in the 2020s. The service industry was extremely affected in the lockdown. Because the service industry was born in a crowded market full of people. It is also working on the demand and supplies. No demand in the pandemic from the customers. Transportation and logistics were shut down so, a big issue of how to transfer goods from one place to another place. Every person identifies the difference between the wants and the demand in the COVID-19 pandemic crisis. There are two parts for the services i.e. essential services and non-essential services. To provide food, shelter, and healthcare services are the essential services while tourism, photography & other non-essential services. The central government also provide stimulus packages to support the service industry in the pandemic. Some services are emerging in this scenario while some others were too difficult for their surveillance in this critical situation. This article identified which types of effects of COVID-19 pandemic on the service industry.

Literature Review

Ruwan Ranasinghe and Anupama Damunupola other authors studied Tourism after Corona: Impacts of COVID 19 Pandemic and way forward for Tourism, Hotel, and Mice Industry in Sri Lanka in 2020. They said that it is necessary for a fresh start for the badly affected potential sustainable development. Tourism is the largest service and badly affected globally. They said that Flexi-services will be an alternative tool to attract the customers. They said that virtual and hybrid events are emerging in the future. It is also beneficial for us, financially. They said that this deadly virus's effect on services sectors is more severe than estimated by the specialists and experts.

KPMG's experts also studied on impact of COVID-19 on financial services in their financial report. They said that the worst affected the estimates of accounting, lease accounting, revenue recognition, employee benefits, audit process, and claim for the insurance.

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Catharina Martinez-Pardo & Dr. Javier Seara studied on Rebuilding a More Sustainable Fashion Industry after COVID-19 in April, 2020. They said that COVID-19 has become a pause for some apparel, footwear, and the textile industry's sustainable development.

Event and Entertainment Management Association also examined the impact of COVID-19 on the event and entertainment industry. They conducted a survey with 170 companies to find the effects of COVID-19. They found that the business was totally lost, impact on the revenue & employers also affected.

Vaibhav Jain also studied how the events industry in India is tackling the impact of COVID-19? In May, 2020. He analyzed that a total of \$1000 industry has been directly impacted by COVID-19. This industry incurred a loss of \$666 million in mid-march in the world.

International Association of Universities has updated a report on "The impact of COVID-19 on higher education worldwide Resources for Higher Education Institutions" in April, 2020. They found that most of the universities are conducting an online webinars, sharing e-content, also to launch a new virtual learning platforms. Most of the universities are also thinking about e-sports.

K&L Gates LLP studied on the COVID-19: Impacts on Transportation & Logistics in 2020. They found that Cruise Lines International Association announced that all member companies were suspending cruise ship operations from U.S. ports of call for 30 days. The central government also provide permission to commercial vehicles for transporting essential goods.

Charnjit S Attra studied on COVID-19: How the pandemic is impacting the BFSI sector in India in April, 2020. He followed the Indian GAAP & Indian Accounting Standards. He said that the government and RBI introduced many economic and fiscal measures to tide over the pandemic crisis but it unprecedented time for BFSI. I.e. liquidity risk and credit risk.

Research Methodology

The objective of this paper is to shows how service sectors affected in COVID-19 pandemic crisis. It also aimed at identifying which services badly affected and which are newly emerging and essential services in amid coronavirus. Data of the service industry during March and April 2020 were taken into consideration. This work is based on qualitative data taken from e-newspapers, research articles, journals, magazines, websites, print media, and other references. Content Analysis method was used to analyse data.

Discussion and Analysis

The following are the effects of COVID – 19 pandemic on the service industry.

The service industry is run by the migrant workers. But migrant workers will not available easily in the metro cities after the lockdown because they were reached in their native place amid in coronavirus pandemic crisis. This is a big issue for manufacturing sectors like, textile, construction, factories, etc...

Now, information & communication technology also plays an important role in healthcare services. In the pandemic crisis, India launched one application to find out the symptoms of coronavirus and provide alerts to the application user from the COVID-19 patients.

Rail services play a significant role in transferring essential goods in different states. Drones services are also useful for supervising the people's activity. In this pandemic, the people are following the social distancing but 24*7 connected with each other colleagues, relatives by Information & communication services. So, people are living in the transition period of the world. Most of the services are easily available at our home with low cost & with comfortability.

The service sector provides 55% of the GDP in India. Total populations of India, where 32% of the population get their income from the service sector in 2019. So, many persons employment's also affected in the pandemic. The USA generates more income only from the service sector.

Novel coronavirus pandemic crisis is the emerging unprecedented issues and future of with full of uncertainties in the service industry. Some service sectors are the potential winners and some others are potential looser in the pandemic crisis. Food processing and retail services, medical supplies and services, information & communication technology, personal & healthcare services are the potential winners in the pandemic crisis. These sectors of services are positively affected in the COVID-19. While E-commerce was neutral in COVID-19. Financial services, Automotive & repairing, tourism & leisure, aviation & maritime services are potential losers amid the COVID-19 crisis. So, these services are worst affected by the pandemic crisis.

After the COVID-19, all services will be follows the rules & regulations of the employee. i.e. Social distancing, hygiene, regular health check-up, also permit the employees to work from home in specific area. All service sector has quite difficult to survive and to giving salaries of their employees.

Conclusion

We also know that the big issue of labor in the service industry. But it will take some time and also will be solved the problem of labor. Mahindra CEO also said that “The pandemic shows us that the key element of economy is labor and we did not respect them. Now, it’s time to respect and protect them.” The Central and state government are also supporting financially to some potential service sectors to recover their loss. Government also give some relaxation in the tax, credit, and also flexible in some rules and regulation in the trade policy. There is one solution to redevelop India’s economy by using which goods and services were produced in India. Prime Minister Narendra Modi addressed the nation 5th time (12th May, 2020) in the pandemic crisis and he said that it is essential to become Self-reliant for the nation in this critical situation. Ours nation needs to redevelop service and other industries. India is full of young people, every third person in India is a youth. This is very useful for the service industry of India. They are engaged with various economic activities for their lively-hood. That is why, I firmly believe that the whole service industry will slowly reopen after lockdown but growing with a high speed of growth. India also will become a manufacturing and export hub in the world.

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