

ASSESSING THE IMPACT OF COVID-19 GLOBAL PANDEMIC TOWARDS BUSINESS EVENTS INDUSTRY IN MALAYSIA: A CRISIS MANAGEMENT PLAN

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Abstract: The outbreak of Covid-19 pandemic has resulted in cancellations and postponements to all different types of events causing a severe impact including in the business events sector. The worldwide pandemic crisis has had a varied regional and local impact, with substantial implications for crisis management and policy responses. Hence, this study will investigate the significant aspects in relation to this crisis and later attempt to propose a crisis management plan as a guideline to handle this global pandemic that may soon becoming an endemic in the future. This exploratory research will adopt a qualitative approach to gather in-depth information from important stakeholders in the sector to examine the impact of Covid-19 to the businesses. This research supports the development of a strategic guidelines on crisis management and the understanding on the significance of improved responses to outbreaks of infective diseases such as Covid-19.

Keywords: Business Events, Covid-19, pandemic, endemic, crisis management-framework

JEL Classification Number: M0, I0, I1, Y9, Z3

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1. Introduction

Early studies such as Davidson and Cope (2003) and Bauer, Lambert and Hutchison (2001) disclosed business travelers' value has been well recognised in current hospitality and tourism literature. According to Unger, Uriely and Fuchs (2016), business travelers are a distinct type of tourists, accounting for 13% of the international tourism sector (World Tourism Organization (UNWTO), 2019).

According to Tan Sri Dr. Ong Hong Peng, former Secretary General Ministry of Tourism and Culture (retrieved from Malaysia Convention & Exhibition Bureau (MyCEB, 2020), business events is considered as an important component of Malaysia's tourism offering. To secure Malaysia's position as a leading tourist destination, the Ministry of Tourism and Culture has adopted the private-public partnership approach through the National Key Economic Area's (NKEA) Tourism platform by focusing on leisure and business tourism. Business events is projected to generate RM3.9 billion in additional Gross National Income in 2020, creating 16,720 new jobs, and attract 2.9 million visitors, up from 5% to 8% of overall visitor arrivals to the country (MyCEB, 2020).

Unfortunately, the outbreak of Covid-19 pandemic which was first identified on December 2019 in Wuhan, China (World Health Organization (WHO), 2020) has caused many countries to issue Restrictions or Movement Control Order and/or Lockdown. Thus, unexpected phenomenon halted the growth of the business event industry all around the world including Malaysia. According to MACEOS (Malaysian Association of Convention and Exhibition Organisers and Suppliers), (retrieved from Kamel, 2020) since the outbreak of COVID-19, it has had a significant impact on the business events sector in Malaysia, with an estimated of 1,250 business events delayed or cancelled, resulting in a financial loss of over MYR1.75 billion which had paralysed the industry.

1.1 Problem Statement

Covid-19 is a huge global crisis on the scale that has never been seen before, causing millions of infections and deaths all over the world. Because of the distinctions between Covid-19 and other epidemics/pandemics, this latest type of pandemic necessitates different approaches and techniques to mitigate its effects. Furthermore, according to various surveys, health experts and researchers believe that Covid-19 will likely to never entirely vanish and will become endemic (Etten, 2021; Philips, 2021; and McNamara, 2021). As a result, when pandemics become an endemic, it will be a question of what will become the new standard for the business event industry in the future, thus, justifying the needs of an established crisis management framework to mitigate its impact.

Few studies on crisis management have been published, such as Ritchie and Yawei's (2019) study on tourist crisis and disaster management, which highlighted three areas: crisis readiness and planning, crisis response and recovery, and crisis resolution and reflection. The articles, including the framework tests, were found to be lacking in conceptual and theoretical foundations, resulting in uneven study themes. On the other hand, Chen, Feng, Chen, Lee and An (2021) in their study focusing on diseases, showed that researchers lack attention to the risk posed by tourism-related diseases, and research on these are often synchronized with the occurrence of major international diseases and the development trends in tourism. Additionally, diseases are related to tourism, and they can interact with each other; research on disease risk management lacks a theoretical basis and the research themes are uneven, leave behind a significant gap to explore in this domain.

On another note, according to a study by Nasir, Alagas and Ismail (2020), there are still a few gaps remain unscathed regardless of the importance of the business events industry. Professional Convention Management Association (PCMA), (2020) also added that the need for a precise standards or policies to assist Malaysia business event industry stakeholder during Covid-19 was clear evidence on the need to develop a proper crisis management framework to avoid the repeat of this disaster.

Hence, based on the abovementioned facts, the aims of this research study are to explore the impacts of Covid19 pandemic towards the business events industry by identifying the important factors in managing this crisis. At the final phase, the study would later come out with a development of crisis management framework especially for the business events industry in Malaysia.

2. Literature Review

2.1 Risk in Mass Gatherings

Alqahtani, Alfelali, Arbon, Booy and Rashid (2015) and Abubakar, et al., (2012) reported that there are higher probability in increasing the risk for transmission of communicable diseases for most of the major mass gathering due to the attendees coming from all over the world, and it either brought from other regions into the host country or are spread out from the host country to the new ecological settings by participants travelling back to their home country.

One of the theory proposed for this study is risk perception. During an epidemic outbreak, people may alter their behaviour to lower their chance of infection (Lau, Tsui, Lau & Yang, 2004). More than 75 percent of respondents would avoid public transportation and 20–30 percent would try to stay indoors in a hypothetical pandemic (Sadique, et al., 2007).

2.2 Infectious Diseases in Mass Gatherings

Study by Hoang and Gautret (2018) reported that there were an increase in children presenting with severe diarrhoea related to Rotavirus between July 10 and 24, 2013, during Kiribati's annual independence festivities. In all, 1118 cases of gastroenteritis were documented, with 6 (0.5%) of the 103 (9.2%) hospitalised people dying. Table 1 shows past several infectious diseases in sport events.

Table 1: Outbreaks at mass gathering sport events

Event, Place, Year	Cumulated number of attendees	Syndromic Classification (pathogen involved)	Case numbers
International Special Olympics, USA, 1991	200,000	Respiratory (measles virus)	25
Winter Olympiad, USA, 2002	ND (not documented)	Respiratory (influenza)	36
International youth sporting event, USA, 2007	265,000	Respiratory (measles virus)	7
International youth ice hockey competition, Latvia, 2015	5,000	Gastrointestinal (Salmonella enteritidis serogroup D)	214

Source: Gautret and Steffen (2016)

2.3 Crisis in Hospitality Related to Endemic/Pandemic Outbreak

Past studies have shown the 2006 Avian Flu, SARS in 2003, and Foot and Mouth illness in 2001 were all major health-related crises events that had an influence on the hospitality and tourism business. (Baxter & Bowen, 2004; Page, Yeoman, Munro, Connell & Walker, 2006; Tew, Lu, Tolomiczenko & Gellatly, 2008). Additionally, Swine Flu pandemic in 2009 has recorded 284,000 deaths. Tourism loss was US\$2.8 billion (Rassy & Smith, 2013 as cited in Smith, Machalaba, Seifman, Feferholtz & Karesh, 2019). The Ebola outbreak in 2014 and 2015 is another example of a health-related crisis occurrence. In 2015, the outbreak caused a 5% drop in revenue for the African tourism industry. (Novelli et al., 2018, as cited in Smith et. al., 2019).

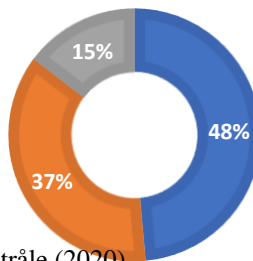
Following the start of the Avian Flu epidemic, there was a decline of 12 million arrivals in Asian and Pacific countries (Wilder-Smith, 2006). According to the World Travel and Tourism Council (WTTC) (2003), roughly 3 million individuals in the tourism industry lost their jobs as a result of the SARS pandemic in the most seriously impacted nations of China, Hong Kong, Vietnam, and Singapore, resulting in GDP losses of more than \$20 billion.

2.4 The Impact of COVID-19 Pandemic

Several studies were conducted resulted on several impacts towards the event industry worldwide.

Figure 1: Impact of Covid-19 on events in Northern Europe

■ Events Postponed ■ Events Cancelled ■ Changed to webinar or similar ■



Source: Kauppila & Ridderstråle (2020)

Table 2: Survey of Event and Entertainment Management Association (EEMA) with 170 companies of their members which are affected by COVID-19

Impact	
Financial Loss (events industry worldwide)	\$666 million (till April 2020)
Jobs Loss (events industry worldwide)	85.9 million
Events Cancellation	90% around 52.91% of companies (March – July 2020)
Retrenchment	50%-80% of workforce -7 companies 25% - 50% of workforce – 35 companies
Revenue loss	63.1% (107 companies)
Raise capital/debt to survive	97 companies

Source: Madray (2020)

3. Methodology

This study required in-depth knowledge from the event stakeholders regarding the topic, hence, qualitative approach will be applied for this research. The information will be examined from the perspectives of Malaysian business event's suppliers, organizers, associations as well as venue providers. Open-ended interviews will be conducted both online and offline (when permitted) to gauge respondents' perceptions. Thematic analysis is a technique for exploring the themes of the study. The emerging themes will then be the key components in constructing the crisis management framework.

4. Conclusion

The business events industry in Malaysia has grown tremendously over the last decade.

Malaysia has currently ranked at the top 35 in the world under the number of meetings worldwide category. 155 business events secured for the next 6 years that contribute to an estimated economic impact of RM2.39 billion (MyCEB, 2020). Covid-19 pandemic has shown how important crisis management is. To overcome a crisis effectively, it is important to first identify and understand the key factors. Developing a crisis management plan is the next important step.

The proposed framework is relevant to support business event organizers and the government to develop the strategies.

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