

Kevin Fuchs

# Small Tourism Businesses Adapting to the New Normal: Evidence From Thailand

## Abstract

It is reasonable to state that the impact on Thailand's economy has been severe due to the lack of international tourists. In particular, the mass-tourist destination Phuket has suffered economic consequences due to a plunge in the number of international passenger arrivals and inadequate domestic tourists to fill their places. This paper aims to identify inadequacies to help stakeholders more effectively manage tourism development amid COVID-19, as well as to contribute to the body of knowledge and establish a baseline that recommends a potential area of interest for future quantitative research. This case study utilizes a variety of primary and secondary data sources. The empirical data for this study were collected through a series of semi-structured interviews with local small business owners. After a rigorous review process, a total of 21 in-depth interviews were included in the content analysis. This research not only disclosed a high level of resilience amongst the small local business owner community but revealed that Phuket continues to depend strongly on international tourism to manage its local economy sustainably. This research offers insights into the recent tourism developments during the COVID-19 global pandemic and provides a baseline for future studies that seek to validate results through quantitative methods of inquiry. Furthermore, it offers guidance for policymakers that seek recommendations for implementing good governance strategies.

**Keywords:** sustainable tourism, tourism development, responsible tourism, COVID-19, Thailand

## 1. Introduction

A glance at the most recent data before the outbreak of COVID-19 demonstrated Thailand's dependency on tourism: at the peak, tourism contributed 20% towards the country's total export revenues in 2019 (United Nations World Tourism Organization [UNWTO], 2021a). The World Tourism Organization further underlined that the average spending per arriving passenger was USD 1,520 (+49% compared to the regional average) in the same year, which totaled USD 60.5 billion generated from international tourism receipts (UNWTO, 2021a). Numbers are just numbers, but the highlighted metrics visualized that Thailand was heavily dependent on international tourism proceeds for its economic well-being. This dilemma can be further highlighted by a decline of 99.71% in international arrivals when comparing six months, March to August in 2019, with the same period in 2020. Thus, the involuntarily shift from a high dependency on international tourism receipts towards an emphasis on domestic tourism could lead to a better accomplishment of the Sustainable Development Goals (United Nations, 2021a) that are an essential and frequent topic of discussion. The rationale is comparatively easy: the money circulates from the wealthy middle- to upper-class domestic tourists and into the pockets of small local businesses (Williams, 1979; Seckelmann, 2002). The potential advantages are obvious when focusing on domestic tourism as a means to revive the tourism industry and to support sustainable tourism development. Consequently, the purpose of this paper was to examine underlying challenges that small local business owners encountered in the transformation from an international to a domestic tourism market.

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Sustainable tourism gained popularity in the late 1980s and, thirty years later, the topic is still highly contemporary. At a first glance, analyzing the moderate-sized domestic tourism market might not justify a high significance. However, the essence of Liu's claim remains valid: "the history of tourism developments has shown that all these groups are equally important and that long-range objectives and sustainability cannot be achieved if one group is continually subordinated to the others" (Liu, 2003). This multi-method research was guided by the following research objectives:

- (1) to examine perspectives from small business owners on the developing domestic tourism market during COVID-19 in the absence of international tourism
- (2) to identify inadequacies in order to help stakeholders more effectively manage tourism development amid and beyond COVID-19
- (3) to contribute to the body of knowledge and establish a baseline that recommends a potential area of interest for future quantitative research

It is reasonable to state that the impact on Thailand's economy has been severe due to the lack of international tourists. Although entry through international borders is possible, it is heavily restricted at the time of writing. Furthermore, the Thai Prime Minister reiterated that Thailand remains closed for mass tourism until the global pandemic eases off through global vaccination programs. Reviving tourism and transitioning to domestic tourism becomes a plausible alternative in a paradigm of little choice. Moreover, focusing on the domestic traveler could bear the positive side-effect towards sustainable tourism, wherein it could be argued that domestic tourists from the same cultural heritage would have a higher tendency to adhere to one of the main principles of sustainable tourism (Hall, 2019), i.e., to "respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance" (United Nations, 2021b).

## 2. Literature review

### 2.1. Contemporary developments in sustainable tourism

As an outlook for sustainable tourism, an increasing amount of research is being conducted worldwide, especially since the COVID-19 pandemic. The tourism departments are implementing 'transformative travel and tourism' as a possible way of developing tourism. While identifying the destruction of COVID-19, several experts in tourism studies have acknowledged the pandemic as a prospective facilitator to crucial transformation, especially within the tourism industry (Ateljevic, 2020; Higgins-Desbiolles, 2020). Remarkably, Ateljevic (2020) has conducted research based on the combined methodology for the study of tourism's transformative role in the present era. He conducted his "trans-tourism" theory from 2015 to 2019 through a multi-approach method; he was able to examine whether transformative tourism resulted in an ecological and meaningful human existence. His research intended to identify the most meaningful and positive path for the future of tourism (Ateljevic, 2020).

After intense investigation, the author was able to recommend the connection to reformative agriculture practices for two major purposes. Initially, this connection offered people an outlook of reformation instead of simply supporting the prevailing worldview. Subsequently, when focusing on tourism consumption, food acts as a chief element of reinforcement. He concluded his study by explaining that the utilization of native organic harvests gained from reformed agricultural homesteads could have a massive impact on the country's economy if used in all resorts, restaurants, hotels, and flights since the total influence of tourism and travel to international GDP was USD 8.9 trillion in 2018 (World Travel and Tourism Council [WTTC], 2021). He supported his theory by explaining that the positive influence on the international reformation industry would be massive since the international tourists' rate for 2019 was 1.5 billion (UNWTO, 2021c).

Similarly, Bianchi and De Man (2020) explored the concepts of 'sustained' and 'overall' development of sustainable tourism implemented by the UNWTO. They regarded employees as an aspect of creation or potentially one among several vested parties; their requests were to be accepted right next to those of business owners and entrepreneurs. They were the ones who could shape the production industry. Bianchi and De Man claimed that this moved the concentration away from those who exploited their position and influenced others. The researchers wished to emphasize the necessity of equality, impartiality, and integrity in order to evade the snare of discriminatory philosophical theories that underestimated the working classes and poor people. The authors wished to combine policies of tourism de-growth with a class-based establishment of integrity and the fundamental reallocation of wealth and influence, which included a stronger examination of the capital accretion procedure and industrial business that influence the development of tourism (Bianchi & De Man, 2020).

Similar to this research, Killingray and Phillips (2003) also concentrated on the intellectual, economic, and political procedures to explore the concept of transformation over time (p. 362). Subsequently, Bianchi and De Man (2020) explained that, in "the world of intellectual and financial notions, verbal imagery and language practice a significant control on human cognitive comprehension" (Raworth, 2018). They concluded that the UN World Tourism Organization's agenda about Sustainable Development Goals was both dangerous and misguided, from their abundant use of words like "decent", "inclusive", and "sustained" to explain their self-sufficient determination for constant development. Nevertheless, they also explained that the acknowledgment of the varied social settings and cultural variations that structure the tourism industry should not happen without addressing the global difficulties of destination societies, tourism workers, and their wish to protect themselves and survive independently of corruption (Bianchi & De Man, 2020).

## 2.2. Consequences from COVID-19

Gössling et al. (2020) explored the sustainability of tourism with the transformative likelihoods of COVID-19's. They discussed the consequences of the disease for prospective economic and societal transformations, especially since they impacted tourism. Similarly, Higgins-Desbiolles (2020) advised that the virus spread is also a forthcoming reformation of the international economic demand, on top of being a massive health crisis, due to the consequences of the financial effect of COVID-19's dominance, including over global tourism as a social and economic sensation. Moreover, Bianchi and de Man (2021) claimed that the economy and tourism would become sustainable and developable since it is an inevitable scenario.

In such a scenario, several critics have debated that the pandemic grants a transformative atmosphere or prospect that will transform the world (Gössling et al., 2020). Factors like quarantine, traveling restrictions, crowd control, and social distancing have a massive impact on the flexibility of tourism (Fong et al., 2020). In support of this theory, Gössling et al. (2020) claimed that flexibility is important in tourism: these restrictions should be removed for the recovery of tourism. They proposed that restrictions should be removed from the domestic level, particularly in areas without any new COVID-19 cases. Among these areas, domestic tourism should be encouraged in the form of campaigns to motivate individuals to tour domestically without violating the safety precautions to develop the country's economy. Due to the unemployment caused by COVID-19, the government may help in encouraging local tourism to rebuild the domestic economy and decrease the outflow from the state-wide economy.

This might have an inadvertent consequence of generating sustainable tourism trails with effective results, particularly in the domestic sector. Even though some may be resilient towards transformation, others might pursue change when it comes to hospitality and tourism. Nevertheless, the authors claimed that beyond these impacts, the future of global tourism rests on tourists and the effect of tourism, while the global sustainability of tourism concentrates more on efficiency compared to growth (Gössling et al., 2020). They concluded that

a multilateral response is inevitable for the sustainability of tourism since transformation will be irregular according to time and place. While some countries and cities might embrace transformation (Breier et al., 2021) and concentrate on developing domestic and sustainable tourism, some might be stuck in developing global tourism alone (Gössling et al., 2020).

### 2.3. Domestic tourism as a way forward?

In the research presented by Jamal and Higham (2021), justice has been deemed the main policy standard that directs tourism and its growth. They offered a variety of perspectives on tourism and justice with real-life examples and academic studies offered by researchers of related sectors. They explained that justice-based problems are connected with the world of socio-ecology and routine life in locations of tourism and traveling. They included perspectives of several authors (Bianchi & De Man, 2020; Gössling et al., 2020) about their inter-disciplinary, trans-disciplinary, and post-disciplinary views. They confronted basic problems related to justice and acknowledgment, inclusion and portrayal, general limits of an individual and their comfort level, supportability and protection, segregation and prejudice, sexual orientation, value, and decency based on domestic as well as international frameworks in which the tourism happens.

Gradually, they knitted an image of justice consisting of social rights and value, portrayal, acknowledgment and inclusion, administration and cooperation, personality, comfort, and belonging (Jamal & Higham, 2021). These are all themes that are furthermore evaluated based on tourism. They provide supportive visions to aid in the creation of an equally supportive future through combined activities. Their research included several studies that are special on their own by providing significance to each factor that discovers widespread methods of attaining justice and providing success on an individual, societal, and global level. They showed the requirement of perceiving justice and tourism from the perspectives of macro- and micro-levels, as tourism is an interwoven and international concept that requires intense investigation.

The authors concluded that these contributions show the urgency of sustainable tourism and that it could be attained via progressive studies of justice in the field of travel and tourism (Jamal & Higham, 2021). All these authors, researchers, and scholars showed the unique ways in which transformation could act as a method for sustainable tourism, especially in this COVID-19 period. Included among these ideas of trans-tourism (Gössling et al., 2020) are the involvement of domestic tourism development (Higgins-Desbiolles, 2020), justice-based issues and how they connect to tourism, agriculture expansion across sectors, economic and societal involvement, and contributions in an individual, societal, national, and global setting.

### 2.4. The Pearl of the Andaman

Phuket is Thailand's largest island and is located in the Andaman Sea in southern Thailand (Figure 1). It is therefore often referred to as 'The Pearl of the Andaman'. The island is mostly mountainous, with a mountain range in the west of the island running from the north to the south. Phuket has an area of 576 km<sup>2</sup> and is the second-smallest province of Thailand (Fuchs & Sincharoenkul, 2021; Tuntipisitkul et al., 2021).

The island was on one of the major trading routes between India and China and was frequently mentioned in foreign ships' logs of European traders but was never colonized by a European power. It formerly derived its wealth from tin and rubber and now from tourism. Since the 1980s, the sandy beaches on the island's west coast have been developed as tourist destinations, with Patong, Karon, and Kata being the most popular. Since the 2004 tsunami, all damaged buildings and attractions have been restored. Phuket is being intensely developed, with many new hotels, apartments, and houses under construction. Phuket's primary source of income is derived from tourism; since the outbreak of COVID-19, Phuket has suffered economic consequences due to a plunge in the number of international passenger arrivals and inadequate domestic tourists to fill their places (Tourism Authority of Thailand [TAT], 2021).

**Figure 1**  
*Geographical location of Phuket*



Source: Phukhao Advertising Co. Ltd. © 2020.

### 3. Methods and materials

#### 3.1. Design

For this case study, an adapted methodology based on good practice (Yin, 2017) was utilized that centered on the methodology originally used by Dodds (2010). The data for this project were collected using a multi-method research approach with a combination of primary and secondary data, including a literature review, personal observations by the author, and semi-structured in-depth interviews with business owners. The research involved collecting and analyzing data using a variety of methods in sequential phases where one informed the next (Dodds, 2010; Creswell & Creswell, 2017).

#### 3.2. Data collection

In the first phase, a literature review was conducted and guided by personal observations. The review of the literature and observations extended over two months, wherein the subsequent empirical data collection through semi-structured interviews was completed by the end of April 2021. The first stage involved identifying the key stakeholder groups and gathering additional information about the current domestic tourism development. The author identified a total of 54 businesses in the first stage of the applied cluster sampling method. The primary aim was a diversified spread concerning the type of business, as well as the geographical location of the business. Before conducting the interviews, stakeholders completed a six-step survey to determine their attitude and knowledge about sustainable tourism.

Out of the 37 answer sheets that were received, 25 were deemed eligible for a semi-structured in-depth interview. Finally, interview data were collected from these 25 participants. Later on, four interview protocols were dismissed from the inclusion as they offered very limited insights. The interviews took place between March and April 2021, and they ranged between 18 and 56 mins in duration. The interviews were guided by a 10-question lead focusing on identifying the business owners' perceptions and experiences with the decline of international tourism, the emerging paradigm of domestic tourism, and the concept of sustainability

amongst the two segments. The interviews were audio-recorded with informed consent and were later transcribed verbatim.

### 3.3. Sample

Out of the 21 participants, 57.1% (n=12) were male, wherein seven were Thai nationals, and the remaining five were foreign business owners. The remainder of the participants (n=9) were Thai female business owners, accounting for 42.9% of the participants that were included in the analysis of the collected empirical data (Table 1). Furthermore, the location of the businesses was grouped into three geographical clusters that mirror the official administrative district structure of Phuket. The majority of participants had their businesses situated in the southern part of Phuket (n=13, 61.9%), whereas the remainder were located in the central (n=5, 23.8%) and the northern parts (n=3, 14.3%) of the island. The distribution of businesses is the result of clustered sampling when distributing the preliminary surveys, as well as convenience sampling while completing the data collection and conducting the interviews. Another characteristic that was collected from the business owners was the number of years in operation, wherein the oldest business was recorded with 40 years and the newest with two years. The latter signifies that the business opened only a few months before the outbreak of COVID-19.

**Table 1**  
*Socio-demographic profile of the participants*

Characteristics	Absolute	Percent
<b>Gender by nationality</b>		
Male Thai	7	33.3%
Male Foreign	5	23.8%
Female Thai	9	42.9%
Female Foreign	-	-
<b>Location of the business *</b>		
Northern Phuket (Mai Khao, Cherngtalay, Bang Tao)	3	14.3%
Central Phuket (Patong, Kathu, Kamala)	5	23.8%
Southern Phuket (Rawai, Town, Kata, Chalong)	13	61.9%
<b>Years of operations **</b>		
3 years or below	6	28.6%
4 -8 years	6	28.6%
9 years or above	9	42.8%
<b>Type of business</b>		
Food & beverage (excl. Hotels)	7	33.3%
Accommodation and lodging	6	28.6%
Tour operator and travel agent	2	9.5%
Other tourism-related business ***	6	28.6%

\* if multiple locations applied, the main branch or headquarter was considered and counted above. \*\* the accumulated mean was 11.6 years, with the lowest ranging value from 2 years up to 40 years. \*\*\* inclusive of Retail/Wholesale (n=3), Wellness/Massage (n=1) and Medical (n=2).

However, the former signifies that the business owners experienced a variety of previous crises, including but not limited to the Asian financial crisis (1997), 9/11 terrorist attacks (2001), the Indian Ocean earthquake and tsunami (2004), and/or the global financial crisis (2007-2008). Furthermore, a mean value of 11.6 years and a median value of 8 years were calculated from the data points related to the years in operation, whereas a more specific categorization is shown in Table 1. Lastly, the types of businesses were cataloged into four different clusters. Food & Beverage (n=7; 33.3%) include restaurants (n=2), bars (n=2) and coffee shops (n=3), accommodation and lodging (n=6, 28.6%) primarily refer to hotels and guesthouses, wherein tour operator and travel agent (n=2, 9.5%) contain one participant for each type. Finally, 'other tourism-related business' contain Retail/Wholesale (n=3), Wellness/Massage (n=1), and Medical (n=2).

Before the study began, the participants provided oral and written informed consent to participate. They were informed about the research and its purpose, that they had the right to withdraw at any stage and that the data collected would be treated as confidential. For ethical considerations and to protect the identity of the participants, other information in the socio-demographic profile was collected but not further disclosed in this paper.

### 3.4. Data analysis

The author has justified academic reasons (based on the forthcoming definition by Fusch & Ness, 2015) for reaching data saturation based on the 21 interviews that were eventually included for analysis in this paper. While there is no consensus on the number of interviews required to reach data saturation, however, the author uses the interpretation from Fusch and Ness (2015), who state *“data saturation is reached when there is enough information to replicate the study when the ability to obtain additional new information has been attained, and when further coding is no longer feasible”* (p. 1408). The profile of the respondents includes information on the type of business, their nationality, and years in operation. The data were examined using content analysis that allowed the author to identify codes, which further translated to themes or conceptual categories, in order to compare and contrast data and build upon existing knowledge currently in the field. The method of content analysis was guided through the well-established principle documented by Hsieh and Shannon (2005). The following Table 2 illustrates examples of how the themes derived from the content analysis of the interview protocols were clustered by respective codes and sub-themes that emerged as part of the analysis process.

**Table 2**  
*Representative example of empirical findings that were coded and analyzed by themes*

Sub-theme	Codes	Alias	Quotes
Adjusting the business model	New menu items	P01	“And after a while, I started adjusting. I offered more food [...] and it actually brought up the business [...]. And when the second COVID wave hit, then it was actually okay for me”
		P01	“... I just had food (on the menu) to make sure that people have something to eat while at my bar, but now it's changing; food became my main priority”
	Responsiveness to change	P01	“...you thought about so many different ways how to endure (the crisis) and when the second and third wave hit our economy, you were prepared”
	Lack of hardship	P01	“Actually, right now, I don't have any hard times”
	Improved hygiene standards	P05	“So, COVID made us do better with hygiene. That is the only good side of the pandemic that I can think about”
Worries about industry	Uncertainty	P01	“It makes me worried, because I know that Phuket still relies on the hotel business and a lot of people already have no jobs”
		P04	“It is interesting. I've never been in this position before in my life, and I am not sure if I could endure it again – financially or mentally”
	Tourism relationship	P03	“...they are not tourists, but they work in hospitality and tourism. If the tourists are gone, their jobs are gone, too”
	Limited potential	P05	“So, just for now, we see only 10%, which is the local people around. Yeah, so huge impact”
	Purchasing power	P09	“... because of COVID, we see customers that we did not focus on before. It turned out that local tourists have more purchasing power than we assumed before”
Sustainability: Environment	Concern about plastic	P04	“Plastic is much cheaper. So, I stand in Makro and 100 people buy plastic I'm the only one with the greenbacks and that's why I'm the only one pay more than all the others”
Domestic tourism	Customer segment/ competition	P10	“...that's the problem here is when you open a business, you really need to be careful who you're targeting”
		P10	“When we open first time, two years ago, it was nice, it was easy. I mean, we opened we directly had customer, a lot of customer. Now we have to fight for a handful of customers”
		P11	“...business starts to get back to operations, and we start to have new segment of customer which came to us through different channels as well”

Table 2 (continued)

Adjusting the business model	Shift in focus	P11	"I think sport tourism is the next move for us here, because like I mentioned earlier, with our location we cannot compete with those touristy areas"
	Responsiveness to change	P12	"I would say COVID accelerated us to take action in any kind of way like our idea [...]"
	Willingness to adapt	P14	"We need to like many people probably all around the world they need to adapt themselves. They need to change themselves to try to find new opportunities to open a new business or try to do another job"
New business model	Diversify business	P15	"...we're going to have to think more of to diversify our business plan because now we have multiple different businesses"
Sustainability: Environment	Common effort for sustainable tourism	P15	"All of us have to work together to achieve the goal (of sustainability)"
Sustainable tourism	Profit instead of sustainability	P17	"Sustainability is a nice word. Yes, everybody wants to be sustainable. But at the end of the day, businesses are there to make profit"
Business adaptation	Reduced competition	P17	"There are a lot of changes that will happen and companies who have not adapted to the new system and new ways of working, they would go under where as soon as the business starts again"

Note: The list of quotes, codes, and sub-themes is not exhaustive and additional data can be made available by the corresponding author upon reasonable request.

## 4. Empirical findings and discussion

This paper aims to examine perspectives from small local business owners on the developing domestic tourism market under consideration of tourism development, as well as to identify inadequacies to help stakeholders more effectively manage the current situation. Therefore, it is the purpose of this study to provide a collective overview of the issues and barriers raised by stakeholders. Two broad themes were derived from the transcribed 21 interview protocols that were included in the analysis. These themes are: (1) The global pandemic can be seen as an accelerator for business failure or successful adaptation in the food and beverage (F&B) industry, and (2) international tourism indirectly links to the livelihood of the majority of Phuket-based businesses. Furthermore, through a content analysis, it determined the actual state of tourism development with regard to the emerging domestic tourism market in the absence of international tourism and the development of hypotheses for further testing in possible expanded research.

### 4.1. Accelerated business adaptation during COVID-19

The global impacts of the COVID-19 pandemic have been critically affecting people around the world and, in particular, the tourism-dependent island destination Phuket. While there are a lot of negative perceptions associated with COVID-19, one of the primary findings was that the resilience of small local business owners allowed them to adapt to the circumstances and change their business models, thus allowing these businesses to outlive the crisis and build a foundation that is essential for their future success. Even though Seetharaman (2020) noted that these shifts are an automatic but temporary reaction to the pandemic and, once normalcy resumes, businesses will revert to their earlier business models, many business owners did not share these sentiments. Moreover, the participants that (successfully) adapted their business model are content that the global pandemic allowed them to experiment with their business model, which they would not have done otherwise.

However, a second comment made by Seetharaman (2020) was supported by the majority of business owners, who agree with the essence of her observation that *"to capitalize on the opportunity for digitization, firms need to be agile and rapidly develop capabilities that can help them survive the changes that environment imposes upon them"* (p. 3). The following statement illustrates the sentiment of most participants: "you thought about so many different ways how to endure (the crisis) and when the second and third wave hit our economy, you were prepared". Organizational resilience is a key component in a company's ability to respond and recover from crises and catastrophes, such as the financial crisis of over a decade ago (2007-2008) or the Tsunami in 2004. Organizational resilience can also be a competitive advantage and a driver of cultural adaptability. According to Gössling et al. (2020), tourism resilience is considered significant within an organization because it differs from other firms.

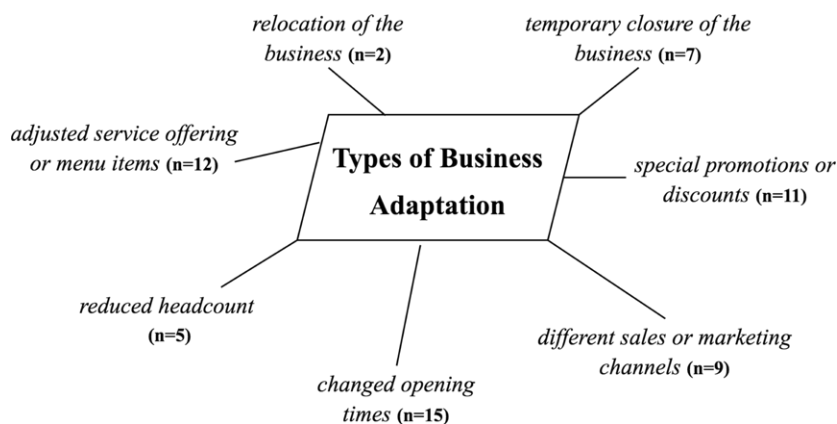


Planning and adaptive competency are two components of organizational resilience. This statement is further underlined and supported by the following sentiment shared amongst the majority of the participants: “and after a while, I started adjusting. I offered more food [...], and it actually brought up the business [...]. And when the second COVID wave hit, then it was actually okay for me”. Furthermore, it offered local small businesses the opportunity to improve themselves (“so, COVID made us do better with hygiene”) even up to the point that the hardships for some businesses eased based on the resilience shown by those business owners and their adaptability: “actually, right now, I don’t have any hard times”.

## 4.2. Online food delivery and customer re-segmentation

Figure 2 highlights that the most common business adaptations revealed through the interview included changed opening times (15), adjusted service offering or menu items (12), special promotions or discounts (11), different sales or marketing channels (9), temporary closure of the business (7), reduced headcount (5), and relocation of the business (2). In particular, business owners that were involved with the preparation and sale of food and beverages (F&B) noted an increasing trend in the use of Online Food Delivery (OFD) services during the pandemic (Gavilan, Balderas-Cejudo, Fernández-Lores & Martínez-Navarro, 2021). In some instances, it evolved toward the core activity of the business through adaptation to the changing business environment: “I just had food (on the menu) to make sure that people have something to eat while at my bar, but now it’s changing; food became my main priority”.

**Figure 2**  
Observed types of business adaptation during the pandemic (based on empirical data)



Notions that highlight the importance of customer re-segmentation in the aftermath of the pandemic further support this observation. One participant stated, “business starts to get back to operations, and we start to have a new segment of customers which came to us through different channels as well,” as well as, “when we opened the first time, two years ago, it was nice, it was easy. I mean, we opened we directly had customer, a lot of customer. Now we have to fight for a handful of customers”. Through the means of a quantitative research study in Spain, Garrido-Moreno et al. (2021) implied that “the pandemics may constitute a paradigm shift on tourists’ behavior and decision making in the long term”. Similarly, Kraus et al. (2020) claim that “forced adaptation allows the opportunity to prove a technology’s functionalities and advantages and may therefore convince previously resistant employees of the benefits of digital technologies in daily business.” (p. 1083). A similar observation was noted in the empirical findings of this paper, wherein business owners stated, “sports tourism is the next move for us here, because like I mentioned earlier, with our location we cannot compete with those touristy areas,” or, “there are a lot of changes that will happen and companies who have not adapted to the new system and new ways of working, they would go under where as soon as the business starts again”.

### 4.3. Resilience to outlast the pandemic

The global hospitality and tourism industry faces an uncertain future across its operating sectors: many businesses will not emerge from the crisis in their former shape, if at all (Baum & Hay, 2020). Conversely, a reoccurring theme that is addressed in the literature (Kraus et al., 2013; Baum & Hay, 2020; Castro & Zermeño, 2021; Garrido-Moreno et al., 2021) is the resilience of business owners to overcome a crisis, as well as strive on the previously-gained experience and expertise in terms of further developing their business for a sustainable future. A contemporary literature review of more than 30 case studies concluded, “crises could generate opportunities to create more resilient companies, be more proactive, learn from their experiences and collaborate in the social and regional spheres” (Castro & Zermeño, 2021).

More than half of the participants echoed this observation, addressed by Castro and Zermeño (2021). However, what previous studies failed to address is the impaired financial and mental capacity to endure another type of crisis. The following statement made by a participant is exemplary for this sentiment, wherein it was noted, “I have never been in this position before in my life, and I am not sure if I could endure it again – financially or mentally”. Based on the empirical findings, the essence of this statement can be interpreted twofold: firstly, the expectancy to resume normal business operations once the crisis is resolved and, secondly, a concern as to whether the business owner could endure a similar crisis again in the future.

## 5. Conclusion

Businesses in all industries, including the tourism industry, are looking forward to ‘business as usual’; the empirical findings of this qualitative inquiry revealed that small local businesses either needed to find the strength, willingness, and/or resilience to adapt to the new circumstances in a “make it or break it” approach, or face insolvency as a consequence of unsuccessful business adaptation in the absence of international tourist arrivals. However, despite largely negative perceptions that relate to the downturn of our global tourism economy (and, more specifically, the local tourism-dependent economy in Phuket), there could be a silver lining that emerges post-crisis: tourism-related businesses will face limitless path-shaping opportunities. Many business owners acknowledged the financial hardships, while they also agreed that the global pandemic was an accelerator to improve their business model. This becomes evident through technological innovation, mild to severe business model adaptation, and less dependency on international tourism. Generally, the small local businesses included in the sample found a way to endure the situation and will make a successful return upon the resumption of global tourism. Furthermore, the study highlighted the dependency on international tourism for Phuket’s economic prosperity.

## 6. Limitations and future research

The author tried to mitigate limitations to the best of his ability; however, no research is free from limitations. In this context, the author identified three limitations that the reader should consider when evaluating the results of this paper. Firstly, the results are geographically limited to Phuket. Thus, the corresponding findings are not representative and generalizable for Thailand or other mass tourism destinations. However, they offer insights about different perspectives and inadequacies that might be helpful to guide similar research in another geographical context. Secondly, the sample included small businesses that were operative at the time of the interview.

This presumes that the reflections and opinions are limited to small businesses that managed to survive the financial hardship incurred up until now. Consequently, the research could have been more comprehensive and versatile if the study had included reflections and opinions from small businesses that did not outlive the economic difficulties as the result of COVID-19 and which have already filed for bankruptcy. Lastly, the interviews were conducted in English, which is not the mother language of the participants; a potential

language barrier could imply another limitation. These language barriers were mitigated to the best ability of the author through a third-party research assistant that translated key phrases when needed.

The outlined limitations offer the potential for future research in the form of a quantitative inquiry to validate the findings from this research. Furthermore, qualitative research can be recommended to examine perspectives from businesses that did not survive in the aftermath of the crisis and subsequently ceased their business operations entirely and filed for bankruptcy.

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