

Key Challenges and Issues Faced by the Tourism Entrepreneurs in Sri Lanka due to the Easter Attack

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Abstract

Sri Lanka has been a very popular and much sought-after tourist destination for centuries because of its unique wildlife, golden beaches, rich cultural heritage and remarkable landscapes. The economy of Sri Lanka depends heavily on the tourism industry. However, tourist arrivals in Sri Lanka slumped 70% and the tourism industry faced a huge struggle due to the Easter Sunday attack on 21st April, 2019. Hence, this research is carried out as a concept paper, with the main objective of identifying the key challenges and issues faced by tourism entrepreneurs due to the Easter Sunday disaster. The study will be carried out as a qualitative research which mainly focuses on tourism entrepreneurs registered under the Sri Lanka Tourism Development Authority. Further, the researchers will collect both primary and secondary data and will use the case study method and conversation-based content analysis for the data analysis. Expected findings of the study will identify key challenges and issues faced by Sri Lankan tourism entrepreneurs due to the Easter Sunday attack while accentuating the recommendations and suggestions to recover from the injurious consequences of the disaster.

Key Words: *Tourism Entrepreneurs, Tourism Industry in Sri Lanka, Easter Attack*

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I. INTRODUCTION

Sri Lanka has been able to capture the attention of many tourists because of its strategic location in the Indian Ocean. Being one of the most beautiful tropical countries, Sri Lanka is home to a large number of very unique natural and cultural heritages. As a result of these eye-catching features, Sri Lanka is famous and popular among travelers (Fernando, Bandara, and Smith, 2016).

The tourism industry plays a vital role in the Sri Lankan economy while being one of the most critical pillars of strength in its economic growth. According to the Annual Statistical Report published by the Sri Lanka Tourism Development Authority in 2017, the direct contribution of the tourism industry to the GDP was 4.5%. In 2018, the tourism industry was recognized as the number one revenue generator in the country, surpassing all the other sectors, and generated revenue of more than \$ 4.4 billion. However, the overall contribution from the tourism industry especially to the poor communities has still not been properly evaluated. This industry is producing vast economical benefits such as, generating income through providing more employment, rapid growth of the infrastructure of the country, getting foreign direct investments improving the living standards of the people etc. (Maelge 2019)

Even though Sri Lanka was able to attract many tourists and provide more benefits through the tourism industry, it can be clearly observed that there have been many fluctuations in the tourism industry in recent decades. The industry was at its peak and booming after the country saw an end to the civil war. But this scenario was totally changed and tourism was adversely affected, and took a tremendous beating due to the Easter attack.

Accordingly, the research problem of the study can be formulated as “Was the Easter attack a key challenge to Sri Lankan tourism entrepreneurs?” by critically reviewing the present context.

The main objective of the study is to identify the impact of the Easter attack towards tourism entrepreneurs of accommodation establishments in Sri Lanka. The sub objectives of the research are,

- Identify the key challenges and issues faced by tourism entrepreneurs in Sri Lanka due to the Easter attack
- Analyze and evaluate the steps taken by tourism entrepreneurs in order to rise again
- Investigate the government strategies to recover the almost collapsed tourism industry, due to the Easter attack
- Come up with future recommendations and suggestions for the betterment of the tourism industry in Sri Lanka

It is very significant to pay attention to this timely topic due to two main aspects; the academic relevance and the practical implications. When it comes to the academic relevance, there are a limited number of research studies in this area. In addition, this study will provide a direction and future research insights for future next generations to discover what are the key challenges and issues faced by Sri Lankan tourism entrepreneurs after a terrorist attack. Further, the practical implications of the study can be discussed from many perspectives. This will provide a great aid to formulate policies, future strategies, rules and regulations specially for government regulatory bodies such as the Sri Lanka Tourism Development Authority and Ministry of Tourism Development Sri Lanka etc., as well as for the many private sector organizations. Moreover, it is said that the best learning modes are previous mistakes and historical examples. Hence, this will provide insights, and give notifications and alerts with relevance to future terrorist attacks and how Sri Lanka should take protective actions to overcome difficult situations with special reference to the tourism industry.

II. LITERATURE REVIEW

Tourism Entrepreneurs

A tourism entrepreneur is defined as an individual who is starting a business with the aim of providing a product, service or experience for tourists (Kensbock, & Jenings, undated). Tourism entrepreneurship can be defined as activities relating to starting and operating a legalized tourism firm (Saayman and Saayman, 1998).

A tourism entrepreneur is also known as a creator of touristic enterprise through perceiving market opportunities and motivated by monetary/ non-monetary reasons. Further, tourism entrepreneurs also believe that they have the confidence, skills and abilities to undertake a touristic organization successfully while assuming the uncertainties and risks embedded with starting the new venture in the field of tourism (Koh and Hatten 2002).

Several types of tourism entrepreneurs can be distinguished by considering their characteristics, behaviors and their product offerings etc. (Koh and Hatten 2002). When considering their final products and outcomes, three basic types of tourism entrepreneurs can be observed, namely, inventive tourism entrepreneurs, innovative tourism entrepreneurs and imitative tourism entrepreneurs.

According to Koh and Hatten (2002), an inventive tourism entrepreneur is a person who introduces a very new product or offering to the tourism industry. This type of tourism entrepreneurs are simply inventors. Further, they do not have direct competition in the industry or sometimes they face some competition while bearing a considerable risk. Innovative tourism entrepreneurs are the people whose products and offerings are somewhat new. When comparing with inventive tourism entrepreneurs, innovative tourism entrepreneurs have lower level risks because their products are derived though already available offerings. Imitative tourism entrepreneurs are those whose products and offerings do not have a significant difference from already established products and offerings in the field of tourism. They are normally facing a high market competition while having a low rate of product rejection by their customers.

Koh and Hatten (2002) also describe six types of tourism entrepreneurs by considering their behavioral approaches namely, social tourism entrepreneurs, lifestyle tourism entrepreneurs, marginal tourism entrepreneurs, nascent tourism entrepreneurs, closet tourism entrepreneurs and serial tourism entrepreneurs.

Social tourism entrepreneurs tend to come up with non-profit touristic enterprises while trying to fill the gaps and provide solutions for burning social needs. Lifestyle tourism entrepreneurs are more likely to start a touristic venture to support their lifestyles, hobbies and personal interests rather than only focusing on earning profits. Marginal tourism entrepreneurs are engaged with the tourism industry in a very informal manner such as street vendors, unlicensed tour guides etc. Closet tourism entrepreneurs join the tourism industry as a part-time employment. They earn their primary source of income by engaging in a full time job elsewhere. These types of entrepreneurs shift their role as closet tourism entrepreneur, part-time to full-time, when they gradually became successful. This motivation is becoming a pull factor to be an entrepreneur. The dissatisfaction of being an employee elsewhere is becoming the push factor of being an entrepreneur here. Nascent tourism entrepreneurs are those who are currently engaged in the process of being tourism entrepreneurs by undertaking a touristic venture. They may be at the very first stage or middle stage of being an entrepreneur. Serial tourism entrepreneurs have more than one touristic venture. May be they have failed in the very first time as an entrepreneur but they are still trying by introducing more business organizations (Koh and Hatten 2002).

Tourism Industry in Sri Lanka

Sri Lanka has etched its name in golden letters as one of the finest islands in the world to travel to, since the twelfth century. Even though Sri Lanka has caught the eyes of many tourists, it can be clearly observed that there were considerable ups and downs in the tourism industry in Sri Lanka in recent decades due to many reasons. There was a continuous growth in the tourism industry in Sri Lanka after gaining independence from the British in 1948. But, the tourism industry was stagnant until 2009 and it suffered immensely because of the negative impacts of the thirty years of civil war. However, the government always tries to maintain and increase the annual tourist arrival rate to the country with a never-ending string of incidents. During the post-war period, the Sri Lankan tourism industry began its new chapter and was able to become one of the fastest growing and dynamic industries in the country. The government formulated a five-year master plan of Tourism Development Strategy (TDS) and launched a massive marketing campaign named “Sri Lanka - The wonder of Asia” (Fernando et al., 2016).

Easter Attack

Global terrorism and terrorist attacks have been one of the major problems that the whole world is currently facing. Global terrorism has dramatically increased over the past 15 years (Hu, Lai, Chen, Zou and Feng, 2019).

On Easter Sunday, 21st April 2019, three luxury hotels in Colombo as well as three churches in Sri Lanka were adversely affected by a series of suicide bomb attacks causing tremendous carnage. Later there were smaller explosions in the areas of Dematagoda and Dehiwala, both in the Colombo District. The tragedy caused 259 deaths which included 45 foreign nationals and there were more than 500 injured. This was the major attack which Sri Lanka faced after ending thirty years of civil war before ten years back in 2009. Anyhow, The Islamic State (IS) group claimed the overall responsibility of this attack. This is already having a domino effect on the economy (Imtiyaz, 2019).

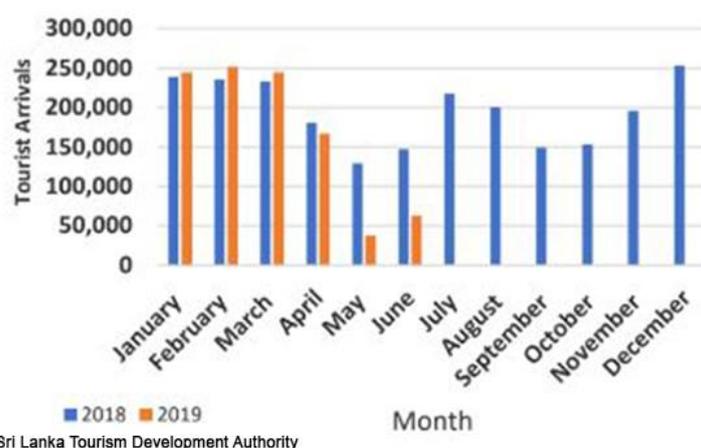
Key Challenges and Issues

The tourism industry is considered as the third largest foreign exchange earner in Sri Lanka, and employs around 135,000 to 150,000 in the industry. For the year 2019, it was expected to have more than 3 million tourist arrivals to the country while having more than \$5 billion by way of revenue. But according to the calculations of The Hotels Association of Sri Lanka there is a loss estimated around \$1.5 billion in tourism earnings due to the Easter attack (De Silva, 2019).

According to the statistics of the Sri Lanka Tourism Development Authority, tourist arrivals slumped by 70% in May 2019 and by 57% in June when compared to 2018. Furthermore, many small businesses in the tourism industry had to shut down their businesses. Some were forced to lay off their staff members or had to pay minimal payments (Shah and Aneez, 2019).

The following chart indicates the loss of tourist arrivals when compared to the year 2018 according to the statistics which were published by the Sri Lanka Tourism Development Board.

Figure 1: Tourist Arrivals to Sri Lanka in 2019



Source: Sri Lanka Tourism Development Authority

Source: Sri Lanka Tourism Development Board

Table 2: Statistics of Tourist Arrivals to Sri Lanka in 2019

Month	2018	2019	% change 2019/18
January	238,924	244,239	2.2
February	235,618	252,033	7.0
March	233,382	244,328	4.7
April	180,429	166,975	(7.5)
May	129,466	37,802	(70.8)
June	146,828	63,072	(57.0)
July	217,829		
August	200,359		
September	149,087		
October	153,123		
November	195,582		
December	253,169		
Total	2,333,796		
Up to June	1,164,647	1,008,449	(13.4)

Source: Sri Lanka Tourism Development Board

Most critical results and direct impacts of the Easter Sunday attacks could be observed just after the disaster, through airlines, hotels and restaurants etc. since it was a sudden and huge shock to the country. But, there are lots of unseen stories behind this terrible disaster especially for the poor communities who depend mostly on the tourism industry in Sri Lanka.

Impacts of Terrorist Attacks towards the Tourism Industry in the Global Context

Drakos and Kutan (2003) emphasize that there are significant negative effects of terrorism on the tourism industry since it a direct cause to the reduction of the tourist arrivals to a country. Their study was based on three Mediterranean countries, namely Greece, Israel and Turkey. It was found that intensity of terrorist incidents is one of the major critical factors and it plays a vital role for tourists when they making decisions to select their tourist destinations.

Bysyuk (2010) investigated about 11 September 2001 terrorist attacks on the United States and its tourism industry while paying attention on severe problems that occurred in the tourism industry, consequences and lessons learnt, response of the country towards the global tourism industry and future development concepts for a sustainable tourism industry etc. This attack resulted in the cumulative loss of around 34% of the tourism industry with major wounds in the sectors such as air travel, conventional leisure tourism, and hotel and restaurant industries.

Meindl (2018) analyzes the impact of terrorism on the tourism industry, especially on European cities such as Paris and Brussels. Further, it also focuses on how these cities reacted to the terrorist attacks, and strategies they used to overcome the crisis situation both in the short term and long term. It also indicates the safety and security concerns over terrorism in other countries apart from the European region by taking past attacks as a lesson. The study further reveals that the European tourism industry suffered tremendously after the terrorist attacks and it was very difficult to calculate the exact loss due to this disaster. However, it is mentioned that there was a decrease of 10% of tourist rate after the Paris Attack in 2015.

Kenya is another country which faced severe downfall in the tourism industry due to terrorist attacks in 2013. Their tourism industry is mainly concentrated on wildlife tourism, game parks and beaches etc. Nearly 30,000 people lost their employment because of the decline of the tourism industry after the Nairobi attack.

Terror Tourism

Even though most of the tourist destinations world-over, are being negatively impacted from these terrorist attacks, sometimes it can be observed that, where the concept of terror tourism is emerging, there are positive outcomes too.

The most recent incident in India provides a sound example for the terror tourism concept. India was struggling to attract tourists because of the 26/11 attack on their financial capital, Mumbai. There was a clear decrease of 60,000 tourists approximately, based on airline and hotel cancellations. But, there is a good sign of developing terror tourism in Mumbai in the present. Most of the tourists are now visiting places in Mumbai such

as Leopold Cafe and Nariman House where a three-day long terror strike was going on at that attack. The interesting fact is, the owners of these places have decided to keep the bullet holes on the walls, with the main aim of getting more attraction and attention of tourists (Garg, 2010).

A similar situation can be identified in United States after 9/11 attacks. New York was a very popular tourist destination thereafter and the site in which the Twin Towers stood was a very famous tourist site specially for walking tours (Garg, 2010).

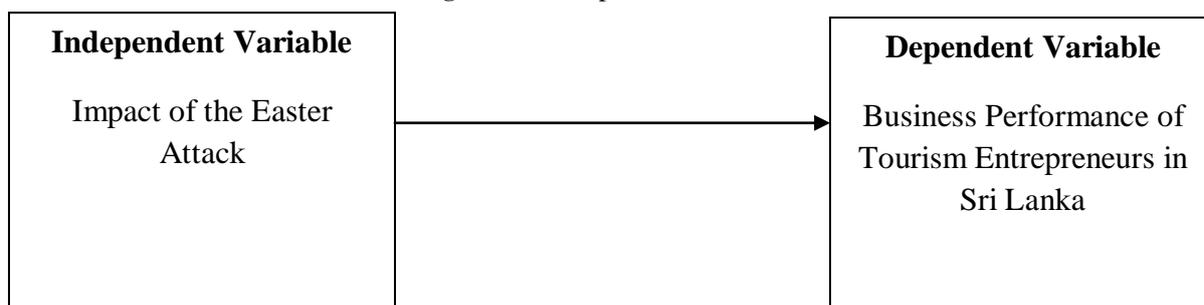
Sri Lanka is also having the capacity to develop its tourism industry through this concept which allowing tourists to visit these dark sites such as post-conflict areas and post disastrous areas from the Easter attacks. Already there is a trend of visiting Northern and Eastern Provinces since those were the majorly affected areas from the civil war and Southern Coastal area since it was hugely affected by the Tsunami disaster in 2004 (Nisthar, Vijayakumar and Nufile, 2016).

III. METHODOLOGY

The study can be identified as an explanatory study which is followed by a qualitative research approach with the main objective of identifying the key challenges and issues faced by Sri Lankan tourism entrepreneurs due to the Easter attack on 21st April 2019. Therefore, the study is not focusing on the development of hypotheses and testing; instead the study is suggesting some propositions to identify the key challenges and issues faced by the tourism entrepreneurs in Sri Lanka due to the Easter attack.

The researchers have used a self-developed investigation model as the conceptual framework which indicates the impacts of the Easter attack as the independent variable while using the business performance of tourism entrepreneurs in Sri Lanka as the dependent variable of the study.

Figure 2: Conceptual Framework



Source: Compiled by the authors

The study will assess the impact of the Easter attack by considering its economical impacts, social impacts and political impacts.

The total number of tourism entrepreneurs in Sri Lanka is considered as the study population of this research. The target population is the total number of tourism entrepreneurs who have registered their business with the Sri Lanka Tourism Development Authority (SLTDA).

The study will use the convenience sampling method due to the difficulties in randomization of selecting the sample from the population and the time limitations. Convenience sampling which is also known as haphazard sampling, accidental or opportunity sampling indicates that, a sample is drawn from that part of the population that is close at hand, readily available, or convenient (Saunders, Lewis and Thornhill 2009, p. 241), (Bhattacharjee 2012, p. 69). It is said that the convenient sampling method is prone to bias and influences even though this sampling method is considered as a quick and a less expensive method (Sekaran and Bougie 2014, p. 276).

Accordingly, 20 respondents will be selected to conduct the study. It will focus on both collecting primary and secondary data. In-depth interviews with tourism entrepreneurs and an open-ended unstructured questionnaire will be used as the primary data collection methods by referring to the studies of Elo and Kynga (2008) and Wetherell (1998) as an interview guide. Secondary data such as tourist arrivals etc. will be collected through statistics, data and information from the Sri Lanka Tourism Development Authority, Ministry of Tourism Development Sri Lanka and other government regulatory bodies. Hence, the researchers will use both qualitative and quantitative data to conduct the study.

In order to analyze the data and presentation, the researchers will apply case study method and conversation based content analysis method. These methods will facilitate a detailed contextualized analysis through combining content analysis with conversation analysis (Elo and Kynga, 2008).

Expected Findings

Throughout the study it is expected to find the key challenges and issues faced by tourism entrepreneurs in Sri Lanka due to the Easter attack such as loss of the foreign tourists, loss of the local travelers, employee turnover, employee lay off, economical challenges, financial challenges, security problems, rules and regulations etc.

It is a well-known fact that terrorist attacks are beyond the controlling power of even the most advanced security systems. The only thing that can be done is to reduce the negative impacts through proper planning and management practices. It is very important to pay attention to the tourist destinations in Sri Lanka, because those places are more likely to be the terrorist targets, since they can get the attention of the whole world.

Therefore, it is expected to find out the strategies and steps which are already implemented by the government and relevant regulatory bodies while evaluating their effectiveness. Accordingly study will also look in to the potential future recommendations and suggestions in order to increase the effectiveness and efficiency of the businesses while focusing on the performance of tourism entrepreneurs in Sri Lanka.

IV. CONCLUSION

The Tourism Industry is considered as one of the most critical driving forces in the Sri Lankan economy. There was a clear observation that Sri Lankan tourist firms and entrepreneurs were caught in a struggle because of the tragedy of the Easter attack and trying to survive at the industry while trying many strategies. The study is carried out with the main objective of identifying the key challenges and issues faced by tourism entrepreneurs in Sri Lanka due to the Easter attack. Further it also focused on the coming up of strategies to recover from the negative impacts while analyzing and evaluating current strategies which are taken by the government and other institutions. The study is being conducted basically as a qualitative research while applying an investigative research model. It also collects data using in-depth interviews and an unstructured open-ended questionnaire by taking respondents who are registered under SLTDA. Data analysis and presentation is done through conversation-based content analysis. This study will provide an insight for policy makers, government institutions and other regulatory bodies to develop future strategies to increase the performance of tourist entrepreneurs as well as re-energize the fallen tourism industry in Sri Lanka.

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