

New Research Directions post COVID-19 – A Tourism Economics Perspective

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Leading Hospitality and Tourism



Crisis and Opportunities

- COVID-19 has been having a profound impact on the tourism industry worldwide
- This impact will be felt far beyond the current pandemic
- Practitioners are disparate for recovery strategies and solutions
- This provides academics with research opportunities

Possible Research Directions

- Will the pandemic have a one-off effect or long-term effect on tourist/firm behavior?
 - If the impact is temporary/ transitory, existing theoretical frameworks should still be useful/sufficient – incremental/confirmatory research
 - If the impact is long-term/permanent, new theories/extensions of existing theories are necessary – ground breaking/innovative research

Possible Research Directions

- Behavioral economics – rational man vs emotional man
 - Temporal discounting – immediate reward vs reward requires a wait
 - Revenge travel or wait and see?
 - Loss Aversion – Although we love to win, but we hate to loss even more
 - Demand responses to the influencing factors during normal period vs the time of crisis
 - Anchoring and Framing
 - Anchoring refers to the fact that our behavior relies heavily on the initial information we receive – timely, accurate and authoritative information on the pandemic affects tourist intention to travel (where and when)
 - Framing suggests the ways in which our decision is affected by how the information is framed – formulating effective tourism policies during pandemics

Possible Research Directions

- Mental Accounting – people classify money subjectively, which may lead to irrational expenditures
 - Charitable Donations – regular income vs windfall?
- Social Norms
 - Injunctive norms (what society hopes you do) vs Descriptive norms (what society does)
 - Different travel behaviors between Western and Eastern travelers during and after COVID-19?

An Example

Designing Effective Public policies to Mitigate the
Social Costs of Tourism during COVID-19

Background

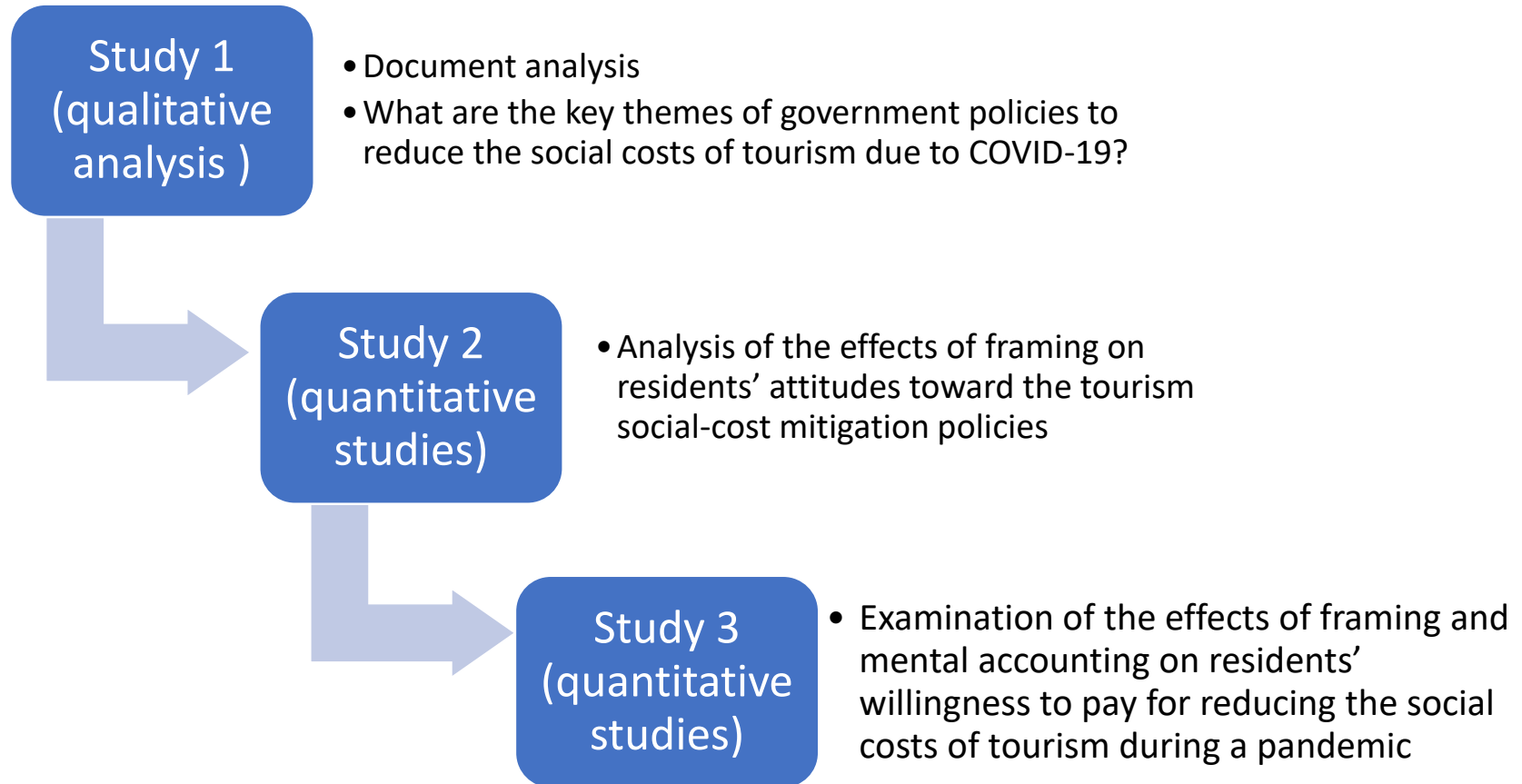
- Tourism may induce social costs at destinations during a pandemic
- Movement of tourists may amplify the spread of infectious virus
- Destinations tend to introduce different policies to reduce the social costs of tourism during major public health pandemics
- To understand the factors that influence residents' responses toward policies to mitigate the social costs of tourism in a pandemic

Research Objectives

- To examine how to design effective policies to mitigate the social costs of tourism during the pandemic
- Explore the effect of information framing on residents' attitudes toward the tourism social-cost mitigation policies
- Examine the influence of framing and mental accounting on residents' willingness to pay for tourism social-cost reduction during a pandemic

Research Design

This research comprises three studies, corresponding to the three research objectives.



Results

Study 2 results

Positive framing induces respondents' positive bias in favour of the proposed policy measures, as compared to the negative framing

Respondents who are **employees in tourism-related industries** or currently residing in **cities with more confirmed cases** of viral infection **perceive the policy measures as less effective.**

Study 3 results

Residents' **willingness to pay** for reducing the social costs of tourism in a pandemic through donation is **influenced by mental accounting.**

Respondents are **more likely to donate** to charitable foundations **using unearned income** than using earned income.

Contributions



This study contributes to the debates on the effectiveness of different types of public policies in fighting against the pandemic.



It also contributes to the literature on residents' attitudes toward public policies designed to mitigate the social costs of tourism and their behavioral intentions.



Framing information positively to maximize the public policy benefits.

Mitigating Tourism Social Costs during a Pandemic: Evaluating Residents' Perceptions and Behavioral Intentions

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and Mengxin Chen¹

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Abstract

During a pandemic, tourism can inflict negative social costs on communities in tourist destinations. This study examines factors affecting residents' responses to policies to mitigate the social costs of tourism during a pandemic. Two hypothetical scenarios are analyzed. Study 1 investigates framing effects on residents' attitudes toward the effectiveness of policy measures; study 2 explores the impact of mental accounting on residents' willingness to pay. Findings show that residents perceive policy measures as more effective if their positive outcomes of such measures are highlighted. Also, residents are more willing to fund social cost mitigation with unearned income, such as anti-pandemic bonds, than through their salaries. This article contributes to academic debate on the efficacy of public policies in combating pandemics and extends the literature on framing and mental accounting in tourism research. Policy implications of these findings are also discussed.

Keywords

pandemic, social costs, framing, mental accounting, policy



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