Innovation in Times of Crisis
What Strategies are Travel Agencies utilizing to survive the COVID-19 Crisis?

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Abstract

The COVID-19 pandemic has forced a worldwide lockdown creating devastating shock to the world's economy and the activities of millions of companies, not least travel agencies. According to the World Travel and Tourism Council (2020), the coronavirus pandemic could cut 50 million jobs globally in the travel and tourism industry. The main objective of this exploratory research is to discover the strategies currently utilized by small and medium travel agencies to survive this unprecedented circumstances. The research was created with the support of eight travel agency owners from the Netherlands, Denmark, Mexico, Czech Republic, and Spain to create a deeper understanding of what practices companies are utilizing to survive in their specific environment. The results of this research shows that travel agencies are utilizing new practices for this particular crisis compared to the 2008 economic crisis, some of the practices discovered were: Employee engagement measurements, Client Relationship Management, creative Marketing campaigns, receiving Support Packages from the government and in one case, closing down their business entirely. This global event has forced us to adapt as individuals as much as we have to adapt as companies; Innovation in times of crisis and the ability to adapt in this particular crisis may be the life vest that protects the jobs and livelihoods of millions of people across the world.
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1.- Introduction

The following research will answer **What are the current practices that travel agencies are utilizing to survive the COVID-19 crisis?**. The tourism sector is a significant part of the national economy of many, if not all countries; the present shock to the tourism sector resulting from this crisis has contributed to a larger impact on the rest of the world's economy (OECD, 2020). Governments around the world have introduced unprecedented measures to contain the virus: travel restrictions and public gatherings of the population have forced the travel agency’s operations to a full stop and scramble to survive the economic impact that this virus has brought to their businesses.

Six months into the crisis, the situation continues and the future is still uncertain. According to the Organisation for Economic Co-operation and Development (OECD) recovery is now expected to start later and be slower than previously foreseen, “travel restrictions and containment measures are likely to be in place for longer, and are expected to be lifted only gradually, with the possibility of reversal should new waves occur.” (OECD, 2020). The main concerns are new health, legal, and social protocols that could potentially restrict their operations in this “new normality” we are facing today. The clients’ fears and new behaviors will be deeply impacted the longer the pandemic goes on and produce devastating results for the tourism sector.
The OECD (2020) stated that the revised scenarios indicate that the implied shock could amount to a 60-80% decline in the international tourism economy in 2020, depending on the duration of the crisis and the speed with which travel and tourism rebounds. The travel agency sector has been affected more than any other industry in the world and it is for this reason that the relevance of this research aims to reveal the most popular practices in past crises as well as the current practices that travel agencies are utilizing today to survive the ongoing crisis.

The chosen structure for this thesis will begin with the literature review to create a strong foundation of the theoretical concepts related to innovation and crisis management. After reviewing relevant literature, the Methodology chapter will guide the reader through the methodological choices made to conduct the data collection of the travel agencies who participated in this study. The following chapter consists of Analysis of the empirical research, where I will present findings from the interviews I conducted to create a comprehensive overview of which strategic practices were followed and which were not. Due to the novelty of the COVID-19 crisis, this research proposes analyzing in retrospect the known practices utilized by travel agencies in the economic crisis of 2008. In the Discussion chapter, I will reflect and compare the new practices found in the analysis to the previous practices utilized and create an internal debate to understand why the agencies are behaving similarly to or differently from the 2008 crisis. The next chapter will be the limitation of my research to critique my methodological decisions and share my personal insights for future academics interested in this particular field of study and to recommend some guidelines for a more precise research. At the end of this research, there will be a
2. Literature review

The objective of this chapter is to create a comprehensive overview of concepts related to the survival of travel agencies in times of uncertainty brought up by crises. The general objective of this literature review is to boil down what previous authors have proposed as relevant when trying to understand the key reasons for the survival of businesses in crisis through the use of innovation. This segment will introduce a wide variety of related concepts and theoretical context to lay a clear foundation to support my research and understand how travel agencies can innovate in times of crises, particularly the COVID-19 Pandemic.

I will begin with defining innovation and forms of innovation that exist as it is the most important concept to understand in this paper; Next, I will be defining the capabilities of a business to innovate by understanding the concept of dynamic capabilities and allocation of resources. Finally, I will dive deeper into the known definition of Business Model Innovation, the current tools that exist to facilitate innovation and I will finish with crisis management in the travel agency context by researching the most popular practices utilized by travel agencies in the past 2008 economic crisis.

2.1- Innovation
Nowadays organizations are living in extremely fast-changing, competitive, and unpredictable environments. In order to develop competitiveness in these conditions, it is claimed that innovation is paramount and imperative for success (Tushman and O'Reilly, 1996). Let’s begin by mentioning the different definitions and forms of innovation that exist in the academic world. According to some authors, the word innovation originated from the Latin word “innovare” which means “to make something new” (C. Lin, 2006). Peter Drucker, a scholar and a professor who had a great deal of influence in the definition of corporations defined innovation as the entrepreneur’s ability to exploit change for a diverse business or service (Drucker, 1985). He claimed that innovation can be presented as a discipline that can be learned and practiced (ibid.) Other authors are more in line with each other and define Innovation as “an idea, practice, or object that is perceived as new by an individual or other unit of adoption” (Daugherty et al., 2011; Grawe, 2009; Rogers, 1995). Some simpler definitions state it as “a process of transforming an opportunity into fresh ideas and being widely used in practice.” (Tidd et al, 1998), “any idea, practice, or material artifact perceived to be new by the relevant unit of adoption.” (Zaltman, Duncan, & Holbek, 1973, p. 10), “innovation is the process that turns an idea into value for the customer and results in sustainable profit for the enterprise.” (Carlson & Wilmot, 2006, p. 4). Even though these definitions are quite complementary, It should be considered a mistake to define Innovation without quoting Joseph Schumpeter who has been named by one of the biggest educational publishers in the world as the “prophet of innovation” (McCraw, 2007).
Before mentioning his take on innovation, Schumpeter defines the forms in which a business can innovate; In his book “The Theory of Economic Development” he states that there are five forms of innovation: 1. **The launch of a new product** or a new species; 2. **Application of new methods of production** or sales of a product (not yet proven in the industry); 3. **Opening of a new market** (the market for which a branch of the industry was not yet represented); 4. **The exploitation of new resources** of supply of raw material or semi-finished goods; 5. **Restructuring companies** such as the creation or destruction of a monopoly position. Schumpeter basically stated that anyone seeking profits must innovate (Schumpeter, 1943).

Schumpeter's defines innovation as “Neue Kombinationen”, new combinations, and “an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry (Schumpeter, 1943, p. 132).

With all due respect to Schumpeter, I believe if he is considered “a prophet” I can presume that even he would disagree on his definition of Innovation if it is not innovated, so I decided to research recent definitions of Innovation and compare them with Schumpeter’s. The Oslo Manual which is an essential worldwide tool for statisticians and policymakers related to innovation defines innovation as: “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations”(OECD, 2005, p. 46). They continue by adding some requirements for an innovation to be considered innovative, and those requirements state that Innovations “must be new (or
significantly improved) to the firm; it can be a single significant change, and - it must have been implemented" (ibid.). The implementation I believe is a more hands-on approach versus Schumpeter's definitions which could be left in the subjective world, however, If you compare this definition with Schumpeter's one can argue that there has not been a significant change in the meaning of innovation throughout the years. Between Schumpeter and the Oslo Manual, there are many other authors who have defined innovation as well. I found it relevant to mention other authors with complementary definitions of innovation.

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Howard and Sheth (1969)</td>
<td>Any new element brought to the buyer, whether or not new to the organization.</td>
</tr>
<tr>
<td>Mohr (1969)</td>
<td>The degree to which specific new changes are implemented in an organization</td>
</tr>
<tr>
<td>Damanpour and Evan (1984)</td>
<td>Broad utility concept defined in various ways to reflect a specific requirement and characteristic of a particular study.</td>
</tr>
<tr>
<td>Kenneth Simmonds (1986)</td>
<td>Innovations are new ideas that consist of: new products and services, new use of existing products, new markets for existing products, or new marketing methods.</td>
</tr>
<tr>
<td>Business Council Australia (1993)</td>
<td>Adoption of new or significantly improved elements to create added value to the organization directly or indirectly for its customers.</td>
</tr>
<tr>
<td>Nohria and Gulati (1996)</td>
<td>Any policy, structure, method, process, product, or market opportunity that the manager of a working business unit should perceive as new.</td>
</tr>
<tr>
<td>Rogers (1998)</td>
<td>Involves both knowledge creation and diffusion of existing knowledge.</td>
</tr>
<tr>
<td>The European Commission Green (1999)</td>
<td>Successful production, assimilation and</td>
</tr>
</tbody>
</table>
The definitions of innovations are vast and yet it seems that there is always one common concept represented in all of these definitions, “novelty” applied to organizations, environments or markets. The main differences between these definitions are how the novelty is applied to different contexts and so, these definitions are to be remembered as they are relevant to discuss how companies innovate in times of crisis.

There are some cases where Innovation has to take a critical decision in the organization and it may force companies to evaluate changing their entire business model to adapt to the “new reality” created by the Coronavirus. I will briefly define the definition of a business model (BM) and its purpose as it is a relevant application of innovation in the current crisis as companies are not able to perform as usual.

Having one single definition of a business model “is no easy task as there are almost as many definitions of a business model as there are business models” (Teece, 2010, p.1). Teece defines business models (BMs) as “the architecture of how a firm creates and delivers value to customers and the mechanisms employed to capture a share of that value ”(ibid.). The essence of a BM is defining the manner in which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit (ibid.). Without the right balance between creation, delivery, and capture, the model will not be operating for very long, at least not by

Table 1 - “Theoretical approach of the concept of innovation “ Ioan Lala Popa, Gheorghe Preda, Monica Boldea 2010 p 152.
for-profit enterprises. As I understand it, the BM outlines the manner in which customers are served and money is made.

The extent of literature that focuses on BMs is vast, I will draw some definitions from some of the most cited authors to create a general understanding of the concept. Christoph Zott states that BMs are quite difficult to define under one common research scope and therefore it must be divided into four main groups: BMs as a new unit of analysis, BMs as a systemic perspective on how to do business, BMs encompassing boundary-spanning activities (performed by a focal firm or others), and BMs focusing on value creation as well as value capture (Zott et al., 2013). For the purpose of this paper, we will focus only on the last-mentioned group addressing BMs as value creators and value capturers. The most accurate and simple definition of BMs is the logic of how a company creates, distributes, and captures value. (Heikkilä et al, 2016). Therefore, I find it relevant to research how companies are able to innovate, adapt, and react to continuous fast-changing environments to continue to capture value when circumstances are disrupted.

2.2 - Dynamic capabilities

The ability to adapt to the changing markets play an essential part in combating crises. (Perl, 201, P.116). It could be easily misinterpreted from the previous definitions that BMs are fixed structures, however, David Teece proposes that the design and operation of BMs under uncertain environments are dependent on the firm’s capabilities to change (Teece et al., 1997). The dynamic capabilities
perspective addresses the aforementioned need to explain how firms sustain competitiveness in changing environments (ibid.). Dynamic capabilities refer to the ability of a firm to “integrate, build and reconfigure internal and external competences to address rapidly changing environments” (ibid.). This implies both the capability of a firm to recognize rapid changes in the environment resulting in an uncertain nature of the future competition and markets, as well as the managerial ability to appropriately adapt, develop and integrate capabilities and renew competencies (ibid.).

This idea is supported by other authors who state that the dynamic managerial capabilities become relevant for SME, as they allow the firm to begin, build and reconfigure internal and external competences (Moorman & Day, 2016). The management’s task is to determine how best to develop, leverage, and improve these resources to create a competitive advantage (ibid.). This theoretical concept can be directly related to the ability of SMEs to adapt and innovate in times of crisis by acknowledging what resources the company owns and what are the different ways those resources can be applied to create and capture value. It is up to the leaders and to the people in the organization to “orchestrate the firm’s capabilities, culture, employees, structure, metrics, incentives, and controls” (Moorman & Day 2016. p.12). Therefore, one can argue this is a fundamental practice that enables the company to respond and adapt to new challenges in a superior manner.

The strength of a firm's dynamic capabilities determines the speed and degree (and associated cost) of aligning the firm's resources, including its BMs, with customer
needs and aspirations. (Teece et al., 1997). To achieve this, organizations must be able to continuously sense and seize opportunities and to periodically transform aspects of the organization and culture so as to be able to proactively reposition to address yet newer threats and opportunities as they arise (ibid.). It is in my opinion that the specific form in which entrepreneurs and business owners take advantage of their resources and put them into use are the determining factors of having a successful business model or an unsuccessful one.

(Teece et al., 1997) explain that dynamic capabilities involve four main processes: reconfiguration, leveraging, learning and creative integration. **Reconfiguration** is the transformation and recombination of existing assets and resources. **Leveraging** refers to replicating a process or system and thereby extending its use into a new domain. **Learning** increases the efficiency of resources through experimentation. Lastly, **creative integration** refers to a firm’s ability to integrate its resources, resulting in a new resource configuration.

The Dynamic capabilities approach is a relatively “new” theory of what enables companies to innovate and adapt to changing environments and it has received criticism for not being sufficiently backed by empirical data. Pablo, Reay, Dewald, and Casebeer (2007) stated that “while the dynamic capabilities framework is drawing support and increased validity by researchers, empirical studies of dynamic capabilities remain relatively rare”. Even though it lacks empirical studies, the dynamic capabilities approach has received wide acceptance within the field of strategic management.
2.3- Allocation of resources

The allocation of resources is the organizational unique way to capture value (Penrose, 1959). The main idea of this concept is to understand that “a firm is not confined to given products or services, but the kind of activity it moves into is usually related in some way to its existing resources.” (Penrose, 1959, p.2). This definition goes well in hand with the 4 stages of the dynamic capabilities we mentioned before as the concept of how we put the resources into use is mentioned in almost all of the stages. It is relevant to understand this concept to initiate change in the mindset of Travel agencies owners and to lure them to “think outside the box” when it comes to innovating their BMs in times of crisis. Having the ability to see new opportunities with the resources you have could very well be the answer to survive in uncertain times. There are always pools of unused productive services in organizations; these resources together with the ever-changing mindset of the management of the organization, create a productive opportunity that is unique for each firm (Penrose, 1959). Unused productive services become a challenge to innovate, an incentive to diversify, and a source of competitive advantage (ibid.).

Penrose (1959) states that growth-related- to value capture is governed by a creative and dynamic interaction between a firm's productive resources and its market opportunities. The resources you have limited the level of expansion; unused resources (including technological and entrepreneurial) determine the direction of
expansion. (Penrose, 1959). Not only is the actual value capture of a firm related to its resources, experience, and knowledge, but also, and most importantly, the kinds of opportunities it investigates when trying to survive.

2.4 - Crisis Management in the Travel Agency Context

A crisis in an economic context is defined as a significant decrease in national income in a short period of time. (Erol 2008: 152). However, there are other types of crisis which can affect travel agencies around the world, some of them are: Natural disasters (Health disasters) as the one we are experiencing now; technological disasters; crises of confrontation; acts of malevolence (terrorism); misplaced management values; acts of deception; and management misconduct (Kippenberg, 1999). In this paper, we will narrow our focus on the consequences of the Pandemic provoked by the Coronavirus, commonly known as Covid-19. All of these types of crises create an economic impact on the tourism industry as operations normally decrease due to the shortage of money. “Companies’ chances of survival will decrease for enterprises that can not resolve their short-term financial problems, despite how good they may appear in the long run (ibid.). The economic crisis has direct consequences on earnings made by consumers which forces them to raise their expectations regarding value for money in terms of both quality and overall service experience, which determined companies to strive to satisfy customers’ needs and demands for better value. (Rusu, 2015, p.1).
Innovation plays a very important role in the form in which companies ideate strategies to survive and adapt to the new demands of the company. Innovation is a source of competitive advantage for all companies from the tourism industry (Den Hertog, Gallouj, & Segers, 2011) in the tourism and hospitality industry, which are known for being more labor-intensive, and therefore practices in the human resources category are central to crisis management. (Perl and Aviad, 2011, p.116). Perl and Aviad created a study with a survey of more than 450 travel agencies; questions addressed the current strategies of handling the financial crisis of 2008 and presented the most common practices for handling an economic crisis in the travel agency industry. The list of practices in all the aforementioned studies contains four main categories: **Human resources, Marketing, Maintenance** and **Governmental / External assistance**: 

<table>
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<tr>
<th>Human resources</th>
<th>Marketing</th>
<th>Maintenance</th>
<th>Governmental / External</th>
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<tbody>
<tr>
<td>Category</td>
<td>Practice</td>
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<tr>
<td>Human Resources</td>
<td>Dismissing employees to reduce labor force</td>
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<td>Using unpaid vacation to reduce labor force</td>
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<td></td>
<td>Reducing number of office hours</td>
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<td>Management voluntary salary reduction</td>
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<td></td>
<td>Freezing or reducing pay rate</td>
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<td></td>
<td>Replacing long-standing employees with new employees</td>
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<td></td>
<td>Increased reliance on outsourcing</td>
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<td>Marketing</td>
<td>Marketing to domestic tourists in joint campaigns with local merchants (such as Visa, MasterCard)</td>
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<td>Advertising on different media channels</td>
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<td>Selling products of unknown quality to generate income</td>
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<td>Reducing prices on special offers</td>
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<td>Reducing list prices of office services</td>
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<td></td>
<td>Marketing and promoting new products or services (selling show tickets and guides)</td>
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<td></td>
<td>Marketing to new segments (such as ultra orthodox)</td>
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<td></td>
<td>Charging for services that were previously offered at no charge</td>
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<td></td>
<td>Charging (or increasing the charge) for opening a customer file or order</td>
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<td></td>
<td>Passing charges to customers (such as credit card transaction fees)</td>
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<tr>
<td>Maintenance</td>
<td>Cost cuts by postponing office maintenance (cosmetics)</td>
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<td></td>
<td>Cost cuts by postponing systems’ maintenance (such as computer systems)</td>
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<td></td>
<td>Cost cuts by purchasing lower cost office supplies</td>
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<td></td>
<td>Extending credit or postponing scheduled payments</td>
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<td>Government</td>
<td>Organized protest against the lack of government support</td>
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<td></td>
<td>Industry-wide demand for governmental assistance with current expenses</td>
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<td>Industry-wide demand for a grace period on tax payments</td>
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<td></td>
<td>Industry-wide demand for a grace period on local tax (municipality) payments</td>
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<td></td>
<td>Joining a travel agency chain</td>
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<td></td>
<td>Communicating ‘business as usual’</td>
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Table 2 - Common practices in the hospitality industry in Times of Crises. Based on the results of the investigation made by Yaron Perl and Aviad A. Israeli (2011).

All of the practices mentioned above do not mention financing with private banks and more importantly, they do not mention the client. Drucker wrote, “it is the customer who determines what a business is, what it produces, and whether it will
prosper.” (Drucker, 1954). The Cambridge dictionary describes that the **Customer-Centric view** is created to keep customers happy by finding out what they want and dealing with their problems quickly. The firms that have managed to successfully traverse the path to customer centricity have received rewards in the form of superior financial performance and loyal customers (Shah, 2006) this is because customer centricity enables firms to achieve a competitive advantage that has proven to be sustainable and not easily countered by competition. In essence, “customer centricity is a necessary condition for 21st-century firms to succeed in the market-place.” (Shah et al, 2006 p.2).

It is for this same reason I decided to look at other studies that focus on strategies related to clients and found that establishing and nourishing a permanent relationship with clients can become the key to their survival. (Vega-Vazquez et al, 2014). The results from their study confirm that quality relationships can be improved through **customer relationship management** actions of travel agencies. The study shows that relationship quality has a positive effect on loyalty and therefore on customers buying intention which most likely leads to sales (ibid.). To have a customer-centric view seems extremely popular in academic research and has non-criticism as “the point of creating a business is filling in a need that customers have. Whether that’s a product or a service, it will always go back to what the customer needs and what you can do about it.” (Hogan, 2014).
2.5- Business model innovation

The importance of Business model innovation (BMI) is of great significance to the purpose of this paper as it intends to search the specific way of innovating through the active change of the manner in which small and medium enterprises conduct business when the status quo of their operations is affected by external situations. A simple definition of Business model innovation as a “new integrated logic of how the firm creates value for its customers (and users) and how it captures value” (Jörkdhall et al, 2013. p 215). Another definition that focuses more on a transformational approach states that BMI is defined as a method of change, modification, or the introduction of a new set of key components, internally focused or externally engaging, that enable the firm to create an appropriate value.” (Hartmann, Oriani & Bateman, 2013).

Value is defined as relative worth, utility, or importance (Merriam Webster), how we create value is especially pertinent to entrepreneurs of start-ups searching for market fit to create income. To support firm survival one can argue that value creation is what drives business models to innovate (Chambers, 2011). “Value creation is addressed through the design and conscious configuration of key resources and key processes within a firm” (Johnson et al., 2008, p. 55). For the purpose of understanding the relevance of value in relation to non-profit and governmental organizational bodies, we can extend our outlook to incorporate a variety of sectors and measurements of value across sector boundaries. Sectors: Private, citizen, and public sectors. Measurements: Economic Value, Social Value, Environmental
Value, and Public Value. (See Figure 1 Appendix). For the purpose of this research, we will focus only on value as an economic perspective on a private level which means profit and return over investments in privately-owned companies (Chambers, 2013).

Now that we have defined the meaning of value we can begin to research and describe the different paths that exist to design value creation in a business model. An interesting approach for understanding Business model Innovation (BMI) is described as specifying a set of BM elements and building blocks, as well as their relationships to one another, is like giving a business model designer a box of Lego blocks (Burgi, Victor et al. 2004). He or she can experiment with these blocks and create completely new business models, limited only by imagination and the pieces supplied. The main difference between BMI and BM is innovation “BMI is the innovation in the company's BM that is new to the firm and results in observable changes in the firm's practices towards its customers and partners” (Heikkilä et al, 2016, p.3) To have a better understanding of BMI I believe it is relevant to create a list of the tools that currently exist to facilitate BMI “an important issue is how to make tools available to travel agencies in such a way that it is easy to understand and easy to use... as small and medium enterprises (SMEs) are typically resource-constrained, striving towards agility” (Heikkilä et al, 2016, p.5) Many kinds of methods, frameworks, and templates, also known as tools, have been developed to facilitate the BMI and its implementation (Bouwman et al., 2012). One of the most practical and ready -to -use tools today supported by Heikkilä are:
1.- **Business model canvas (Figure 2 - Appendix)**, which helps the company assess the viability of its BM already in a design phase and road-mapping for contingency planning and implementation (Bouwman et al., 2012). Another tool that enables BMI is the **BMI roadmap (Figure 3- Appendix)** which is focussed on developing paths of transitions from current as-is BM to a to-be BM. Although there has been some criticism that states that this tool could lead to different paths and consequently be less efficient, depending on the circumstances and the environment (De Reuver et al., 2013).

2.- **Market analysis tools**: **PEST** analysis and **SWOT** model (**Figure 4 and Figure 5- Appendix**) to understand competition and environment keeping in mind your own business as a comparison point. These tools are mainly focused on formulating a value proposition in combination with product-market combinations to capture value (Heikkilä et al, 2016, p.7).

3.- **Value proposition Canvas (Figure 6 - Appendix)**; With this tool SMEs can make explicit how its products answer to the customer needs (ibid.). Prof. Hong Y Ching created a paper to criticise the Business model Canvas (BMC) which is one of the most popular tools in the entrepreneurial context for visualizing a business model (Ching, 2013). In his research paper they discussed the BMC problems in order to help entrepreneurs use these models in the right way. Advantages and disadvantages are visualized in the following table:
Having stated the theory related to innovation, business models, allocation of resources, crisis management, common practices Travel Agencies have used in past crises, and tools to facilitate innovation- has influenced the form in which this research process structure will be conducted. I will describe in the following chapter the methodological approach I decided to use to answer the research question for this thesis.
3.-Methodology

Now that we have laid out a comprehensive summary of the literature and theories that exist by defining each concept, comparing them to other authors and finding the limitations in some theories. Due to the novelty of the crisis, I found that there is no literature or practices focused on overcoming the COVID-19 pandemic. Therefore, I see a very valuable and relevant research opportunity to find innovative methods and practices to assist the travel agencies to tackle the challenge of this world crisis. To be more precise, the scope of this study will attempt to discover the current strategies utilized by travel agencies to survive in this particular crisis. To attempt answering this research question, it is necessary to make the appropriate decisions regarding techniques of data collection, therefore, the following chapter explains the methodological steps taken to ensure the validity and reliability of collected empirical data.

3.1- Philosophy of the research

This chapter will be focused on understanding the philosophy behind the methodology in this research, but first one must understand the nature of research itself by defining some key concepts. Research itself is concerned with exploring, describing, and explaining social phenomena involving human behavior (Sufian, 1998, p.3). In research there are two philosophical starting points to consider, these are Ontology and Epistemology. The prior is concerned with understanding what is
true about the natural and social world we live in, whilst the latter is focused on how we can acquire knowledge about this world from different aspects (Snape & Spencer 2003). The ontological view can describe real conditions of society as well as any social phenomenon that exists. On the other hand, epistemology focuses on the reason behind the knowledge of the phenomenon from which methodological issues come from (ibid.). In addition, ontology is also concerned with whether or not social reality exists independently of human understanding and interpretation. The question is then, if there is a shared social reality or “multiple context-based-realities”. (Snape & Spencer 2003. p.7)

In ontology, there are three distinct positions: realism, idealism and materialism (Snape & Spencer 2003). Realism claims that there is an external reality independent of what people may think or understand it to be, whereas, idealism maintains that reality can only be understood via the human mind and socially constructed meanings (ibid.). Close to realism is materialism that also claims there is a real world, but it is only the material or physical world that is considered to be real. Other phenomena, for instance, beliefs, values or experiences arise from the material world, but do not shape it. (ibid.)

Epistemology on the other hand, is concerned with the nature of knowledge and ways of knowing and learning about social reality (Snape & Spencer 2003). Two main perspectives for knowing are positivism and interpretivism. However, constructivism is commonly referred to in the literature and often in an inconsistent way for describing interpretivism (Guba & Lincoln 1994).
Depending on the chosen philosophy (ontology and epistemology), the research approach can be either quantitative or qualitative data for inquiring into the world. Research that uses **quantitative data** is concerned with measures of values or counts and are expressed as numbers. Whilst research that uses **qualitative data** is more concerned with the meaning of words or 'types' of words and may be represented by a name, symbol, or a number code. The emphasis of quantitative research is on the collection and analysis of data as well as its quantification, whereas qualitative research focuses on non quantifiable data such as stories, images and feelings (ibid.). Generally, qualitative research seems to dominate crisis research in the entrepreneurial context (Buchanan and Denyer, 2013). Thus, following a realistic ontological stance with a qualitative approach is the optimal choice as the practices of the travel agencies exist whether they are known or unknown to the researcher as it seems that qualitative research is equally important in this case to explore which unquantifiable types of practices are being utilized today.

### 3.2- Research Design & Strategy

Saunders, Lewis and Thornhill (2009) suggest that a research purpose can take three forms: exploratory, descriptive or explanatory. The research question concerns the current strategies that travel agencies are using to survive the COVID-19 crisis, and one can argue that the research could include aspects from all three forms. Due to the recent developments related to the biological nature of this crisis and the devastating consequences to the travel agency industry, my thesis can be said to be more deductive, as there is literature stating common practices in times of crisis for
the travel agencies specifically. As I seek to understand what strategies companies are embarking on, the study could also be explanatory. Finally, it is my aim to show the findings as accurately as possible, which indicates the actual practices of the agencies today. (Saunders et al., 2009). However, the exploratory form is in my opinion the most accurate way of defining the nature of this study. Saunders et al. (2009) continues by stating that the research approach can be either deductive or inductive; in a deductive study, existing literature is applied to form hypotheses and expectations that are analysed qualitatively. In this study, I am utilizing existing literature to understand previous crisis-related strategies, and I am also exploring the possibility of new practices and therefore one can argue that this research approach is both inductive and deductive. In order to collect data I will be conducting semi-structured qualitative interviews to define and showcase the current strategies travel agencies are using to survive the COVID-19 crisis. To summarize the research design I have created the figure below:

![Research Design Diagram]

Figure 7. Summarizes the chosen research design
3.3- Data Collection and Interviews

Generally, qualitative research seems to dominate in presence when it comes to crisis research in the entrepreneurial context (Buchanan and Denyer, 2013). Anthropologists and sociologists have long used formal and informal interviews to obtain knowledge from their informants (Kvale, 2007). An interview is a form of live social interaction where the pace of the temporal unfolding, the tone of the voice and the bodily expressions are immediately available to the participants in the face-to-face conversation, however, they are not accessible to the out-of-context reader of the transcript. (ibid.). The logical way of answering the research question is by asking the travel agency owners by interviewing them.

The sample gathered includes eight owners and decision makers of travel agencies from Czech Republic, Mexico, Denmark, The Netherlands, and Spain. The oldest agency has 20 years in the market, the youngest has two years operating, the largest employs 400 full time employees and the smallest is a “one man show” travel agency. The reasoning behind the sample is twofold. Firstly, I aimed to increase the variety of the different ecosystems between travel agencies, as it is probable that the Covid-19 circumstances might vary between countries. Secondly, I used my immediate network to reach out to agencies through social media channels and email such as LinkedIn, Facebook, and Instagram. As a Mexican master student living in Denmark, the number of interviews created were logically higher in Denmark and Mexico than in any other country. The downside of selecting agencies from different countries is that the circumstances may be different in terms of the government lock down as the peak in the COVID differs from country to country. It is
important to mention that I decided to label the origin of the agencies to the country where the owners and decision makers are registered as a company, and not to the markets where they sell their services where they plan their respective trips. There is only one special case, Sunweb group, as the company is registered in Denmark and in The Netherlands.

3.4 - Transcribing the interviews

Kavale (2007) states that engaging into conversations is one of the most accepted forms of gathering information. He continues to reinforce this thought by stating that conversations are historical ways of obtaining systematic knowledge (ibid.). However, unrecorded conversations could potentially leave out a significant amount of data, therefore some form of recording is necessary to ensure value translation. (ibid.) There are some limitations to the interviewer's remembrance, such as forgetting the exact use of words (Kvale, 2007). A transcript is a translation from one narrative mode – conversation – into another narrative mode – written discourse (ibid.). I designed the interview guide to focus on two main questions: 1) How is your agency being affected by the COVID-19 crisis? and 2) What are the current strategies your agency is using to survive the crisis?. The intention behind these questions is to develop a deeper understanding of how the agencies are suffering from this specific crisis and discover the different practices they are currently choosing to implement and overcome the crisis. Some of the interviews were conducted in Spanish for the Mexican and Spanish travel agencies, while interviews with travel agencies from the rest of the world were conducted in English. Using two different transcription tools “Otter.ai” and “Tus Ambers”, I was able to transcribe the
interviews both in English and Spanish respectively, resulting in 76 full pages of text transcription. The reason behind using two different tools was that I was not able to transcribe Spanish interviews directly in the complimentary tool for CBS students Otter.ai. Thus, I had to pay a small fee to use Tus Amberes to transcribe the interviews conducted in Spanish.

3.5 - Data Analysis

Before I present the findings from my data collection, the interview transcripts needed to be analyzed and coded (Kvale, 2007). Choosing a qualitative approach makes this a most difficult task, as the information is quite vast, and it has no measurable datasets, and interviews are often without a structure. This prevents researchers from quickly identifying the response related to a certain question (ibid.). Furthermore, it is paramount to understand the meaning behind the analysis and what forms and techniques of analysis exist. For this purpose, the best method to identify value within a transcription of computer analysis today coding. (ibid.) Coding is a technique that recommends the researcher to read through the transcripts and to code the relevant passages. Then with the aid of code-and-retrieve programs, the coded passages can be retrieved and inspected over and over again with options of recording and combining codes (ibid.) The analysis of my transcripts were made through the coding program NVivo, which is a qualitative data analysis software that helps to discover richer insights from qualitative & mixed methods research. I chose to use Otter.ai and Tus Amberes to begin the coding process; these computer
programs are tools for analysis, however, the challenges and the responsibility of the analysis remains with the researcher (Kvale, 2007). I read through my eight interviews at least four times to create and develop codes in the text that could help label key values to answer my research question. As a travel agency owner myself, I am well informed and aware of the challenges my company is facing today. This experience and knowledge of the industry allowed me to create a better understanding and a more accurate line of questioning to the travel agencies. The quality of the analysis rests upon his or her craftsmanship, knowledge of the research topic, sensitivity for the medium he is working with – language – and mastery for analyzing the meanings expressed in language. (Kvale, 2007). Thus, this research is inspired by my travel agency in Mexico as it is currently struggling with the Covid-19 crisis; my experience and understanding of the industry play an important part in the result, coding and analysis of the interviews. Kvale (2007) explains that there are different modes of analysis: Meaning coding, Meaning condensation, and Meaning interpretation. To briefly explain them, I summarized the definitions based on his research:

<table>
<thead>
<tr>
<th>Mode of Analysis</th>
<th>Main Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meaning Coding</strong></td>
<td>Attaching one or more keywords to a text segment in order to permit later identification of a statement.</td>
</tr>
<tr>
<td><strong>Meaning Condensation</strong></td>
<td>Abridgement of the meanings expressed by the interviewees into shorter formulations.</td>
</tr>
<tr>
<td><strong>Meaning Interpretation</strong></td>
<td>Deeper and more critical interpretations of the text</td>
</tr>
</tbody>
</table>

*Table 4, Steiner Kvale - Analyzing Interviews chapter 2007*
After carefully reading the different modes of analysis that exist, I concluded that Meaning Condensation would be the best decision to take long statements and compress them into briefer statements, in which the main sense of what is said is rephrased in a few words (Kvale, 2007). As a next step, I collected my findings from insights on the practices used by the interviewees to identify and label them to the research listed in the literature review to categorize the practices in times of crises. I based the coding of values on the four categories: Maintenance practices, Marketing practices, Human Resources practices, and Government / External practices Yaron and Avida, 2011)(see Table 3 of the literature review - Common practices in the hospitality industry in times of Crises). This created categories of responses and enabled me to discover if the agencies I interviewed were actually using the same practices in this specific crisis or different ones.

3.6- Reporting

The way I show my findings is heavily inspired by suggestions from Kvale (2007), who recommends that working towards the final report from the start of an interview study should contribute to a readable report of methodologically well-substantiated and interesting findings. My intention behind the report is to inform the reader of the current strategies that my interviewees are implementing to survive the crisis and identify the different forms of innovation solutions that could compliment known practices. Furthermore, I aim to inform the reader of the numerous ways that agencies are fighting to keep their business afloat. The modes of presenting
interview passages vary with the purpose of the investigation (Kvale 2007). One form of reporting interviews is simply to present them as interviews (Ibid.). The social science researcher may here learn from journalists, who from the start of an interview will have a specific audience in mind and usually also a limited amount of space and a non-negotiable deadline (Ibid.). As the limited space prevents me from simply adding the interviews, I decided to summarize the answers in a structured way by visualizing them in a comprehensive table of related practices. This follows the recommendation that all quotes should be contextualized, because the interviewer knows the context well, but it is unknown to the reader (Kvale, 2007). The table contains a brief explanation describing either the question or the conversational context to assist the reader with a better overview of how I managed the interview dialogue and gathered those specific answers. The table results show an overview of the already existing practices in the literature and the new ones discovered by this research.

3.7- Quality of the interview

To understand the quality of the interview we must go back and understand the nature of the qualitative research. Qualitative research uses a naturalistic approach that seeks to understand phenomena in context-specific settings, such as "real world setting where the researcher does not attempt to manipulate the phenomenon of interest" (Patton, 2001, p. 39). Unlike quantitative researchers who seek causal determination, prediction, and generalization of findings, qualitative researchers seek instead illumination, understanding, and extrapolation to similar situations (Hoepfl,
By choosing interviews as my data collection method, I need some sort of quality control in the analysis of the interviews to assure that they are carried out appropriately (Kvale, 2007). The methodology is the foundation of the analysis, if you have a bad foundation, you will have a weak analysis. Kvale (2007) proposes that validity, reliability and generalizability are essential aspects of the data quality and they determine how useful the research is. On the other hand, Patton (2001) states that validity and reliability are two factors that any qualitative researcher should be concerned with when designing a study, analysing results and judging the quality of the study. To understand the meaning of reliability and validity, it is necessary to research the definitions given by many qualitative researchers from different perspectives.

3.7.1- Reliability

According to Drost (2011), Reliability is “the extent to which measurements are repeatable when different people perform the measurements on different occasions, under different conditions. Hence, It is not not wrong to assume that as the interview structure decreases, reliability also drops (Dillon, 1994). Thus, achieving reliability is very challenging because every interview is unique in some way (ibid.). There could be differences between the interviewer and the interviewee in terms of the questions asked, the data collected and the way that the data is interpreted (ibid.). Conway, Jako and Goodman (1995) state that this is not necessarily a deliberate effort to distort the process on the part of the interviewer, but rather due to the interactive nature of the interview and the various biases and limits that have an impact on human decision-making. Humans tend to make mistakes, and therefore some form of validation is needed. Lincoln and Guba (1985) states that, "since there can be no
validity without reliability, a demonstration of validity is sufficient to establish reliability” (p. 316). Patton (2001) supports this by stating that the researcher's ability and skill in any qualitative research also states that reliability is a direct consequence of validity and therefore the combination of these two elevates the researcher through methodological rigour and critical reflection.

3.7.2- Validity

Drost (2011) defines Validity as the extent to which a measure adequately represents the underlying construct that it is supposed to measure. The term refers to the skill, knowledge, attribute or attitude that the researcher is investigating (Kubai, 2019)

Some qualitative researchers have argued that the term validity is not applicable to qualitative research. Golafshani (2003) realised the need for some kind of qualifying check or measure for their selected research. For example, Creswell & Miller (2003) suggest that the validity is influenced by the researcher’s perception of validity in the study and his/her choice of paradigm assumption. This goes hand in hand with social constructivism which states that every individual has their own perception of reality which could be problematic for controlling a common understanding of reality. (Lincoln & Galuba, 1985 Many researchers have developed their own concepts of validity and have often generated or adopted what they consider to be more appropriate terms, such as, quality, rigor and trustworthiness (Davies & Dodd, 2002; Lincoln & Guba, 1985; Seale, 1999; Stenbacka, 2001). Applied to my research, the
validity of my study is secure as it represents the factual practices travel agencies are utilizing to survive the COVID-19 crisis.

3.7.3 Generalizability

It is stated in research, that if one can have validity and reliability then the study may be generalized to other cases of travel agencies conducting the same practices. Generalizability is one of the concepts suggested by Stenbacka (2001), who defines it as the structure for both doing and documenting high quality qualitative research. The study suggests that the quality of a research is related to generalizability of the result and thereby to the testing and increasing the validity or trustworthiness of the research. In this regard Golafashani (2003) claimed that if the validity or trustworthiness can be maximized, then more credible and defensible results may lead to generalizability this means taking the findings of one research and exponentiating the research to observe if the findings are generalizable to more travel agencies.

4.- ANALYSIS

This section presents the empirical findings of my research based on the data collected from eight semi-structured qualitative interviews which targeted travel agency owners and decision makers with the intention of finding all the strategies that travel agencies are currently utilizing to survive the COVID-19 pandemic. I
began by inquiring how is the coronavirus crisis affecting the company and after that I went more in depth asking questions related to practices across the different areas of the organization (See Appendix, Figure 7 interview guide).

**Background**

The analysis begins with a brief presentation of the findings that are unrelated to the research question but relevant to the topic; followed by the findings which are directly related to the research question. The brief presentation incorporates an overview of the agencies stating their size, their services and the country where they are registered to give the reader a better understanding of the environment that each individual agency is facing. After presenting the agencies, I will summarize and allocate the findings to each of the four categories based on the results of the investigation made by Yaron Perl and Aviad A. Israeli (2011): **Human resources, Marketing, Maintenance** and **Government / External support**. Identifying and classifying the strategies that each agency is utilizing in the specific category will validate which practices are being utilized in this specific crisis and which are not. I decided to create an Innovation category that includes all the practices the interviewed travel agencies are utilizing, and which are not presented in the previously reviewed literature.

The following table was created to have a better understanding of the interviewed owners and decision makers, size, structure of the travel agency, as well as the services they offer:
<table>
<thead>
<tr>
<th>Name and position</th>
<th>Company</th>
<th>Employees</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Diego Ortiz</td>
<td>Conexión</td>
<td>7 employees, 40 volunteers</td>
<td>Group Trips in Mexico and Cuba, Events, Housing</td>
</tr>
<tr>
<td>Owner / Director</td>
<td>Conexión, Mexico</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Pablo Rodríguez</td>
<td>PRAAN</td>
<td>2 owners and 1 employee</td>
<td>Luxury trips Asia, Europe</td>
</tr>
<tr>
<td>Co-Owner / Director</td>
<td>PRAAN, Mexico</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Jan Lohynský</td>
<td>Pragino</td>
<td>3 and seasonal</td>
<td>B2B group trips in Czech Republic</td>
</tr>
<tr>
<td>Board Member, Pragino</td>
<td>Pragino, Czech Republic</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Andrea Castro</td>
<td>More</td>
<td>1 paid intern, 1 accountant, 4 Consultants</td>
<td>Luxury Trips to Africa, Asia Europe</td>
</tr>
<tr>
<td>Owner / Director</td>
<td>More, Mexico</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Jonas Andersen</td>
<td>Above Borders</td>
<td>3 owners and 7 unpaid interns</td>
<td>Unorthodox destinations: North Korea, Russia and Turkmenistan</td>
</tr>
<tr>
<td>Co-Owner / Director</td>
<td>Above Borders, Denmark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Jonas Frissmoose</td>
<td>Sunweb</td>
<td>400 paid employees</td>
<td>Ski and sun trips</td>
</tr>
<tr>
<td>Brand Manager</td>
<td>Sunweb, Netherlands</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Martin Lubecker</td>
<td>TM Travel</td>
<td>0</td>
<td>Corporate travels</td>
</tr>
<tr>
<td>Owner / Director</td>
<td>TM, Denmark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Juan M López</td>
<td>Grupo Delem</td>
<td>20 employees and 130 seasonal guides</td>
<td>Corporate trips, Student trips: high school and college, Pharma trips</td>
</tr>
<tr>
<td>Co-owner / CEO</td>
<td>Grupo Delem, Spain</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.1 Other interesting findings

In this chapter I will present the findings that are unrelated to the research question but relevant to understanding why travel agencies are utilizing certain practices to survive. All agencies were asked how is the coronavirus affecting their business and the main problems they are currently struggling with. The shared understanding among travel agencies was that this unprecedented pandemic has taken a toll on their business operations. Indeed in one case, the owner of T.M Travel agency was unfortunately forced to close down his business because of the COVID-19 crisis.

Effects of the COVID-19 crisis on Travel Agencies

The following results show how the COVID-19 crisis has affected the interviewed travel agencies:

**Interview 1**- Diego Ortiz- Conexion, Mexico.

Tourism stopped 100%, impossible to make any trips or events

**Interview 2**- Juan Pablo Rodríguez- PRAAN, Mexico.

Objectively speaking, they year is lost. My company is very small, we can survive easily, our cost scheme is very feasible to maintain.

**Interview 3**- Jan Lohynsky- Prag Info, Czech Republic.
We had planned the biggest number of trips this year compared to the previous five years. It was supposed to be our best year.

**Interview 5- Jonas Andersen - Above Borders, Denmark.**

It pretty much ruined the business

Respondents disclosed their numbers as they seemed more comfortable answering the question in a manner that would exemplify the devastating consequences of this specific crisis. The numbers are presented in terms of loss of clients and in monetary terms in case of i5. As it is shown, all of the interviewed agencies were impacted in their forecasted revenues in one way or another.

**Interview 7 - Martin Lubecker, T.M. Agency, Denmark**

Closing down

This practice is not considered by the literature and it has been found in my interviews. Closing down means ceasing all the operation of the travel agency to avoid cost spendings in times of crisis.

We closed down due to Corona I actually think we could keep going but then we depend on how the borders reopen, so it’s a bad place to be in right now.
Fortunately, the other 7 respondents have been managing to “survive” even though they explained that the rest of the year is already “lost” in terms of forecasted revenue, projections and expected growth. To keep the originality of the meaning in the responses, some answers that were presented repeatedly were left out in this section. However, they will be included in the summary table at the end of the analysis.

**Organizational structures of the Travel Agencies**

I found it relevant to clarify the organizational structure of the agencies that I interviewed to have a better understanding of the size of each one of them. The answers of the interviews include a low cost structure as it is seen in: i2,i3,i4, i5 .

**Interview 2-** Juan Pablo Rodríguez- PRAAN, Mexico.

*Reference 1: 0.86% coverage*

We are only me and my partner, he has some assistants helping him, so our cost structure is quite dynamic.

**Interview 3-** Jan Lohynsky- Prag Info, Czech Republic.

*Reference 3: 0.58% coverage*

We're not really losing money in a way that we would have to pay for our employees or to pay for large offices or stuff like that. That's, that's something that's of course, helping us

**Interview 4-** Andrea Castro, More Travel agency, Mexico.

*Reference 3: 0.49% coverage*

The travel consultants that I have they earned on Commission’s and the three of them have another job
Interview 5 .- Jonas Andersen, Above borders, Denmark.

Luckily, none of us have a salary we don’t have any like that fixed expenses as office spaces so we don’t have that many fixed expenses.

4.2- Findings related to the research question

The next chapter will show all the answers collected from the interviews, which answer the research question: what strategies are travel agencies utilizing to survive the COVID-19 Pandemic? The relevant findings will be, as mentioned before, separated into categories, that I call practice categories, to provide a clear understanding of all the individual strategies that agencies are utilizing in each specific field. The following figure was created to understand the “Emergency Exits” or practices that the agencies are currently performing to survive the COVID-19 Crisis.

Figure 1- Categories of popular practices in the Travel Agencies
It is important to mention again that the practices that are not found in Table 2 will be considered in the innovation practices, as we have learned in the literature that innovation considers new combinations of processes, opening to new markets, new products, the exploitation of new resources that adds value to a company. In the same manner, it is relevant to define that innovation exists within the previously defined categories in the literature.

4.2.1- Human Resources Practices

The human resources practices are related to managerial decisions and the allocation of resources within the company. These practices include: Practice a) – Dismissing employees to reduce labor force, Practice b) – Using unpaid vacation to reduce labor force, Practice c) Reducing number of office hours, **Practice d)** Management voluntary salary reduction – e) Freezing or reducing pay rate, Practice f) – Replacing long-standing employees with new employees, and Practice g) – Increased reliance on outsourcing. My findings show that only Practice d) was used as travel agencies are taking a conscious decision to keep their employees in employment in the midst of this crisis. However, there is one case where firing is considered an option. Interview 1 (i1) and Interview 6 (i6) were the only companies who followed HR practices stated in the literature respectively: Voluntarily lowering salaries to mitigate the crisis, however his concern and uncertainty laid on the amount of time they could keep that strategy operating as they foresee no clients for the remaining of the year. The second practice, Firing employees/ Reduce labor is considered but not practiced by i6, who stated he would “maybe” fire people in central positions and later on contradicting this by stating that one should “never
change a winning team”. i8 Explained why firing was not an option for his company.

**Interview 8 - Juan Manuel López, Grupo Delem, Spain.**

The group cannot show weakness to their employees, quite the contrary. They need to feel they are in a solid place, we need to keep trying and make the best out of the situation.

**Voluntary lowering salaries**

This practice consists in having the employees agreeing to have a “pay cut” to lower the cost structure of the firm to avoid firings.

**Interview 1 - Diego Ortiz- Conexion, Mexico.**

We lowered salaries to not fire anyone, and we used that money to plan for the new period in august. But the Universities just announced that there will be no exchange students coming in next fall.

**Firing Employees / reduce labor**

Refers to the active decision of removing employees from the organization.

**Interview 6 - Jonas Frissmose, Sunweb group, Netherlands.**

Maybe a few firing central positions. And then looking into how to prepare for the future, otherwise, we knew that the model of the company was working. It was very successful. So it’s been a step back, but they still believe in the in the basics of the operation.

Never change a winning team and you cannot really say that the Coronavirus was the fall of the team.
4.2.3 - Marketing Practices

Marketing is a central element in combating the crisis according to Pearl et al (2011). The category includes practices used in previously conducted crisis management studies. This category included Practice a - Marketing to domestic tourists in joint campaigns with local merchants (such as Visa, MasterCard), Practice b - Advertising on different media channels, Practice c - reducing prices on special offers, Practice d – reducing list price of office services, Practice e - Marketing and promoting new products and services (related to the the industry), and Practice f - Marketing to new segments. Practice g - This practice consists in charging for services that were previously offered at no charge; Practice h - Charging (or increasing the charge) for opening a customer file or order, and Practice i - Passing charges to customers (such as credit card transaction fees). Finally, the description of Practice j is – Selling products of unknown quality to generate income. Out of all of the practices mentioned above, only practices a, b, e and f that I found in my interviews, as shown below.

a) Marketing to new segments, b) Focusing on local markets and Marketing to new segments: i2, i5 and i6 planned to change their current form of tourism from an outbound international tourism (locals visiting foreign countries) to a national inbound tourism (locals visiting their own country). Meaning, changing their focus to a local market instead of an international market. This is quite logical due to the borders being shut down and travel restrictions being legally reinforced worldwide. The following of the previous marketing practices are shown below:
b) Marketing to new segments and focusing on local markets

Refering to change the target market to a new type of potential customers:

**Interview 1**- Diego Ortiz- Conexion, Mexico.

*Reference 1: 2.41% coverage*

We will focus on the mexican market. Once we establish that we will adjust prices, adjust tours for the local market until we can come back to our normal operations.

**Focusing on local markets for the first time**

**Interview 2**- Juan Pablo Rodríguez- PRAAN, Mexico.

*Reference 1: 3.00% coverage*

Create national destinations because that was not part of our initial strategy, so we decided to create unique destinations and experiences in Mexico directed to a high end market.

**Interview 5**- Jonas Andersen - Above Borders, Denmark.

*Reference 2: 1.11% coverage*

We are working on launching a Faroe Islands tour because it’s closer.

**Interview 6**- Jonas Frissmose, Sunweb group, Netherlands.

*Reference 3: 1.40% coverage*

For our Dutch brand, we opened up vacations in the Netherlands for campsites in order to create a small revenue and also to keep the wheels running.

The third marketing practice found in the interviews is c) **Advertising in different media channels**. The strategies presented by companies referred mainly to creating content on social media and using different methods such as podcasts (i5) and e-mailing campaigns addressed to their new local target group like in the case of i1,
i2, i3. In the case of i6, their strategy was “staying low” as they are currently being the target of “hate” from all of their clients on social media.

**Interview 1**- Diego Ortiz- Conexion, Mexico.

In social media we are creating alot of content, keeping the community close, asking them what is their best memory, what is their favorite place, what would you like to do after the quarantine is over? We cannot do much more than that, we want to keep our followers engaged.

**Interview 2**- Juan Pablo Rodríguez, PRAAN, Mexico

It has helped us to have an important mailing campaign with our current clients, keep our social media feed, resulting in getting some clients, which im grateful for.

**Interview 3**- Jan Lohynsky, Praginfo, Czech Republic

what has worked maybe a little bit is that we try to stay in contact with our main clients inform them about the development of the situation.

**Interview 4**- Andrea Castro, More Travel agency, Mexico

My husband is the media manager, so I save alot of costs there.

**Interview 5**- Jonas Andersen, Above borders, Denmark

We literally just yesterday started posting in English actually on our Instagram. And we will be transitioning more with our webpage will also be translated to English.
Interview 7 - Martin Lubecker, T.M. Agency, Denmark

We have also been launching a podcast, podcast and doing different webinars all with that one goal to, spread awareness of "About Borders" and to keep our previous travelers engaged.

Interview 6 - Jonas Frissoren, Sunweb Group, Netherlands

Building a story around it, that's where social media is coming in, having the right pictures, they have to be personal, everyday I'm trying to tell a story.

4.2.3- Maintenance Practices

The maintenance category is aimed at reducing costs. As in previous studies, this category includes three practices of cutting maintenance costs. The first is a) Cost cuts by postponing office maintenance that refers to cutting costs related to the office like in i8, where they put their office lease on hold and agreed with the landlord not to pay the rent for some months for their offices in Madrid and Sevilla. The second is b) Cost cuts by postponing systems’ maintenance. This refers to putting normal maintenance costs and hold, such as: painting, web page updating, decorating, office supplies etc. And third is practice c) – Extending credit or postponing scheduled payments, in this case, refunds and postponing trips are considered as postponed scheduled practices. I found that in the interviews there were mixed results regarding refunds, where some withheld them as they explained...
that “cash is king” (again), and others did everything they could possibly do to give their clients a complete refund. In the following paragraph, I include some empirical examples from my coded data.

**Postponing office maintenance**

**Interview 4 Andrea Castro, More, Mexico**

I only pay taxes if I have earnings

**Interview 8 - Juan Manuel López, Grupo Delem, Spain.**

We have also reduced our structural costs, our offices in Sevilla and Madrid have let us go without having to pay the rent during the crisis period.

**Extending credit or postponing scheduled payments**

**Interview 2.- Pablo Ramirez Praan, Mexico**

I am offering the same refund policy as my suppliers to my clients, if they offer 1 year to postpone your trip, I offer the same, if they allow me to cancel 60 days prior to the trip I offer 30 days.

**Interview 3- Jan Lohynsky, Praginfo, Czech Republic**

There’s a lot of travel agencies who already closed down for us, the cost to maintain operations is not that high, which means there’s no reason for us to say okay, we’re done.

**Interview 5 - Jonas Bang Andersen, Above Borders, Denmark**

Luckily, none of us have a salary we don’t have any like that fixed expenses as office spaces so we don’t have that many fixed expenses.

**Interview 6 - Jonas Frissmore, Sunweb group, Denmark.**
4.2.4- Government and External support Practices

The government and external support category included four practices, a) organized protest against the lack of government support, practice b) – industry-wide demand for governmental assistance with current expenses, practice c) – industry-wide demand for a grace period on tax payments, and d) Communicating business as usual, which refers to companies that are lacking support from the government. My findings show that many companies in Denmark, i.e. i5, i6, and the agency in Spain received external and/or governmental support. In the case of i5 and i6, the Danish government paid the salaries of the employees, and in case of i5, the government paid the refund to the clients through a “support package”. This enabled the Spanish
travel agency to give their clients a full refund, that they would otherwise not have been able to give as they would not have received any monetary help from their suppliers. Moreover, i6 also practiced lobbying with the government to retain the payments with an incentive for the clients in the shape of a bonus for not getting their payments refunded. The following empiri shows some examples of the concrete findings.

**Interview 5** - Jonas bang Andersen, Above borders, Denmark

- Reference 1: 0.61% coverage

We got some government support, the packages they gave to like all companies in Denmark and thus we were able to pay all our registrants their money back.

**Interview 6** - Jonas Frismosse, Sunweb Group, Denmark.

- Reference 1: 2.44% coverage

We've tried lobbyings within the Danish government in order to introduce the voucher solution so instead of going with full cashback refunds, we would move out just for our clients for later use vouchers with with increased credit, to give an incentive.

- Reference 2: 1.50% coverage

We have not had the need to fire anyone so far. Of course, we have been using the temporary lay off salary compensation that the government has been offering.

- Reference 3: 0.95% coverage

They have by supporting the day to day business, salary wise. Yeah, rent wise, these kind of things.

**Interview 8** - Juan Manuel Lopez, Grupo Delem, Spain

- Reference 3: 0.54% coverage

We have not fired anyone in our team thanks to the government support which regulated unemployment benefits paying around 75% of the salary of employees and the employees stop working.
Communicating business as usual

However, the Mexican companies, i1, i2 and i4, and the Czech travel agency, i3, were not supported by the government or any external organization, so they adopted a “Communicating business as usual approach”. In the case of i8 that received support, it also had some criticism towards the Spanish government, specifically in their change of legislation and missing delivery of promised support packages. This left the agency with great concerns regarding being able to hire their employees back with a full salary for at least 6 months, when the support of the government ends.

Interview 1- Diego Ortiz, Conexion, Mexico

We are just waiting to see when the government allows us to make trips, and there is so much uncertainty there.

Interview 3.- Jan Lohynsky, Praginfo, Czech Republic

So in my, in my eyes with the size of the company, as we cannot lobby, I don’t think we can change much besides waiting for how the situation develops and then communicate.

Interview 4-Andrea Castro, More travel agency, Mexico

Mexican government will not give any support to any company.
4.2.5 Innovation Practices

In this section, I will present the practices that were not found in the literature but were found in my interviews. Innovation Practices are solely defined as practices that the literature did not present and that are being implemented in the fight against the Covid-19 by the interviewed travel agencies. After coding the interviews, I found that there were new practices that could compliment the literature addressing crisis management. I define all of these practices as Innovative practices, however they can be allocated in any of the main categories defined by previous literature: in the Marketing category: Client relationship management - By this I mean the different ways that agencies focus on keeping close relationships with their clients. In the H.R category, I identified that practice b) Employee engagement is defined as the nature of the relationship between an organization and its employees.

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**Interview 8 - Juan Pablo Martinez, Grupo Delem, Spain**

*Reference 1: 0.80% coverage*

Don’t even mention the government, they have made 3 changes in legislation regarding refunding clients within 14 days. Then it was changed to 60 days. And the 10th of June will come back to 14 days again even if our suppliers have not refunded us. It leaves us completely ruined.

*Reference 2: 0.75% coverage*

That law will sweep of travel agencies, it is forecasted a huge fall in that aspect. They also promised a certain amount of funding to help with financing and it has been much lower than they have promised. A lot of my competitors have been really affected by this.

*Reference 4: 0.52% coverage*

However, after the the unemployment support, the company must hire them back and guarantee 6 months of salary. Whether he is working or not. This will be enforced September 30th.
By adding this category, I understand the intention of the owners and decision-makers to retain and motivate their employees in the midst of this crisis.

**New Marketing practices**

**New practice: Client Relationship Management**

The findings for this practice show that most of the agencies were concerned about their clients and scrambled to refund them, given the circumstances of the crisis. I found that there are several ways to communicate and to handle client relationships in this type of crisis, such as through policies and communicating the situation with transparency, and engaging the client with superior client service. Some examples hereof are included in the following paragraph.

**interview 2- Pablo Ramirez, PRAAN, Mexico**

We want to give our clients the security that we know what we are doing and we are here to stay. I need to invest in our brand because we are a very small brand still, if I do not invest in my brand and in social media, nobody will know who I am in 3 months time.

**interview 3- Jan Lohynsky, Praginfo, Czech Republic**

what has worked maybe a little bit is that we try to stay in contact with our main clients inform them about the development of the situation.
We have seen that maybe within three weeks, the borders may open so we send out a newsletter or an email saying, This is looking good, we have three or four trips happening within five months or something. And then three of those trips can actually happen because the borders may open and then we got good reactions from them saying, Okay, thank you for the information.

**Interview 4- Andrea Castro, More, Mexico**

I'm always trying to talk to the clients maybe once per week. So I can tell them how is their refund process going, we already refund these costs so I can send refund them each time another hotel confirms.

I'm treating clients as if they were me. I don't want like to lie to them.

I called clients in Africa and recommended them to take a plane immediately, they took the plane and like two days after they close the borders for others.

I think like in the long term relationship, it will be better to say to them, I can give you back your money. So don't worry.

**6.- Jonas Frissmose, Sunweb group, Denmark**

We assigned people full time on customer service for all the clients who needed the refunds.

**Interview 8- Juan Manuel López, Grupo Delem, Spain**

We have actually reinforced our client service and that does not create a revenue, quite the opposite it generates losses. But we need to do it, the financial damage is done, but now we have to focus on our reputation.
New practice: Content creation and communication

Refers to specific messages communicated to keep the community engaged.

Interview 1.- Diego Ortiz, Conexión, Mexico

In social media we are creating alot of content, keeping the community close, asking them what is their best memory, what is their favorite place, what would you like to do after the quarantine is over? We cannot do much more than that, we want to keep our followers engaged.

Interview 3.- Jon Lohynsky, Praginfo, Czech Republic

Communication outside would be about saying it's all right back here.

We do have social media. But as we did some analysis and stuff like that, it turned out that it it doesn't bring the necessary value like it doesn't bring what we would invest when it comes to time or money because as I said, we need to talk directly to the foreign travel agencies. So in our in my eyes, what could work is working on our LinkedIn profile. And trying to strengthen our LinkedIn presence. But as Facebook, Instagram, and theoretically other social media platforms are mostly b2c, we have never found a way how to make this valuable.

Interview 4.- Andrea Castro, More, Mexico

I don't want to be insensitive in social media with all this situation, I don't want to say: Oh, please tell me what we are going to do after the quarantine because you know, a lot of people's are dying.

I never pay Facebook or Instagram ads. I do it only to present ourselves as a luxury brand for new clients.

Business model Innovation

As stated before, Business model innovation practices are considered to be when companies change their entire business model to capture value through other entrepreneurial activities outside of the travel agency industry. In my findings, there
was a big resistance to going out of their current operations, such was the case for i1, i2, i3, i4, i5, i6, and i7. For example, i5 is looking to “find another job to pay rent”, while i8 on the other hand decided to act differently and search for opportunities that could support the fight against Covid-19. In addition, i8 found out through his network that there had been an increasing demand for long distance disinfection machines with UV light, so he decided to invest in this venture to start selling in Turkey and in the U.S. The empirical examples beneath serve to provide more detail on findings.

**Interview 1- Diego Ortiz, Conexion, Mexico**

We have not thought about changing our entire business model, strengthen our team and processes.

**Interview 2 - Pablo PRAAN**

We have to be optimistic, people will still want to travel, people will be tired of staying home, they will travel in Mexico, and if they will travel in Mexico, we will be here to help

**Interview 3- Andrea, More, Mexico**

This is a big opportunity to keep my clients and to grow their trust,

**Interview 4- Jonas Lohynsky, Praginfo, Czech Republic**

What we don't want really is to change the whole business model when it comes to changing from B to B to B to C, because like I said the investment would be too big and the risks would be enormous. And at this point with the loss, related economic loss caused by the crisis, there's not something that we would want to go for.

**Interview 5 - Jonas Bang Andersen, Above borders, Denmark**

I need to find another job to pay rent.
We talked about that it could be fun selling souvenirs from our destinations. It could be fun to make our own merch and sell that, but can we actually sell that many souvenirs from countries people haven’t been to?

Interview 8 - Juan Manuel López, Grupo Delem, Spain

Just after learning about the Pandemic, we decided to quickly act and find another way of creating revenue, we knew our normal business was paralyzed, so we asked ourselves: what are people demanding even more today? we quickly assumed and decided to pursue anything related to fighting this crisis could be an opportunity for us. I read that a hospital here bought a UV disinfection machine and I was lucky enough to realize that my father in law has that same technology in his company, but he needed the money and the sales force, so we embarked on a new venture and we have sold this machines in Turkey and in the U.S.

The following table (Table 6) summarizes the 27 practices that the agencies practiced in the 2008 economic crisis. Furthermore, it has been complimented with the findings from my research on the practices that eight travel agencies are currently utilizing to survive the COVID-19 crisis.
Table 6 “Overview of the Analysis”

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Agency 1</th>
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<th>Agency 3</th>
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<tr>
<td>1 Dismissing employees to reduce laborforce</td>
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<td>2 Using unpaid vacation to reduce labor force</td>
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<td>3 Reducing number of office hours</td>
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<td>4 Management voluntary salary reduction</td>
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<td>5 Freezing or reducing pay rate</td>
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<td>6 Replacing long-standing employees with new employees</td>
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<td>7 Increased reliance on outsourcing</td>
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<td><strong>8 Employee engagement</strong></td>
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<tr>
<td>1 Marketing to domestic tourists</td>
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<td>2 Advertising on different media channels</td>
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<td>3 Selling products of unknown quality to generate income</td>
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<td>4 Reducing prices on special offers</td>
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<td>5 Reducing list prices of office services</td>
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<td>6 Marketing and promoting new products or services</td>
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<td>7 Marketing to new segments</td>
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<td>8 Charging for services that were previously offered at no charge</td>
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<td>9 Charging (or increasing the charge) for opening a customer file</td>
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<td>10 Passing charges to customers</td>
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<td><strong>11 Client relationship Management</strong></td>
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<td><strong>12 Content Creation / Communication</strong></td>
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<th>Maintenance</th>
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<td>1 Cost cuts by postponing office maintenance</td>
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<td>2 Cost cuts by postponing systems' maintenance</td>
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<td>3 Cost cuts by purchasing lower cost office supplies</td>
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<td>4 Extending credit or postponing scheduled payments</td>
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<td><strong>5 Closing down the business</strong></td>
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<th>Government and External</th>
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<td>1 Organized protest against the lack of government support</td>
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<td>2 Industry-wide demand for governmental assistance</td>
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<td>3 Industry-wide demand for a grace period on tax payments</td>
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<td>4 Industry-wide demand for a grace period</td>
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<td>5 Joining a travel agency chain</td>
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<td>6 Communicating ‘business as usual’</td>
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<td>7 Support Packages</td>
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BM Innovation

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<td>1 - New businesses unrelated to the tourist sector</td>
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- „✓“ indicates a practice implemented.
- „¡“ indicates a practice mentioned that might be implemented.
- „✓“ with a yellow background indicates a practice implementing the practice.
5.- Discussion

In this chapter, I focus on finishing off the analysis by discussing and comparing my analysis of findings with existing literature. Hereby, I wish to reflect on why some practices were used by some travel agencies, and what the possible reasons for not using the proposed practices might be. It is relevant to mention that my interview sample is eight travel agencies, therefore generalization would be a dangerous task to embark on from this point of departure. The second point to consider is that the economic crisis of 2008 has naturally had different effects in the travel agency industry than the current Covid-19 crisis. The structure of this discussion will be analysing and reflecting on each of the four categories and practices proposed, as well as adding the five practices identified in the interviews to previous research. This will facilitate a personal discussion with contradicting insights and reflections on the answers to shape a deeper understanding of my study.

5.1 Human resources discussion

The analysis regarding the active decision of most companies to keep their employees was a definite surprise for me as it is considered the most popular practice in the research done by Yaron & Aviad (2011) concerning 450 travel agencies and their choice of practices to survive the 2008 crisis. I believe that the reasoning behind is threefold. First factor is Time. The study of the financial crisis of 2008 was made three years after the crisis happened in 2011, whilst the Covid-19 crisis is still ongoing. Therefore, time will play an important factor to determine whether the eight travel agencies I interviewed did in fact manage to retain all of their
employees for three years, which would make it a comparable study. Second factor is Place. The sample is far from representative of the situation nor of the entire world, as there are only four nationalities represented in this study: Mexico (3), Denmark (3), Spain (1) and the Czech Republic (1). Having a broader understanding of what different countries are facing could give me a more holistic perspective of the reality and complexity that travel agencies are facing around the world. Third and last factor is Business Structure. In this study, I interviewed medium sized companies that Gartner defines as those organizations with 100 to 999 employees. (Gartner, 2020)

Furthermore, the largest company, agency 6- Sunweb Group, has indeed 400 employees and did consider “firing in some positions” in the near future as the analysis table shows. Interview 7, the T.M agency closed down, and thus this study considered the practice of firing all employees even if the structure is formed by unpaid interns and partners. Taking those outliers, the companies that have built their organizational structure around having full-time hired employees is less than 8: i1, i2, i3, i4, i5, i7, and i8 has 20 full time employees. Having a low cost structure, such as having employees earning solely on commissions, relying on freelance guides when a trip is sold, and having unpaid interns has given the agencies the dynamic ability to reduce the overhead cost structure and to endure the present crisis. To bring in an outside perspective, Airbnb’s CEO, Brian Chesky, published a letter of dismissal to their employees stating: “Out of our 7,500 Airbnb employees, nearly 1,900 teammates will have to leave Airbnb, comprising around 25% of our company.” (Chesky, 2020) He continued explaining the reasons for his decision:
“We don’t know exactly when travel will return.
When travel does return, it will look different.” (Chesky, 2020)

The point in bringing Airbnb to this discussion is that larger travel agencies are taking
the practice of firing their employees in a more active way than my research sample
suggests. Then again, only time will tell how these travel agencies will deal with the
uncertainty of the travel industry in the near future.

Regarding the usage of unpaid vacations and reducing the number of office
hours, replacing long standing employees with new employees, increasing
reliance on outsourcing or freezing pay rate none of my respondents used these
H.R practices. However, they were a popular practice in the 2008 crisis. I believe
that time and business structure play important roles here, though I also believe that
geographical place is a determinant factor in this practice. Take Denmark as a
socioeconomic structure, where all full-time employees receive at least five weeks of
paid holiday every year. For that reason, the unpaid practice could not be
implemented as legislation does not permit it. Mexico on the contrary, has six days of
paid vacation per year plus national holidays, which indeed illustrates the
overwhelming contrasts caused by geographical realities.

Government and external support are determinant factors for not utilizing these
practices, which will be discussed later on in this paper. Regarding the reduction of
voluntary salary practice, I found that only i1 made use of that practice by cutting
salaries of all employees by 50%. Their reason for doing so was an attempt to stretch the outflow of liquidity to endure the crisis for a longer period of time until the tourism industry and operations return to normality. However, when the owner explained this practice, he subsequently said that uncertainty plays an overwhelming role in this practice as their resources will eventually run out, if there is no income in the next six months, and he would therefore have to reconsider using other practices such as firing employees.

The new practice I identified and discovered in this research that compliments the previous research in the category of Human Resources is Employee Engagement practices. After reading the literature, I expected a lot more similarities between my findings and the 2008 economic crisis, because the loss of income is known to create a reduction of costs for all companies, and therefore the practices may very well be similar, or in many cases, the same as the study shows. One practice that I did not find was the manner in which employers approached the practices, and it would be of great significance to add this practice to the category. In i1, i4, i6, and i8 they saw the crisis as an opportunity to, “improve the team”, “show that we care”, “improve processes” and “show strength”. An economic crisis is similar, but yet not as devastating as this particular crisis, which has a pandemic nature. An economic crisis, as described in the literature chapter, results in significant decrease in national income in a short period of time (Erol 2008: 152). Whereas, the Covid-19 crisis brings economic, biological and legal challenges as travel restrictions were enforced by all countries. The most significant reason behind this crisis being different from the 2008 crisis is the overwhelming death toll this virus has taken on humanity. It is in my opinion that the collective attitude towards this devastating crisis is unifying
people to come together and that inspire business owners to support others, starting by doing their best to keep employees in the midst of this Pandemic. It is too early to tell, and I expect that these attitudes certainly will change, if the uncertainty and restrictions continue being enforced.

5.2 Marketing Practices discussion

In the summary table, the largest response of chosen practices are located in the Marketing category. The reason behind this is that Marketing is defined by the American Marketing Association (2020) as the activity and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society. Capturing value, as stated in the literature review, is the fundamental step towards creating an operating business and a business model. Therefore, I argue that these practices are the most common practices implemented to attempt to recapture value, when any type of crisis arises. Marketing to domestic tourism has been utilized or planned for all the agencies, which is no surprise as the travel restrictions limit the international traveling of most of the countries in the world. Advertising on different media channels was not presented in my findings except for Agency 2, who decided to create a mailing campaign, which had not been utilized before, to find possible new clients. The reasoning behind this might be that they assessed advertising as an activity to attract clients, sell services and operate those services. If the operation is completely out of the question, mailing campaigns, paying for commercials and ads on social media could be considered a waste of resources, as i3 stated. Another reason might be that they are not actively choosing another media channel but utilizing the same channels, which are still effective when
communicating to their defined market audience. Following, **Selling products of unknown quality related to the travel industry** was not utilized by any agency in my research. Agency 5 thought about selling souvenirs and propaganda posters from North Korea, however the owner decided to stay true to the agency identity and that selling products is "so far out" of what their vision is, so they decided not to follow that practice. I believe that time, again, will show that agencies will be forced to find revenue somehow, and therefore it is my opinion that many agencies will make use of this practice in the near future. Next, **Reducing list prices of office services, charging for services that were previously free, and increasing the charge on customers**, was not a practice utilized by any company in my research, which is not surprising as the offerings cannot be sold in the first place due to the nature of this particular crisis.

Further, **Promoting new services** is an active practice in most of the agencies. Due to the travel ban, most agencies are now focused on national tourism, and they need to reinvent their services and create new offerings in local destinations. This practice goes hand in hand with **Marketing to new segments**, which changed in the case of inbound travel agencies such as Agency 1 and Agency 3. There is no question that the travel ban forced these receptive companies to change their segment in an attempt to create revenue. I believe that this will be a temporary measure until their usual clients are able to travel again, which is the case of Agency 3, that targets Germans, Austrians and other Europeans traveling to Prague.

The new proposed practice I discovered, **Client Relationship Management**, was an exciting finding. It allowed me to compliment the table in the literature review with the
customer centric perspective prior to conducting the interviews. The reasoning behind this result may very well be that the customer centric view in agencies and companies around the world is a relatively recent perspective. It aims at keeping the client closer to the business model of companies, than companies might have been doing in 2008. Indeed, seven out of eight agencies (excluding agency 6) emphasized that their practices were greatly influenced by the motivation of keeping the best interest of the clients in mind. Based hereupon, I argue that these companies have a longer term vision for their company and understand that companies that focus on keeping customers happy by finding out what they want and deal with their problems quickly have received rewards in the form of superior financial performance and loyal customers (Shah, 2006). The travel agency industry is quite large and it is considered a renewable market, meaning that the demand for traveling will never stop. In 2008, companies might not have prioritized keeping their clients happy as travel agencies nowadays. I believe that the reason behind it is not based on people becoming great human beings in a 12 year span, rather it is more logical to argue that reviewing systems featured in all companies have played a significant role in the choice of agency that people consider to arrange their travels.

The second Marketing practice found in my research is not presented in previous literature. This is Content Creation / Communication. As shown in the analysis, all of the agencies are creating content, except for agency 3 that is considering creating content on LinkedIn, but has not yet produced any. Agency 3 stated that for B2b agencies, content creation on social media is not a good investment. However, I would argue that perhaps his campaigns have not been executed effectively to
produce results. The reason hereto is that Facebook and big social media companies were relatively new to the market as an integrating part of a business in 2008. Today, Facebook, LinkedIn and Instagram are extremely rooted in the travel agencies business models, and without their usage, the capture of clients would be extremely hard, if not impossible. My reflection on this matter has nothing to do with the application of social media channels or their function, but rather the understanding of where potential clients are spending most of their time. In the XVII Century, the most popular advertising channel was the newspaper. In the XIX Century, it was the Radio. In the XXth century, it was Television. Today, social media channels such as Youtube, Facebook, Linkedin, Reddit, Instagram, Tiktok, Podcasts and many others represent the largest advertising channel for 4.5 billion people around the world (Statista, 2020).

For that reason, I found that content creation is extremely important in times of crisis and the different forms of content in the different channels was a present matter on all agencies that I interviewed. For i1, i2, i4, i5, they were focused on creating more engaging content, asking questions to past clients to keep the company on the top of their mind. They created informative posts with interesting destinations to go after the Covid-19 pandemic, interactive polls, open questions, multiple option challenges, hashtags challenges to create a sense of belonging. This popular practice, though logical, cannot be considered effective or imperative to the survival of travel agencies as the ongoing crisis is still present and all of the evaluation of practices can only be evaluated in retrospect. There is something extremely interesting about observing the feeling of uncertainty experienced by agency owners and decision makers from a
researcher's perspective, as it seems that for the first time, there is no clear answer to tackle this unprecedented situation.

5.3 Maintenance Practices discussion

What surprised me the most about the maintenance practices is that no agency mentioned cost reductions regarding **office maintenance, system maintenance practices**, or **purchasing lower cost of office supplies**. What may differ from the study of 450 agencies in 2008 and this crisis particularly might be the dynamic shift of agencies to a more online based business model and the size of the company, as mentioned in the HR practices. Even though none of them mentioned use of this practice, perhaps operative employees as in the case of i6, and i8 which are larger in size, have used this practice to save costs. In the case of i8, they actively decided to suspend payment in the offices of Madrid and Seville as stated in the analysis. The other companies, i1, i2, i3, i4, and i5, have a small structure and work either in their own houses or in flexible coworking spaces, as is the case for i5. The travel agency is extremely competitive, according to i3, who disclosed that some of her employees have left the company to start an agency for themselves under a different name and therefore it may have directed the agencies to be extremely cost effective in order to be competitive in terms of pricing and competitive in the traveling industry.

Practice 4 of the maintenance category, **Extending/ postponing credits** (refunds), was presented in all companies as they could not deliver the services they sold to their clients. Even though this practice is utilized in this particular crisis, it seemed it
was not as defined in the 2008 crisis, where people simply could not afford to travel. There were 50,000 refunds for agency 8, 10,000 dkk were refunded by Agency 5, one client was refunded by Agency 4 as she was able to convince clients to postpone the trip for next year due to the good relationship and the trust between the company and the client, as it also exists in agencies 2 and 8. Reputation and a perceived client service from the marketing category are arguably tied to the trust that clients give to agencies they are dealing with and thus might accept postponing a trip versus canceling the service. Even if it was presented in only one company, 

**Closing down the business** should be considered and complemented in the practices that travel agencies can utilize in managing a crisis. As my research shows, agency 7 decided to close down the company in spite of all the governmental packages that exist in Denmark. However, he said that he could always come back, again drawing the conclusion that a dynamic structure in travel agencies has assisted the survival of most of the agencies interviewed.

### 5.4 Government and External Practices discussion

What interests me most in this category is the newly discovered practice **Support packages**, where governments assist agencies with low interest loans or cash injections to keep the business floating. The difference in governmental support between countries is quite appalling in my opinion. It appears that in Denmark, a country with a higher percentage of taxation (average of 45%), there is a larger concern around supporting companies than in other European countries, such as the Czech Republic (25%) or Spain (30%). As it was in the case of i5, the active practice of lobbying with the government granted them a support package to pay all clients
their refunds. The Mexican government on the other hand, has not extended a significant support package to any of the interviewed companies and have still enforced taxation in the midst of the crisis. It is obvious that the Mexican travel agencies have no expectations of the government, even though they pay on average 31.4% in taxes, not much less than in Denmark. The travel agency in Spain complained about the government in the interview, even though it had received a support package in the form of salary payments to their employees for three full months.

As the analysis table shows, there has not been an organized demand for grace period on tax exempts, Industry wide demand due to governmental lack of support or a wide demand for government assistance in any of the agencies interviewed, including the Mexican agencies who have not received any support from the government. I assume that this is because there is very little lack of trust from the Mexican business owners towards the government, and the European agencies would not organize a demand because they were already supported. In the case of Agency 5, there was lobbying as a practice to negotiate with the government to extend vouchers to their clients in the form of credit in order to postpone refunding. This agency also stated that withholding cash is extremely important in crisis as “cash is king”, again. In terms of Communicating business as usual, it has been a common practice for Mexican agencies, as it is defined by the lack of support for the companies, so they decide to communicate they are operating as per usual. I believe that communicating business as usual might be undervalued and misunderstood. Looking in retrospect, Communicating business as usual should be considered as a Marketing strategy as it is a content communication to the clients, which
companies will not shut down and it will wait until the development of the situation improves to return to normal operation, with exception of company 7 that unfortunately shut down.

The situation is ongoing, and the change in the utilization of practices in travel agencies may very well keep changing, if the travel bans continue to exist and the tourism industry declines due to another possible spike in the virus at the end of 2020 or beginning of 2021.

5.5.- Discussing Innovation Practices

This thesis was conducted to assess if travel agencies are using innovation in times of the corona crisis. As the table shows, only one company decided to actively search for different opportunities outside of their usual business model. Interview 8, Juan Manuel López, CEO of Grupo Delem in Spain, adapted swiftly to adapt his business into a newly emerged demanding business solution that could contribute to the fight against the Covid-19 crisis. By activating his network, researching demands in hospitals he managed to create an entire new venture utilizing his own employees and business expertise to shift his attention to a more profitable value capture organization. When agencies were asked if they have considered changing their business model, there was a big resistance to change which contributed to the lack of popularity of Business model Innovation in times of crisis. It seems to me like companies take a risk averse posture towards crisis by “sticking to what they know”, instead of seeing it as an opportunity to search for new business models. There might be other interesting cases, where business model innovation has been utilized to survive in times of crisis in the travel agency sector in this specific crisis.
Even if BM innovation was not chosen in most of the agencies, innovative solutions did arise from the analysis. Referring to the literature review, innovation can be presented in 5 different forms according to Schumpeter: 1. The launch of a new product or a new service; 2. application of new methods of production or sales of a product (not yet proven in the industry); 3. opening of a new market (the market for which a branch of the industry was not yet represented); 4. The exploitation of new resources of supply of raw material or semi-finished goods; 5. Restructuring companies such as the creation or destruction of a monopoly position (Schumpeter, 1943). Schumpeter stated that anyone seeking profits must innovate.

All agencies made a change in their operations in one way or another. In the case of i1, he changed his entire market segment and targeted Mexicans instead of international exchange students, while i2 created new local destinations, and i3 is engaging regular clients with email campaigns. Meanwhile, i4 has stopped all her activities and decided to wait until next year to resume its operations, i5 launched a podcast to engage customers with exciting information to attract new clients and prepare them for an amazing 2021, and i6 has opened national low cost trips to create a small revenue stream. As a more drastic response, i7 shut down completely however shared his intention of collaborating with a hostel to share his knowledge in social media content- finding a business opportunity using his expertise, while i8 created a complete new business of selling UV disinfection machines. Travel Agencies in general are running out of time, financial resources are rapidly burning...
due to the loss of income, and for that reason I believe innovation may arise when facing a matter of life and death of the company.

5.6- My own experience as a Travel Agency owner

As stated before in this research, my brother and I own a travel agency which was not included in the research to prevent bias conclusions. The motivation behind the research has come from the need to find a solution to this unprecedented crisis, to find inspiration and attempt to keep all of our employees and our business running. Therefore I find it relevant to mention some complimentary practices that in my agency is currently exploring regarding business model innovation.

We actively used innovation tools described in this paper, specifically Value proposition Canvas, BMC and the SWOT analysis for every idea that has arised from our ideation sessions. We dedicated many hours to find new value propositions to find new revenue streams with the resources that we currently own.

We have identified two large market demands: products related to the Covid-19 fight and a wide offering of renting rooms and buying and selling apartments, around the university area of our city Monterrey, Mexico.

**BMI- Commercializing Mexican-made K95 -masks**

We did some research and there was a very limited supply of N95 masks to protect the mexican population from spreading the virus, so we actively decided to find a company and assist them with our commercial expertise and sell masks to large corporations to earn commissions from the transactions we close. This practice is
BMI- Real estate

Using our network we have managed to create an income assisting owners to sell their apartments and earning a commission. Another Real estate practice includes connecting clients to owners as brokers to earn a commission from the contracts generated from our sales work.

The following chapter will address the many limitations as well as the future research recommendations to guide future researchers in the right direction to understand the best practices made by travel agencies around the world to survive the Covid-19 crisis.

6.- Future research

The objective in this section is to advise fellow researchers interested in further developing this topic by providing some helpful reflections that I learned from conducting this research. More specifically, the next steps that would complement the research and create a deeper understanding of the practices travel agencies utilized to survive the COVID-19 Pandemic. Due to the realistic approach I decided to take conducting this research I would suggest expanding this qualitative study to more travel agencies as my sample was very low and cannot be generalizable to the reality other travel agencies faced in this crisis. Thus, a larger qualitative data collection using complimentary literature on crisis management with a more comparable comparison point than the 2008 economic crisis would be recommendable. The next suggestion would be to do a thorough research on the
practices utilized by travel agencies in the influenza, sars and ebola crisis. Another recommendation would be adding the practices found in this specific research to confirm and validate if the practices I found in this research are utilized in more travel agencies around the world. The timing of the research is a further recommendation I would add to conduct a retrospect inductive data collection as many of my findings were not final as the Covid-19 crisis is not over yet. The final recommendation is to refine the interview guide and ask a direct question for every practice that exists i.e: “Is your company reducing the number of hours of your employees?”- this would make the coding process easier as it was extremely difficult to identify a specific practice with the general interview guide that I was created prior to the interviews. To conclude the limitations it is recommended to take the experience of other companies as a pinch of salt to create new practices as they cannot be generalized by the application of this study alone.

Drawing on my personal experience, adaptability is paramount to surviving crises; change will never cease to exist, we have to adapt as individuals as much as we have to adapt as companies to conquer the many challenges in the organization's life cycle. Perseverance, innovation and well informed decisions could be the life vest that protect the jobs and livelihoods of millions of people across the world.
6.1- Practical implications

The practical implications for this study have been of great significance to me and to my own travel agency. It has helped my company discover different paths to innovate by reading literature, familiarizing with the different tools that exist to facilitate innovation and structure value creation; furthermore, interviewing other travel agencies who are experiencing the same problems as my company in this unprecedented crisis has given me many ideas and practices to implement in my company. After conducting interviews I immediately shared the findings with my brother who happens to be my business partner to discuss and in some cases shift the focus of our employees resulting in an increase of revenues which otherwise would not exist. My empirical discoveries aim to assist more travel agencies to gain inspiration from others to apply to their business and possibly prevent further companies from closing down due to the COVID-19 crisis.

7.- Conclusion

The purpose of this research was to understand the strategies and practices that travel agencies are utilizing today to survive the COVID-19 crisis as mentioned in the research question in the introduction chapter. Reviewing the literature, understanding the academic background and discovering the known practices that exist to manage past crises I created a solid fundament to begin inquiring for new practices adapted to this particular crisis. Basing questions on the aforementioned knowledge I designed an interview guide to facilitate the data collection to verify if
the travel agencies were using similar practices and discover unknown practices that would complement the existing literature. Adapting the list of practices to create a Covid-19 playbook could potentially guide future academics to continue the research and simultaneously assist travel agencies to withstand the current and future comparable crises. After validating that some practices were utilized from the previous literature, my empirical research discovered new practices that compliment the previous practices:

1.-In the category of **Human resources** the following practice was found:

- **Employee engagement**: Referring to the different postures of the relationship between an organization and its employees. By adding this category one can understand the intention of the owners and decision makers to support and motivate their employees in the midst of the crisis.

2.-In the category of **Marketing** the following practices were found:

- **Client Relationship Management**: Referring to the findings for that demonstrate that most of the agencies were concerned for their clients and scrambled to refund their clients given the circumstances of the crisis. I found that there are several ways to communicate and to handle clients in this type of crisis through policies, and communicating the situation with transparency and engaging the client with content.
• **Content Creation and communication**: Refers to the many strategies and specific content that travel agencies are utilizing to address the covid-19 situation, in this practice the reader can learn what were the most common communication creations to keep the clients informed and engaged with the travel agency.

3.-In the category of **Maintenance** the following practice was found:

• **Closing down**: Refers to the exit strategy of closing the business due to the crisis which is not presented in the literature and it is a valid practice to utilize.

4.-In the category of **governmental or external assistance** the following practice was found:

• **Government Packages**: Refers to the hunt and utilization of the available government assistance to combat specifically the Covid-19 crisis.

5.-In the new proposed category of **Business model Innovation** the following practice was found:

• **New business unrelated to the tourism industry**: considered changing their entire business model to capture value through other entrepreneurial activities outside of the travel agency industry.
These findings provide future researchers a larger and more specific list of practices, to add in the interview guide and possibly discover if other agencies are utilizing them or not. Expanding and adding practices under the newly created category **Business Model Innovation** would be another recommendation as it is in my opinion that there are plenty of other cases where a travel agency changed their complete form of capturing value through innovative reconfigurations of their own resources. To end this conclusion I would like to refer to a quote from Juan Manuel Lopez in one of my interviews that stated “Everyone will be affected by this crisis, we will end up being either bruised, injured, greatly injured or dead. But we should try to minimize the damages by adapting to the new normality.” The COVID-19 has taken travel agencies to their absolute limits; survival depends on the actions of every business owner to be creative enough and endure this unprecedented crisis.
Table of Appendices

Figure 1 - Types of value and metrics

Figure 2 - Business model Canvas
Figure 3- BMI Roadmap

Stage of Business Model Innovation Roadmapping Implementation

- **Initiation Stage**
  - Goal: get the firm ready before beginning to implement business model innovation roadmapping

- **Development Stage**
  - Goal: develop a desired roadmap by involving the right individuals in the process, and by gathering the right information in order to conduct a step-by-step analysis

- **Integration Stage**
  - Goal: integrate the business model innovation roadmapping process into ongoing business planning activities

- **Evaluation Stage**
  - Goal: assessment of the integrated business model innovation roadmap and if necessary apply corrective actions

Figure 4- PEST MODEL

- **POLITICAL**
  - Taxation
  - Regulations
  - Political stability

- **ECONOMICAL**
  - Industry structures
  - Unemployment rate
  - Resource availability
  - Economic cycles

- **SOCIAL**
  - Levels of education
  - Consumer behavior
  - Income distribution
  - Mobility

- **TECHNOLOGICAL**
  - Emerging technology
  - R&D support
  - Skilled resources
  - Product life cycle
Figure 5 - SWOT analysis

- **Strengths**
  - Things your company does well
  - Qualities that separate you from your competitors
  - Internal resources such as skilled, knowledgeable staff
  - Tangible assets such as intellectual property, capital, proprietary technologies etc.

- **Weaknesses**
  - Things your company lacks
  - Things your competitors do better than you
  - Resource limitations
  - Unclear unique selling proposition

- **Opportunities**
  - Underserved markets for specific products
  - Few competitors in your area
  - Emerging need for your products or services
  - Press/media coverage of your company

- **Threats**
  - Emerging competitors
  - Changing regulatory environment
  - Negative press/media coverage
  - Changing customer attitudes toward your company

Figure 6 - Value Proposition Canvas
Figure 7- Interview guide

1.- How does your business model work?
2.- What is your target market?
3.- What services do you provide?
4.- How many employees do you have?
5.- How has the covid-19 pandemic affected your travel agency?
6.- What strategies are you using right now to make the situation better?
7. What practices are you using in your company, any firings?
8.- What are you doing for marketing right now?
9.- Have you done any cost reduction strategies?
9.- Have you received any government support or external help?
10.- Have you thought of new ways of creating an income?
11.- Have you thought of changing your business model completely?

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*Interview transcripts are included in a separate file