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Impacts of Covid-19 on Retail Businesses and Airlines Industry

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Introduction

The arrival of the Covid-19 pandemic is associated with devastating information due to death and suffering, making governments in different countries scramble for a response which involved imposing lockdowns, travel restrictions, and mandating that masks were to be used to minimize the spread of the illness. As of February 2023, covid-19 had affected more than 679 million people, claiming the lives of more than 1.6 million people across the globe. In this paper, we will research about covid-19 impacts on both Retail businesses and the airline industry.

Imposing lockdown and travel restrictions in both domestic and international borders did not only impact retail business but also impacted airline industries as flights were not allowed to visit areas associated with higher covid-19 cases. To curb the spread, the government urged residents to remain at their homes until the illness was contained, and this was a fundamental setback for the united states as millions of jobs were cut, and people had to rely on the government for food and safety and other operations.

Due to domestic travel restrictions and fear, millions of people would hardly come out of their homes, and businesses depended on these people as their customers; they minimized their profits, making them reduce their worker's wages. Businesses were required to adapt to changes in the market, which involved censure of business operations and interruption of the working schedules of business employees. Some of the policies adopted by retail businesses included working from home, which maximized social distance between workers reducing Covid-19 spread.

Covid-19 affected the airline industry by leading to a massive drop in demand due to travel restrictions and border closures due to policies set by different states and countries. The

massive drop in demand resulted in losses of billions of dollars and widespread global bankruptcies. Due to the alarming numbers of covid-19, airlines were forced to lay off their employees, cancel flights and reduce capacities as they struggled to meet the protocols set. Smaller airlines minimized their profits, going bankrupt, leading to cease of their operations, while others depended on financial support from the government for them to remain running.

According to the Bureau of labor statistics, covid-19 had a significant impact on both retail business centers and airlines business as it increased the unemployment rate increased from 3.5% in march 2020 to 15.7% in April 2020 as most of the businesses had to remain permanently closed while the management teams of other retail centers encountered numerous problems to keep up with the challenges in the market. The increasing number of unemployment required different countries to work together to curb the spread of the illness.

Working together required scientists from all parts of the globe to collaborate in coming up with a vaccine that would reduce the number of covid-19 infections and make economic activities go on as expected, thus stabilizing the market. Covid-19 vaccination started in December 2020, with the Pfizer-BioNTech covid-19 vaccine, which had more than 95% efficiency in preventing Covid-19. The vaccines increased customer confidence which made businesses start running normally, allowing the ceased retail center to start operating normally, thus allowing the economy to start stabilizing.

Research question

The emergence of covid-19 marked a significant turning point in economic activities as it changed the financial performance of business and customer behaviors in the retail and airline industries. The changing financial position required businesses to set up new strategies for achieving their financial needs allowing them to run effectively despite the impacts. This

research paper will address how covid-19 pandemic impacted the revenue and operations of retail businesses and the airline industry and the strategies these companies could adopt to meet the changing conditions in the market.

Method

This research will use primary and secondary data sources to gather information about the impacts of covid-19 pandemic on The primary data sources that will be involved in the research will include surveys and interviews with different people working in the retail and airline industries based on the challenges they faced and how they overcame them. On the other hand, I will use case studies such as journals, case studies, and articles to find challenges the retail business faced during covid-19 period and how these companies overcame covid-19 challenges.

Conclusion

This research paper will focus on examining the impact of covid-19 on both retail businesses and the airline industry. With the help of both primary and secondary sources, we will know how retail businesses and airline industries were able to adopt a strategic plan for preventing the impacts of covid-19, thus allowing them to remain consistent in revenue generation. When researching how covid-19, we will discuss how various measures contributed to revenue generation, thus leading to the overall success of these companies.

Bibliography

Beckers, J., Weekx, S., Beutels, P., & Verhetsel, A. (2021). COVID-19 and retail: The catalyst for e-commerce in the United States? *Journal of Retailing and Consumer Services*, 62, 102645. Ret from <https://www.sciencedirect.com/science/article/abs/pii/S0969698921002113>

Beckers is the author of this article, and he uses it to address the impacts of covid-19 in retail sectors that are located in the United States. According to Beckers, covid-19 caused retail centers to drop their profits by 40% in April 2020 compared to the previous year. Reduction of sales led to the temporary closure of stores to meet the protocols that had been stated by the government. Beckers evaluated the short-term and long-term impacts of the pandemic using survey methodology, noting that covid-19 contributed mainly to three factors which include electronic retailing, which led to the accessibility of the business products, but professionalism lacking in electronic trading, thus preventing the retailers from maintaining their market share. Becker suggests that electronic retailing was crucial for business development as it allowed customers from all parts of the country to buy commodities, thus keeping retail centers running despite the illness.

Sayyida, S., Hartini, S., Gunawan, S., & Husin, S. N. (2021). The impact of the COVID-19 pandemic on retail consumer behavior. *Aptisi Transactions on Management (ATM)*, 5(1), 79-88. Retfrom <https://academic.oup.com/af/article/11/1/33/6129038>

Sayyida is the author of this article, and she starts by discussing how, before Covid-19, emergence was a complex market as the disassembly of beef animals led to

thousands of different products which were associated with both food services and retail grocery. After covid-19 broke the supply chain of these products, workers would hardly access these manufacturing firms impacting the retail grocery and food service sectors. Furthermore, the hospitality industry was heavily impacted when food services were shut down, packaging plants were disrupted, and operations in the country would no longer take place normally. This required the processing companies to adopt different strategies to preserve the food products from the impacts associated with the supply chain.

Thepchalerm, T., & Ho, P. (2021). Impacts of COVID-19 on airline business: An overview. *Reference to this paper should be made as follows: Emamian, A, 81-91. Retfrom https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3874441*

This article was written by Thepchalem, addressing the impacts of covid-19. According to the world of aviation and the world economy, the number of passengers whom aviation companies shipped the occurrence of illness reduced the number of passengers from 4.4 million to 1.7 million, which was marked by losses in the airline companies. Despite airlines being affected, they implemented a new cost management system to cater to the reduced number of air travel and also prioritized more on cargo shipments, thus allowing them to maintain their revenue and financial performance.

Fontanet-Pérez, P., Vázquez, X. H., & Carou, D. (2022). The impact of the COVID-19 crisis on the US airline market: Are current business models equipped for upcoming

changes in the air transport sector? *Case Studies on Transport Policy*, 10(1), 647-656. Ret from <https://www.sciencedirect.com/science/article/pii/S2213624X22000256>

This article was written by Fontanet-Pérez, addressing how the ten main united states airlines analyzed their financial performance during the first year of the covid-19 pandemic. After the occurrence of the pandemic, the services that were offered by airline companies reduced exponentially. This made the airline companies' management monitor the market trends and change the business model, thus allowing the businesses to keep running despite the illness. The airline companies used all possible ways to optimize their cost, such as utilizing low-cost carried out and a regulatory framework to monitor the changing markets, thus preventing the airlines from running out of funds. Fontanet-Pérez suggests that actions that were taken by the airline industries to formulate new travelling means allowed them to cope with their financial needs to keep the aviation industry running.

Seetharaman, P. (2020). Business models shifts: Impact of Covid-19. *International Journal of Information Management*, 54, 102173. Retfrom <https://www.sciencedirect.com/science/article/pii/S0268401220309890>

Seetharaman is the author of this article, and he addresses how businesses had to change their models to meet their requirements in the market. After the occurrence of covid-19, both airlines and retail centers had to move various services virtually where customers would access them from all parts of the globe, thus minimizing travel from one point to another. After digitalization, companies had to introduce effective support to their customers, making their customers know more about them, thus increasing awareness about the products offered by these companies. Seetharaman suggests that conducting an effective

analysis was an essential step for businesses before they shifted their operation model as different businesses were associated with different models, and there was the need for them to use the most effective model, thus contributing to their success.



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