

Chapter 4


Emergence of Services Business Strategies During COVID-19

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ABSTRACT

The 21st century has been fighting against COVID-19, an infection caused by a virus SARS CoV-2. On 30th January 2020, the World Health Organization stated this condition as an international health emergency. Furthermore, on March 11, 2020, it was declared a global pandemic. The pandemic COVID-19 destroyed the health systems at a large scale and the businesses globally. Service, as well as manufacturing industries, faced significant challenges during this pandemic situation of COVID-19. Infodemic is one of the biggest challenges that creates severe problems for the business community. In such circumstances, businesses have to adopt unique business strategies to sustain and gain a competitive edge. The current study evaluates different business strategies like digital servitization, travel insurance, skunkworks structural approach, black swan, etc. adopted by different service sectors, based on a systematic review approach. Mostly, the research paradigm is focused on the aviation industry, and less attention is given to other service sectors like education, banking, etc.

INTRODUCTION

From many centuries, human race is transforming its growth from agricultural sector to information/communication sector and this economic development has not only develop different sectors like manu-

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facturing and service but also change lifestyles. During 20th century, developed countries have shifted their economic plans based on service industry and same pattern is followed by developing world (Cheng, 2013). Globally, the expansion in service sector is driven by digital technologies that focused on cost-advantage strategies in developed world due to accessibility of information. Coronaviruses mostly trigger pandemics and epidemics with a high infection rate, and it mutates very quickly. So, these pathogens can cause unexpected outbreaks at any time. In the past, it has been noticed that coronaviruses spread mostly from animals to human beings. Then, those infected human-beings pass on the infection to other people through their droplets or smear. In 2002, the world was attacked by severe acute respiratory syndrome (SARS) virus spread from birds to human beings. Tse and Leo Sin (2006) concluded that SARS epidemic as one of the natural environmental situations that demand hotel/restaurants to design recovery strategies by following crisis management.

Similarly, Middle East Respiratory Syndrome (MERS) was identified in 2012 and transmitted from camels (Al-tawfiq & Zumla, 2014). It is admitted that SARS in 2003 triggered by a coronavirus was the first time declared as an epidemic in the age of the internet and globalization. It was identified in South Asia, and more or less 8000 people were infected from November 2002 to June 2003. The most affected countries were P.R.China and Hong Kong (Mackey & Liang, 2012), followed by Taiwan, Singapore, and Canada. Although the SARS infection rate was meager among people, it affected the global economy (Uğur & Akbıyık, 2020).

The twenty-first century has been fighting against COVID-19, an infection caused by a virus SARS CoV-2. This virus was identified in Wuhan (Hubei province), the People's Republic of China, in December 2019 and spread globally within no time. Initially, COVID-19 appeared in the market of live animals from where it was transmitted to human beings. It was found as the causative agent in several patients who suffered from pneumonia. From China, this infection spread out all over the world and struck the global economy. On 30th January 2020 - World Health Organization (WHO) declared this situation an international health emergency. Further, on March 11th, 2020 – it was announced as a global pandemic situation (Lai, Shih, Ko, Tang, & Hsueh, 2020). According to WHO's weekly briefing, dated 29th November 2020 - there have been over 61.8 million cases and over 1.4 million deaths globally ("Weekly epidemiological update - 1 December 2020," n.d.).

According to Strong & Wellburn (2020), general practices recommended by WHO regarding social distancing and staying at home taught people with ways to recalibrate their daily routines. This change in customers' lifestyle have direct effect on business operations and procedures, especially when considering business related to service providers such as educational organizations, entertainment organizations and transportation organizations. Based on the information provided by health agencies, government officials of every country have adopted an inhibition strategy to control the outbreak, through wider social distance, wearing a mask in public places, and by using soap and sanitizers repeatedly. Various measures have been taken by nations to reverse the pandemic growth and to survive their healthcare systems against such pandemic pressure. Such actions provoked worse effects in the form of border restrictions that caused complete/partial lockdowns of cities, temporarily closing public and private institutions, including schools, colleges, universities, restaurants, hotels, convention centers, and markets.

Such epidemics and pandemics on a large scale affect human health and ruin every country's economic condition, especially developing countries, which face substantial financial losses. According to medical experts, the course and duration of the COVID-19 outbreak is still unpredictable, so to estimate its impact on the global economy is not possible for economists and business communities. However, it damages the global economy much more than the SARS outbreak and other global epidemics and

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