

The Effects of the COVID-19 Pandemic on the Tourism and Creative Business Sectors

Abdul Aziz ¹, Prima Angkupi², Denial Arif³, Imanuariea Annisa Putri⁴, Defrizal⁵

Abbashafid1210@gmail.com¹, Prima.blecbelt@gmail.com², denielarif@yahoo.com³,
imanuriea@ubl.ac.id⁴, defrizal@ubl.ac.id⁵

¹Universitas Bandar Lampung

²Universitas Bandar Lampung

³Universitas Bandar Lampung

⁴Universitas Bandar Lampung

⁵Universitas Bandar Lampung

Abstract

This research aims to analyze the impact of the Covid-19 pandemic on the tourism industry and creative businesses in Lampung Province, as well as formulate appropriate adaptation and recovery strategies for these two sectors. The research method used is qualitative with data collection techniques through interviews, observation and literature study. The research results show that the Covid-19 pandemic has had a significant impact on the tourism industry and creative businesses in Lampung Province. The drastic reduction in the number of tourists and restrictions on community activities have caused this sector to experience a decline in income and stagnation. However, amidst this challenging situation, opportunities also arise to innovate and adapt. The adaptation and recovery strategies formulated in this research include developing strict health protocols, providing economic stimulus for business actors, increasing tourism promotion through various media, developing new innovative and creative tourism products, strengthening infrastructure in the tourism sector, improving the quality of human resources, utilization of information and communication technology (ICT), and strengthening collaboration between parties. It is hoped that by implementing these strategies, the tourism industry and creative businesses in Lampung Province can bounce back from the impact of the Covid-19 pandemic and become a significant contributor to the country's foreign exchange in the future.

Keywords: Impact of Covid-19, Tourism Industry, Creative Business, Adaptation Strategy, Recovery

Introduction

Tourism is a critical sector in the Indonesian economy, significantly enhancing community welfare both nationally and in tourist destination areas (DTWs) (Nuryadin & Purwiyanta, 2023). It plays a vital role in boosting national and regional income, generating foreign exchange, creating jobs, and alleviating poverty (Kusuma, 2020). (Shiwen, 2021) notes that many countries, including Indonesia, have positioned tourism as a key sector to drive foreign exchange earnings, employment, and poverty reduction. The rapid growth of the tourism sector makes it a primary driver of national development. Indonesia's diverse tourism potential—ranging from its natural beauty and cultural richness to the warmth of its people—attracts both domestic and international tourists (Rahmayani et al., 2022). Despite this potential, the Indonesian tourism industry faces challenges such as inadequate infrastructure, a shortage of skilled human resources, and insufficient promotion (Febriana et al., 2023). Consequently, there is a

pressing need for serious and sustainable development efforts to advance the tourism sector and creative businesses (Haryana, 2020).

Lampung Province exemplifies Indonesia's tourism potential with its remarkable natural and maritime beauty, making it a popular destination. This attractiveness is further enhanced by its cultural diversity, friendly locals, and distinctive culinary offerings. Nevertheless, Lampung's tourism industry encounters significant challenges, including competition with other tourist areas, inadequate infrastructure, and limited promotional efforts. To overcome these challenges and drive economic growth, Lampung's tourism sector must focus on improving infrastructure quality, developing human resources, diversifying tourism products, and optimizing promotional strategies.

The global COVID-19 pandemic, which began in late 2019 and was declared a global health emergency by the WHO in March 2020, severely impacted various sectors, including tourism and creative businesses. The pandemic led to mobility restrictions and stringent health protocols, drastically reducing tourist numbers and adversely affecting the tourism and creative industries (Barusman & Rulian, 2020). In Indonesia, the pandemic's arrival in March 2020 resulted in the implementation of Large-Scale Social Restrictions (PSBB), leading to substantial losses for hotels, restaurants, travel agencies, and other tourism service providers. Creative businesses also faced difficulties due to reduced consumer purchasing power and limited social activities. However, the pandemic also created opportunities by shifting consumer preferences and accelerating digital technology adaptation, fostering innovations and strategies to revive these sectors (Lolita & Barusman, 2024).

Previous studies have examined the pandemic's impact on various sectors. (Ajemba, 2022) analyzed the negative effects of the pandemic on the Toraja weaving craft business, noting income decreases, reduced demand, and production delays. (Hendra & Hermawan, 2022) studied the pandemic's impact on Nanning City's tourism industry and identified strategies such as supportive policies, increased promotions, new tourism products, and improved infrastructure as key to mitigating the crisis. (Lumempow et al., 2021) explored innovation strategies in Bandung's creative industries, highlighting product, process, and marketing innovations that helped businesses survive and thrive during the pandemic.

The COVID-19 pandemic has triggered complex phenomena and challenges in the tourism and creative business sectors, including a significant decline in tourist numbers, shifts in tourism patterns, increased use of digital technology, and the emergence of new trends (Fesun, 2022). Challenges such as reduced income, capital difficulties, layoffs, and long-term uncertainties underscore the need for strategic responses (Nuryadin & Purwiyanta, 2023) This research aims to analyze the pandemic's impact on Indonesia's tourism and creative businesses, examine the affected aspects, explore strategies to overcome challenges, and identify new opportunities arising amid the pandemic. Understanding these impacts and opportunities will enable stakeholders to implement strategic measures for recovery and development during and beyond the COVID-19 pandemic (Raras et al., 2024).

The tourism industry is a rapidly growing sector with significant potential for economic prosperity worldwide (Baloch et al., 2022). In 2019, tourism contributed an average of 8.8% to the GDP of OECD countries, showing an increasing trend since 2016. However, the industry is highly susceptible to various factors, with the COVID-19 pandemic being one of the most impactful in recent years. The pandemic led to dramatic declines in tourist numbers, revenues, and jobs globally. From a macroeconomic perspective, reduced tourism spending results in decreased economic output, slower

growth, and increased unemployment (Kumar & Ekka, 2024). Thus, understanding the macroeconomic dynamics of tourism spending and the pandemic's impact is crucial.

In Indonesia, the government views tourism as a strategic tool for regional development and community welfare, especially in tourist villages (Pham & Nugroho, 2022). These villages offer unique, authentic experiences that promote local culture and provide direct community interaction. This approach benefits local economies and helps preserve cultural traditions (Liu et al., 2023). Sustainable and responsible tourism development, which considers nature and culture preservation, is essential. Government support through training, infrastructure funding, and promotion can further enhance the role of village tourism in economic development and community welfare (Sutoni, 2021). Creative Business, also known as the Creative Economy (Ekraf), is driven by human thought and creativity. Unlike traditional economies that focus on natural resources, the Creative Economy emphasizes innovative ideas and concepts as its main assets. The Creative Economy Agency of the Republic of Indonesia (BEKRAF) defines it as an economic system based on ideas, creativity, knowledge, and human expertise, producing culturally and economically valuable works (Nugroho, 2016). (Ratna et al., 2021) further define the Creative Economy as driven by ideas and creativity, with humans as the primary asset in creating economic value. In Indonesia, the Creative Economy has gained prominence, with the government focusing on it to drive national economic growth. This economy includes sectors such as arts, media, fashion, architecture, and advertising (Saputra et al., 2020).

The COVID-19 pandemic posed significant challenges to Indonesia's tourism and creative businesses, impacting the economy, increasing unemployment, and reducing quality of life. The Indonesian government's New Normal policy aimed to adapt to these challenges by enhancing community awareness, discipline, and productivity through technology use (Yamin et al., 2021). In the New Normal era, restoring tourist confidence and adhering to health protocols remain major challenges. However, opportunities arise from digital technology to reach new markets and develop innovative products and services (Yang et al., 2021). Adaptation and recovery strategies include implementing strict health protocols, leveraging digital technology for promotion and transactions, developing innovative products, enhancing human resource quality through training, and fostering collaboration between government, businesses, and communities (Abdulaziz et al., 2023). These strategies aim to restore and develop the tourism and creative business sectors, ensuring resilience and growth during the COVID-19 pandemic and beyond.

Methodology

This research utilizes descriptive qualitative methods to investigate the impact of the Covid-19 pandemic on the tourism industry and creative economy, as well as the adaptation and recovery strategies employed in response. This approach is particularly suited for gaining an in-depth understanding of how the pandemic has influenced these sectors and the strategies implemented to address the resulting challenges. Descriptive qualitative methods were selected for their ability to provide a comprehensive and nuanced analysis of complex phenomena (Raassens et al., 2022). This methodology allows for the collection of rich, detailed data through various means, including interviews, observations, and documentation studies. By engaging with multiple data sources, the research aims to capture a holistic view of the pandemic's effects on the tourism industry and creative economy, as well as the effectiveness of adaptation and recovery strategies (Kurniasih et al., 2022).

Interviews will be conducted with key stakeholders in the tourism and creative sectors, including industry experts, business owners, and policymakers. These interviews

will provide insights into the specific challenges faced and the responses implemented. Observations will be carried out to understand the practical aspects of adaptation and recovery efforts. Additionally, documentation studies will involve analyzing relevant reports, policy documents, and other records to gather contextual information and support the findings from interviews and observations.

The descriptive qualitative approach facilitates a thorough exploration of the impact of the Covid-19 pandemic, allowing for an in-depth analysis of how these sectors have been affected and how they have adapted. This method ensures that the study captures the full scope of the pandemic's influence and provides valuable insights into recovery strategies, contributing to a comprehensive understanding of the research problem.

Results

Impact of the COVID-19 Pandemic on the Tourism Industry and Creative Businesses

The COVID-19 pandemic has profoundly impacted various sectors in Indonesia, particularly the tourism industry and creative businesses in Lampung Province. Before the pandemic, Lampung's tourism sector was thriving, with a steady increase in tourist arrivals. However, the onset of COVID-19 brought this growth to a standstill. The Indonesian government, recognizing the severity of the pandemic, declared COVID-19 a national disaster due to the rising number of cases and deaths and the absence of an effective treatment. To curb the spread of the virus, the government implemented Large-Scale Social Restrictions (PSBB), which significantly curtailed mobility and led to a drastic decline in tourism activities.

The pandemic's impact on Lampung's tourism and creative businesses is multifaceted. Firstly, the number of tourists visiting Lampung Province plummeted, affecting both domestic and international arrivals. This decline in tourism directly resulted in decreased revenues for businesses reliant on tourism, such as travel agencies, restaurants, and souvenir shops. The reduction in income led to severe financial difficulties for many businesses, with some being forced to close permanently.

Secondly, the pandemic exacerbated supply chain disruptions, particularly for creative businesses. The restrictions on movement and trade caused delays and shortages of raw materials necessary for production, further straining these businesses. Additionally, the financial hardships faced by businesses in the tourism and creative sectors led to widespread layoffs, contributing to an increase in unemployment in Lampung Province.

The negative impact on local culture was also significant, as tourism plays a crucial role in preserving and promoting cultural heritage. The decline in tourist activities meant fewer opportunities to showcase and maintain local traditions, leading to concerns about the long-term preservation of cultural identity.

On a positive note, the pandemic accelerated the adoption of Information and Communication Technology (ICT) in the tourism and creative sectors. Many businesses began using digital platforms for promotion, sales, and financial transactions. However, the shift to digitalization was not without challenges, as not all business owners possessed the skills or access to fully leverage these technologies.

Discussion

The challenges faced by the tourism and creative industries in Lampung Province during the COVID-19 pandemic are reflective of broader trends observed globally. The sudden and severe decline in tourism activity led to significant economic losses, which were particularly pronounced in regions like Lampung, where the economy is heavily dependent on tourism.

The pandemic highlighted the need for strategic adaptation and recovery

efforts to ensure the resilience of these sectors. One of the key strategies for recovery is the implementation of strict health protocols to restore tourist confidence. According to Abdulaziz et al. (2023), adherence to health guidelines is crucial for ensuring the safety of both tourists and industry workers, which in turn can help in gradually rebuilding the sector.

Moreover, the pandemic underscored the importance of innovation and creativity in navigating crises. As Kurniawan et al. (2023) noted, the tourism industry has previously faced crises, such as the SARS outbreak in 2003. However, the scale of the COVID-19 pandemic requires more drastic and innovative measures. This includes the development of new tourism products that align with the changing preferences of tourists in the New Normal era, as well as the enhancement of digital marketing efforts to reach a broader audience.

The role of government support is also pivotal in the recovery process. As highlighted by Saputra et al. (2020), the Indonesian government's focus on the Creative Economy is a key driver for national growth. Providing economic stimuli, improving infrastructure, and offering incentives for businesses are essential steps in revitalizing the tourism and creative sectors.

Additionally, the pandemic has opened up opportunities for the development of sustainable and responsible tourism. As Pham & Nugroho (2022) suggested, the promotion of village tourism, which emphasizes local culture and community involvement, can be an effective strategy for recovery. This approach not only supports economic development but also helps in preserving cultural heritage.

Collaboration between various stakeholders—including government agencies, businesses, and local communities—is crucial for the successful recovery and development of the tourism and creative sectors. By leveraging digital technology, enhancing human resource capabilities, and fostering innovative practices, Lampung Province can navigate the challenges posed by the pandemic and emerge as a resilient and thriving tourist destination.

In conclusion, while the COVID-19 pandemic has had a devastating impact on the tourism and creative sectors in Lampung Province, it has also provided an impetus for innovation and adaptation. Through strategic planning, collaboration, and a focus on sustainable practices, these sectors can recover and continue to contribute to regional and national development.

Conclusion

The Covid-19 pandemic has had a significant impact on the tourism industry and creative businesses in various regions, including Lampung Province. The drastic reduction in the number of tourists and restrictions on community activities have caused this sector to experience a decline in income and stagnation. However, amidst this challenging situation, opportunities also arise to innovate and adapt. Adaptation and recovery strategies need to be carried out comprehensively and involve various parties. The recovery of this sector will also provide economic and social benefits for the people of Lampung, such as creating new jobs, increasing income and preserving local culture. It is important to remember that the recovery of the tourism sector and creative businesses is an ongoing process and requires commitment from all parties. With solid cooperation and synergy, it is hoped that Lampung can again become an attractive tourist destination and become one of the leading sectors that supports regional economic development.

References

Abdulaziz, A. A., Algozaibi, A. M., Alquhaibi, A. S., Alali, F. N., Almutawaa, M. S., Roomi, M. A., & Bhatti, Y. A. (2023). Digital Healthcare Innovation and Development in Saudi Arabia During and Beyond COVID-19. *Science, Technology and Society*, 28(3), 370–386. <https://doi.org/10.1177/09717218231178229>

- Ajemba, M. N. (2022). Leadership style that is effective amidst a crisis such as the COVID-19 pandemic. *World Journal of Advanced Research and Reviews*, 16(2), 341–346. <https://doi.org/10.30574/wjarr.2022.16.2.1172>
- Baloch, Q. B., Maher, S., Shah, S. N., Sheeraz, M., Iqbal, N., & Raza, H. (2022). Revitalization of tourism and hospitality sector: preempting pandemics through lessons learned. *Environmental Science and Pollution Research*, 29(55), 83099–83111. <https://doi.org/10.1007/s11356-022-21392-7>
- Barusman, A. R. P., & Rulian, E. P. (2020). Customer Satisfaction and Retention and its impact on Turism in Hotel Industry. *Utopía y Praxis Latinoamericana*, 25(1), 117–126.
- Febriana, D., Basuki, P., & Singandaru, A. B. (2023). Tourism Destination Management Model In Mount Jae Campground As A Support Of Economic Growth For The Community Of Sedau Village, Narmada District, West Lombok District in 2020-2022. *International Journal of Tourism Business Research Page | 1 INTOUR*, 2(1).
- Fesun, A. (2022). Coronavirus Pandemic and Its Impact on Tourism Industry as a Part of Experience Economy. 399–410. <https://doi.org/10.15414/isd2022.s4.05>
- Haryana, A. (2020). Economic and Welfare Impacts of Indonesia's Tourism Sector. *Jurnal Perencanaan Pembangunan: The Indonesian Journal of Development Planning*, 4(3), 300–311. <https://doi.org/10.36574/jpp.v4i3.127>
- Hendra, J., & Hermawan, A. (2022). MSMEs Marketing Strategy During The Covid 19 Pandemic To Achieve Competitive Advantage. In *International Journal Of Humanities Education And Social Sciences (IJHESS) E-ISSN (Vol. 2, Number 3)*. <https://ijhess.com/index.php/ijhess/>
- Kumar, P., & Ekka, P. (2024). Statistical analysis of the impacts of COVID-19 pandemic on the small and large-scale tourism sectors in developing countries. *Environment, Development and Sustainability*, 26(4), 9625–9659. <https://doi.org/10.1007/s10668-023-03112-4>
- Kurniasih, D., Rosyadi, S., Sabiq, A., & Ahmad, A. A. (2022). Collaboration Challenges in Helping the Rural Creative Tourism Sector to Recover During the COVID-19 Pandemic. *KnE Social Sciences*. <https://doi.org/10.18502/kss.v7i9.10954>
- Kurniawan, M. N., Sakir, & Sutan. (2023). Upaya Pemerintah Dalam Menangani Pemulihan Dampak Covid-19 Pada Sektor Pariwisata Didaerah Istimewa Yogyakarta. *Jurnal Kebijakan Pembangunan*, 17(June 2023), 289–304. <https://doi.org/10.47441/jkp.v17i2.276>
- Kusuma, A. R. (2020). Community Empowerment Through Tourism Development in East Kalimantan. *Jurnal Ilmiah Ilmu Administrasi Publik: Jurnal Pemikiran Dan Penelitian Administrasi Publik*, 12, 489–500. <http://ojs.unm.ac.id/iap>
- Liu, Y. L., Chiang, J. Te, & Ko, P. F. (2023). The benefits of tourism for rural community development. *Humanities and Social Sciences Communications*, 10(1). <https://doi.org/10.1057/s41599-023-01610-4>
- Lolita, A. J., & Barusman, M. Y. S. (2024). Tourism Development Strategy at Minang Rua Beach, Kelawi Village using Differentiation Strategy. *East Asian Journal of Multidisciplinary Research (EAJMR)*, 3(3), 1333–1340. <https://doi.org/10.55927/eajmr.v3i3.8659>
- Lumempow, V., Posumah, J., & Kolondam, H. (2021). Evaluasi Kinerja Pemerintah Desa Dalam Menjalankan Tugas dan Fungsi (Studi di Desa Kotamenara Kecamatan Amurang Timur Kabupaten Minahasa Selatan). *Jurnal Administrasi Publik*, 7(103).
- Nugroho, M. N. (2016). Reorientation and Renewal of Indonesia Economy Education Curriculum Paradigm based on Creative Economy, Character Education and Local Cultural Values.
- Nuryadin, D., & Purwiyanta, P. (2023). Multiplier Effects of Tourism Sector in Yogyakarta: Input-Output Analysis. *JEJAK*, 16(1). <https://doi.org/10.15294/jejak.v16i1.40054>

- Pham, T., & Nugroho, A. (2022). Tourism-induced poverty impacts of COVID-19 in Indonesia. *Annals of Tourism Research Empirical Insights*, 3(2). <https://doi.org/10.1016/j.annale.2022.100069>
- Raassens, N., Haans, H., & Mullick, S. (2022). Surviving the hectic early phase of the COVID-19 pandemic: a qualitative study to the supply chain strategies of food service firms in times of a crisis. *International Journal of Logistics Management*, 33(3), 877–900. <https://doi.org/10.1108/IJLM-01-2021-0013>
- Rahmayani, D., Oktavilia², S., Suseno, D. A., Isnaini, E. L., & Supriyadi, A. (2022). Economics Development Analysis Journal Tourism Development and Economic Growth: An Empirical Investigation for Indonesia Article Information. *Economics Development Analysis Journal*, 1. <http://journal.unnes.ac.id/sju/index.php/edaj>
- Raras, P. N., Oktaria, E. T., Alam, I. A., Barusman, A. R. P., & Habiburahman, H. (2024). Hospitality Management Competence. *International Journal Of Education, Social Studies, And Management (IJESSM)*, 4(2), 613–624. <https://doi.org/10.52121/ijessm.v4i2.319>
- Ratna, W. D. P., Rizal, N., Riza, B. S., Fauziyah, & Dimyati, M. (2021). Empowering community through creative economy as a disaster risk reduction strategy in Indonesia. *E3S Web of Conferences*, 331. <https://doi.org/10.1051/e3sconf/202133104015>
- Saputra, R., Lewangka, U., Ruslan, M., Kecamatan, P., Kendari, K., & Tenggara, S. (2020). The Effect of Education and Training, Work Discipline, and Work Motivation on The Performance of Employees at the Human Resources Development Agency. In *Idn. J. of Business and Management (Vol. 3, Number 1)*. <https://postgraduate.universitasbosowa.ac.id/index.php/jbm>
- Shiwen, S. (2021). Analysis of The Effect of Supervision on Employee Performance with Employment Conflict as Moderator in Steel Company. *International Journal of Research in Engineering, Science and Management*, 4(9), 242–244.
- Sutoni, A. (2021). Tourism Industry Development Strategy: A Concept and Case Study of a Tourism Village.
- Yamin, M., Darmawan, A., & Rosyadi, S. (2021). Analysis of Indonesian Tourism Potential Through the Sustainable Tourism Perspective in the New Normal Era. *Jurnal Hubungan Internasional*, 10(1). <https://doi.org/10.18196/hi.v10i1.10500>
- Yang, T., Yan, Z., & Wen, J. (2021). Impact of COVID-19 Pandemic on Smart Tourism.