

POST EFFECT COVID AND SERVICE SECTOR IN INDIA: A STUDY

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Abstract

Service sector is emerged as burgeoning sector of any growing economy, for any growing economy there are three main pillars, industrial, service and agriculture sector. Novel corona virus affected the respiratory system and created many complications in human beings. For controlling this many countries like UK USA Italy Spain China and India announced partial or complete lockdown which lead standby of entire business operations. This situation effected service sector hardly which resulted in the loss of jobs and profitability in industries. The efforts are being made in this research paper to understand the impact of Pandemic lockdown on the service sector of the country. Questionnaire, published statistics and interviews were used in collection of information.

Keywords: Indian service sector, Pandemic, Economic Pandemic.

INTRODUCTION

Service sector of any economy is an intangible activity which plays a significant role in countries economy. This service can't be stored nor can't ownership be claimed still contribute 59% of total economy. India's economy was started after independence with declining rate from 57% (1950-51) approximately to 16.5% (2019-20) in agricultural sector, whereas service sector was booming with a positive trend from 28% (1950-51) to 55% ((2019-20). India's economy was 93 trillion which has a growth rate of 6.8%. India was the fifth largest trillion dollar growing economy of the worlds. Indian service sector employed 50% of FDI. Major companies which are included in service sector are IT, hospitality, banking, retail, healthcare, travel & tourism, transport, education and many others.

EMPLOYMENT RATE:

Table 1

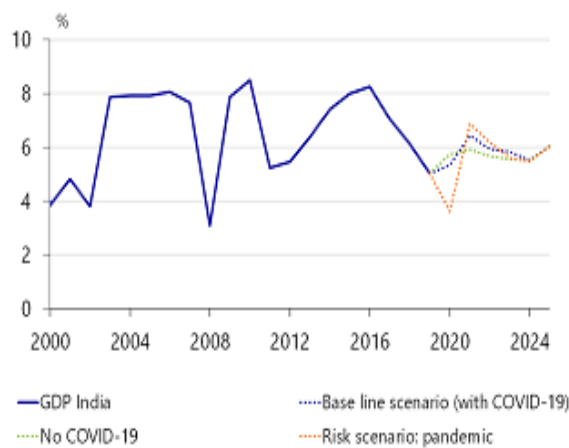
COMPANIES	POPULATION
IT	30 million
Healthcare,	20 million
Telecom	10 million
Retail	10 million
Others	30 million
Total	100 million

Pandemic was started from China in Nov 2019 which was thought that it has a limited impact in China it was also stated that virus was from animals to human and from human to human carrier so it was not devastating. But as the death started raising in China and started spreading in Italy, Spain, Iran worlds leaders started taking serious note on this issue and started taking measures for their countries like isolation of suspects, travel restriction, but the situation

became worst when the death toll started raising in USA, France, UK, Germany. Although cases were light in India but death rate was comparatively low. Finally WHO announce spreading of virus as Pandemic. For checking the effect of pandemic government of different countries announced measures which are similar almost in each country which resulted in closure of business activities and establishments work from home, social distancing, even imposing section 144 and curfew. This constitution provision was war like situation and all public transportation like railways, buses, airlines was stopped completely. All these measures affected economic activities around the worlds also affected the GDP rate of entire globe.

IMPACT OF PANDAMIC ON ECONOMIC GROWTH

Figure 1:



*Source Robobank CSO

LITERATURE REVIEW:

Richard D Smith, Marus R Keoghrow, Tony Banet	In their research project stated, few sectors like agriculture food processing ,mining, food production pharmacy, are less affected in Pandemic; in fact domestic output & domestic market sale was increased in these sectors. Whereas, manufacturing, construction and utilities industries
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	suffered reduction in output, losses were more in household, government and investment consumption and major losses were for the transportation, hotels, restaurants and telecommunication.
Stephton Cscholevis	In his paper Macro economics influence with reference 1918 states Pandemic affected majority of countries and population subgroups in a short span of time. Its impact is not only biological in fact social phenomenon was also affected like economic conditions, food supply , water etc.
Mangan (2020)	Around 80% of working population in art, entertainment, industry and recreation lost their jobs in UK.
Authority(2018)	In Philippines around 55% till April 2020 entertainment workforce was collapsed.
Statisbl (2020)	In Australia around 29.5% fell who were performing in art and cultural activities.
Braselerio de Geografia Estatistica (IBGE)	It is an audio visual new agency and editing industry fall by 14.8% till March 2020.
Unites Stated Beuro of Labour	Motion pictures sector fallen by 52% during. lockdown

Statistics	till May 2020
Pak(2020)	Specified in his studies China is recovered from, COVID 19 but still small business segments are struggling for reopening.
Gossling et al (2020)	It has mentioned that COVID 19 have overwhelming impact on air travel.
Sunil Kr(2020)	Author in his paper provided detailed study of significance of serial distancing contrary to COVID 19 specified that COVID affected the financial development of a nation, lockdown moved global economy into slump.
Hall (2020)	Author diverted attention that virtual platforms and its applications, play important role in up bring innovative matter with issues related to copyrights,.
France 24, 2020	Robots helped as cameras for maintenance of social distancing between actors, they also arranged means with such facilities of dubbing themselves or rented cars aware sent with equipments near their houses, in this way Covid 19, has hilted the media,, industry.

OBJECTIVES OF THE STUDY:

- Highlighting the effect of consumer behaviour on service sector.
- Understanding the impact of Pandemic on the service sector.

SELECTION OF SAMPLE:

Study was conducted in Northern India among different companies like Banking, IT Retail, Hospitality, and Healthcare.

RESEARCH METHODOLOGY:

- Primary data was collected through structured questionnaire with 5% linkert scale.
- Number of respondents was 300 working in service sector in companies of Northern India.

SECONDARY DATA:

Services like digital print media, books, journals and newspapers, websites, and proceedings seminars.

HYPOTHESIS:

- Lockdown of 90 days will not affect, the growth of service sector
- Lockdown of 90 days will affect the growth, of service sector
- Variable duration of lockdown (DL)
- Variable growth in service sector (GI)

RELIABILITY TEST:

Cronbachs Alpha Test where more than 0.70 is acceptable. In test variable are having value more than 0.70 which reflects higher reliability data.

CRONBACHS RLIABILITY TEST

Table 2

VARIABLE	SCORE
DL	0.914
GL	0.930

RESULT ANALYSIS

Table 3

		FREQUENCY	%
GENDER	MALE	160	53.33
	FEMALE	140	46.67
AGE	LESS THAN 20	45	15
	20-40	225	75
	40-60	30	30
	60AND ABOVE	0	0
EDUCATION	HIGER	39	13
	SECONDARY	15	5
	TECHNICAL	135	45
	GRADUATION	111	37
	POST GRADUATION		

Data reveals that 67% of respondents believe in that lockdown of more than 90 days have a negative impact on service sector.

ADVERSE IMPACT ON COMPANIES

Table 4

INDUSTRIES	%
Hospitality	74
Travel & Tourism	69
Aviation	66
Retail	27
Banking	21
Health care	17

OTHER CONCERNS

Table 5

Fear loss of job	45%
Delay in salary	66%
Closure of establishment	22%

CHI SQUARE TABLE:

Table 6

Ho	Value	DF	Significance(two sided)
Pearson	4.578	4	0.28
Likelihood	5.213	4	0.28
Variable	300		

- Critical value 9.49
- Calculated value 4.578
- 9.49 is > 4.578, H1 is rejected, H2 accepted.
- Hence lockdown of more than 90 days will impact growth of service sector.

LIMITATIONS:

Major limitation was sample size of 300 respondents. Broad based objective is needed to draw inferences to study deeper impact of pandemic on service sector.

CONCLUSION:

Businesses which are providing services right from technology, airlines, travel and trade were the first ones to be affected when government took steps for the pandemic lockdown on the basis of research, it can be concluded that there is deep impact of pandemic on service sector. It is required by the policy holders and business strategists to make policy to restore the fall in growth of service sector, many initiatives required to be taken by the government too like tax concessions, incentives, and economic

stimulation for the growth of service sector for ensuring jobs and livelihood for the people of country.

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