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An Evaluation Of Kerala Tourism Industry During The Pandemic Period

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Abstract

The outbreak of COVID19 had adversely affected the tourism industry of Kerala. The state is greatly depended on the tourism industry for revenue as well as for the generation of employment opportunities. With the outbreak of pandemic, the economies all around the world-imposed restrictions, which leads to the closing down of the tourism industries around the world. This leads to the rapid fall in the foreign and domestic tourists' footfall in the state of Kerala. For about one and half year the tourism industry of the state was in a closed down state consisting of no tourists and those who were operating in the tourism industry were forced to look into other opportunities. Once the pandemic cases were started falling down the tourism industry of the started recovering. In the initial phase the industry greatly depended on domestic tourism and when the economy around the world started lowering restrictions as their number of cases started falling down, the foreign nationals from different countries started arriving to our state. Even though the tourism industry started going back to normal, there was much changes with regard to the preference and attitude of the tourists, mode of operations for tour operators, attitude of the Government, working of hospitality industries. The COVID19 pandemic has transformed our tourism industry to a new direction. Through this paper we analyze the transformation happened in the tourism industry of the state in the post pandemic period.

Keywords: Tourism, COVID 19, Kerala Tourism Industry, Tourists

I. INTRODUCTION

The tourism industry was one of the worst affected fields with the outbreak of COVID19. With the out break of COVID19 pandemic the restrictions were imposed by the Government all over the economy that results in the preventing people from travelling within as well as between the countries. The fall in arrival of tourists resulted in the fall of revenue towards the tourism industry which resulted in unemployment in economy. The people who were operating on various fields in the tourism industry such as tour guides, tour operators, accommodation providers, travel agencies began to look into other opportunities for survival. With the rise

in unemployment and fall in income towards the economy from tourism industry shaken the foundation of the tourism industry. Those economies who were greatly depended on the tourism industry were worst affected. The state of Kerala was one among them. The economy of Kerala was greatly depended on tourism in relation to earning revenue and employment opportunities. ¹In the year 2019 the number of foreign tourists visit in the state was 1189771, with an increase of 8.52% as compared to previous year and the number of domestic tourists visit in the state was 18384233, with an increase of 17.81% as compared to previous year. ²In the year 2020, the percentage increase in the foreign tourists was -71.36 and the percentage increase in the domestic tourists was -72.86. This shows the intensity of the effect made by the pandemic on the state's tourism industry. As the pandemic cases began to fall down, the tourism industry began to stand up on their feet. However, the situation was quite different from that of pre COVID era. In the post COVID there was a change in the behavior of the tourists with regard to the taste and preference which leads to the similar changes in the mode of operation of business operating in the tourism industry. After staying at home for a period of one and half year one group of people thrive to experience some thing new and other group prefer to have budgeted and economical packages. This results in forcing the business organizations in the tourism industry to accommodate such change in the operations.

II. Review of Literature

The COVID-19 pandemic had a profound impact on the global tourism industry, and Kerala, a state heavily reliant on tourism, was no exception. According to Sigala (2020), the pandemic led to unprecedented disruptions in international and domestic travel, forcing destinations to adapt to changing market conditions. In the context of Kerala, studies by Mathew and Suresh (2021) highlight that the sudden halt in tourist arrivals caused significant revenue losses for hotels, restaurants, and allied businesses, severely affecting the livelihoods of those dependent on the sector.

The Kerala Tourism Department (2021) reported a drastic decline in foreign and domestic tourist arrivals, leading to an economic downturn in tourism-dependent areas. This aligns with the findings of Gössling, Scott, and Hall (2021), who noted that destinations with high tourism dependency faced prolonged recovery challenges due to travel restrictions and shifting consumer behaviors. The study by UNWTO (2021) emphasized that while global tourism saw a gradual recovery, the pace was uneven, with regions like South Asia experiencing a slower rebound.

One of the significant challenges during the pandemic was the financial strain on small-scale tourism enterprises. According to Babu and George (2021), many homestays, houseboats, and local tour operators in Kerala faced operational challenges due to reduced demand and liquidity constraints. This aligns with Sharma et al. (2021), who found that micro, small, and medium-sized enterprises (MSMEs) in tourism struggled to sustain themselves without adequate government support.

However, the crisis also accelerated digital adoption and diversification within Kerala's tourism sector. As suggested by Kaul and Johri (2021), many destinations embraced virtual tourism, eco-tourism, and wellness tourism as alternative strategies to attract visitors. In Kerala, initiatives such as "Keravan Kerala" and "Bio-Bubble Tourism" were introduced to revitalize the sector by ensuring controlled and safe tourism

experiences (Kerala Tourism, 2021). The study by Hall, Scott, and Gössling (2020) indicates that such measures were crucial in restoring traveler confidence and setting new industry standards for health and safety.

The pandemic also highlighted the resilience of community-based tourism (CBT) in Kerala. Research by Thomas and Raveendran (2022) shows that locally-driven tourism initiatives, particularly in rural areas, played a crucial role in sustaining the sector during the crisis. Community participation, sustainable tourism practices, and government-backed financial relief packages contributed to a gradual revival.

Furthermore, studies by WTTC (2022) and ILO (2021) suggest that Kerala's tourism industry must focus on long-term sustainability, digital transformation, and crisis preparedness to mitigate future disruptions. The adoption of hybrid tourism models, contactless services, and innovative marketing strategies will be instrumental in shaping the post-pandemic recovery of Kerala's tourism sector.

Overall, the pandemic exposed vulnerabilities within Kerala's tourism industry but also paved the way for resilience, innovation, and policy-driven recovery efforts. Future research should focus on long-term strategies to build a more adaptive and sustainable tourism economy in the region.

III. Impact of COVID19 on Kerala Tourism Industry

The COVID19 pandemic adversely affected the tourism industry of the state of Kerala. Since the economy greatly depended on the tourism industry for revenue generation as well as employment opportunities, the outbreak of pandemic leads to total fall in the revenue from the tourism industry as well as the loss of employment as well as the closing down of business ventures operating in the tourism industry. There was a rapid fall in the arrival of foreign and domestic tourists in the state owing to the restrictions and lock down imposed for containing the pandemic. ²There was a fall of 71.36% in the case of foreign tourists' arrival and 72.86% in the case of domestic tourists' arrival. ³This leads to the fall in the revenue from the tourism industry from Rs. 45000 crores in 2019 to Rs. 11,000 crores in 2020. With the aim of promoting tourism and attracting more tourists to the state for the year 2020 the Government of Kerala had undertaken extensive tourism promotion strategies. However, the outbreak of pandemic broken down the expectations. With the outbreak of pandemic all around the world including India and the imposition of restrictions the number tourists' visits falls down to zero. The destinations were not having any tourists to receive. With the fall in tourists' arrival and no revenue the people who were depending on the tourism industry such as travel agencies, tour guides, tour operators, accommodation providers, restaurants and coffee shops closed down their operation, the work force depending on them began to look for other opportunities. Thus, the pandemic adversely affected the entrepreneurship activities which leads to unemployment in the society. ⁴The sector once contributed 23.5% of employment falls down to a single figure. In addition to it, with no tourist's arrival there were no developmental as well as maintenance activities in the destination which leads to destruction and damage to the destinations in the state. The fall in revenue from tourism industry also affected the Government, as the state was over depending in the tourism industry with fall in revenue from tourism industry, they had look into other means to earn revenue. Even though there were no revenue from the tourism industry, the Government was obliged to look into ways for generating fund for

formulating relief package which created additional burden for the Government. Since it was clear that the tourism industry was the most affected by the COVID19 pandemic and no idea about when will the economy will go back to normal, the banks were reluctant to give loans and assistance for the business ventures operating in the tourism industry. This worsens the situations of the business organization operating in the field of tourism industry.

IV. Post COVID Tourism Economy of Kerala

The post COVID economy were full of challenges for the tourism industry. Challenges not only attributed to the problem with regard to capital but also involves change in the preferences of the tourists, new rules and regulations, the changing trend in the tourism industry and so on. This made the players in the tourism industry to be more cautious in conduct of their business activities. The tour packages of the tour operators were consisting new tourism products, economical and more concerns on the safety of the tourists. As the people were thrived to go for travel and tourism, the tourism industry began more competitive. Most of the units which were closed down due to pandemic began to start operating. Even though the competition was intensive the tour operators and such other players like accommodation providers, travel agencies lacked capital, hence they had to cut down cost by reducing the complimentary and such other free services offered to their customers. In addition to it the COVID relief packages granted by the Government of Kerala also helped to get back on the feet.

Primarily there were more traffic of domestic tourists than foreign tourists when the tourism industry were opened up. The arrival of foreign tourists was still at low. Their arrival not only depends on the policies of our government but also depends on the pandemic policies of the respective Government of their country. With more arrival of domestic tourists to our economy, the business organizations in the tourism began to develop more packages that are more attractive for the domestic tourists. The department of Tourism, Government of Kerala began to make the strategies focussing on the domestic tourism in the country. Along with the change in the method of operations of players in the tourism industry there were also change in the attitude of local communities to the tourist. Receiving tourists after one and half year made them realise the importance of tourism to the economy which enhanced their cooperation on tourism related activities.

IV.1 Economic Impact and Recovery

The pandemic had a devastating impact on Kerala's tourism economy, with an estimated revenue loss of over ₹35,000 crores. The hospitality, transport, and allied sectors suffered immensely due to the lack of tourists, both domestic and international. However, with the gradual lifting of restrictions, the tourism industry witnessed a slow but steady revival, driven primarily by domestic travelers. Kerala's government introduced innovative tourism models such as "**Bio-Bubble Tourism**," which ensured safer travel experiences by maintaining strict health protocols. Initiatives like "**Keravan Kerala**" (caravan tourism) and "**Workation Kerala**" (work-from-destination tourism) further encouraged travel within the state, helping businesses recover from the pandemic's impact.

IV.2 Policy Interventions and Government Support

To accelerate the recovery of the tourism industry, the Kerala government implemented several policy measures. Financial aid and relief packages were provided to support small and medium tourism enterprises (SMEs) that struggled due to the prolonged shutdown. Tax relaxations and subsidies were introduced to encourage investment in the tourism sector. Additionally, the government enforced strict hygiene and safety regulations in hotels, homestays, and tourist attractions to restore traveler confidence. Public-private partnerships (PPPs) also played a crucial role in reviving the industry by improving infrastructure and digital services, enhancing the overall tourist experience.

IV.3 Digital Transformation and Technological Advancements

The pandemic significantly accelerated digital transformation in Kerala's tourism sector. Contactless services, online booking platforms, and digital payments became the norm to minimize physical interactions. Virtual tourism also gained popularity, with destinations offering immersive experiences through **360-degree video tours** and **virtual reality (VR) interactions**. The use of artificial intelligence (AI)-powered customer support further enhanced traveler engagement, providing instant information on travel guidelines, destinations, and accommodations. Social media and influencer marketing campaigns were actively used to attract tourists, showcasing Kerala as a safe and appealing destination.

IV.4 Sustainable and Responsible Tourism

The post-pandemic period saw a shift towards sustainable and responsible tourism practices in Kerala. Eco-tourism destinations such as **Wayanad, Thekkady, and Thenmala** gained prominence, offering nature-based tourism experiences. The government expanded its **Responsible Tourism Mission**, integrating local communities into the tourism economy by promoting handicrafts, village tours, and farm stays. Additionally, there was a notable rise in **agri-tourism and wellness tourism**, as visitors sought experiences related to Ayurveda, yoga, and organic farming. These sustainable initiatives not only helped in economic recovery but also ensured the long-term preservation of Kerala's natural and cultural heritage.

IV.5 Shift in Consumer Preferences and Emerging Trends

The pandemic fundamentally changed traveler preferences, influencing the way people choose their destinations. Post-pandemic tourists now prefer **less crowded, rural, and nature-based destinations** over traditional tourist hotspots. The concept of "**Workation Tourism**" has also gained momentum, with many professionals opting to work remotely from Kerala's scenic locations. Additionally, **adventure and wellness tourism** have seen increased demand, with activities like trekking, cycling, and yoga retreats becoming more popular among young travelers.

IV.6 Challenges in the Post-Pandemic Tourism Economy

Despite the promising recovery, Kerala's tourism industry still faces several challenges. International tourist arrivals remain below pre-pandemic levels due to evolving travel restrictions and global economic uncertainties. The industry is also experiencing **labor shortages**, as many skilled workers who lost jobs during the pandemic have shifted to other sectors. Additionally, Kerala faces increasing competition from other Indian states, such as **Himachal Pradesh, Uttarakhand, and Goa**, which have also invested heavily in post-pandemic tourism growth. Addressing these challenges will require continuous efforts in **infrastructure development, skill training, and targeted international marketing strategies**.

Conclusion

Tourism has always been a strong pillar for the Kerala economy. After the outbreak of the pandemic the tourism industry of the state of Kerala was in a blemished state. With the help of coordinated policy makers and fall in pandemic cases the industry is slowly coming back to normal. With the outbreak of pandemic there were issues with related to unemployment and loss in revenue. After the cases fall down and economy started opening up there was a rise in tourists' arrival to the state. The key players in the tourism industry such as tour operators, hotels formulated innovative strategies in accordance to the new taste and preference of the tourists. After staying home for a long period of time there was an urge among the tourists to undergo a journey towards a new destination or experience new tourism products. Thus, after the pandemic the tourism industry had under gone a huge transformation with more innovations and efficiency. An immediate go back that of pre covid era may not be possible but gradually the tourism industry may go back to normal with more efficiency and innovations in the near future.

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