



THE IMPACT OF COVID-19 PANDEMIC ON SELECTED MALAYSIAN *UMRAH* TRAVEL AGENCY

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ABSTRACT

In March 2020, the Kingdom of Saudi Arabia (KSA) received a report of the first Covid-19 case. Since then, the number of cases has gradually increased daily. The KSA announced on March 20, 2021, that both domestic and international travel will be halted, *Umrah* would no longer be performed starting on March 3, 2020, and, the Great Mosque has been closed to the public for more than two months starting on March 6, 2020. This caused the religious tourism *Umrah Ziarah* (Visit) business to experience a loss of up to 45% from the prior year. Nearly all the hotels in Mecca and Madinah that were neighbouring to the two grand mosques during the crisis were severely damaged and briefly shut down. This situation had a major consequence on *Umrah* operators and travel agencies, who are the principal entities in direct contact with the end customers. This study intends to investigate the challenges and opportunities of *Umrah* and *Hajj* operators and travel agencies business activities following the Covid-19 pandemic. It focuses on the recovery processes, business reinstatement, and operation restoration. In-depth face to face unstructured interview techniques were conducted with six (6) informants who are directly involved in the *Umrah* and *Hajj* operations to gather the data. These were analysed using cross-case and thematic analysis. The findings indicated that the main factors that sustain *Umrah* travel agencies operating are their entrepreneurial talents. The major traits

inherent in each entrepreneur in seizing the business prospects prevalent under all market conditions are innovation and imagination along with relevant expertise gained from prior experience. The methodologically address the challenges and seize opportunities rather than ignore them. Though government assistance were made available to the businesses, but it is not the only option nor lessen the negative effects. The ultimate solution is still within the entrepreneurial ingenuity of the business owner.

Keywords: Covid-19, Pandemic, Umrah, Hajj, Travel Agency, Business, Business Recovery.

INTRODUCTION

The Covid-19 virus was declared a pandemic by the World Health Organization (WHO) on March 11, 2020, which caused many nations to enforce Movement Control Orders (MCO) among their citizens and Temporary Entry Restriction Orders (TERO) prohibiting foreign travellers and citizens from entering and leaving to and from high risk countries (Khanna et al., 2020). In March 2020, the Kingdom of Saudi Arabia (KSA) recorded the first Covid-19 case, and the number of cases subsequently steadily grew on a daily basis (Ministry of Health., 2020). On March 2021, the KSA declared that local and international travel will be delayed, with domestic travel resuming two months later. Immediately following the imposition of lockdown and curfew in numerous sectors, the situation significantly improved. The limitations were implemented in three phases of programs, with the exception of Mecca, and were made public in June 2021. Beginning in the middle of June 2021, the daily recovery overtook the number of new cases. 10,000 persons were permitted to perform the *Hajj* that year, which took place in the last week of July and the first few days of August 2021, under the condition of social distance (Muneeza & Mustapha, 2021).

The KSA has declared that *Umrah* will be suspended beginning on March 3, 2020, in an effort to stop the spread of Covid-19, which has had an impact on both the country's health and economy. The Grand Mosque has also been off limits to the public since March 6, 2020, for a period of more than two months. In that particular year, the *Hajj* pilgrimage was undertaken exclusively for the domestic people, with a cap of 1,000 participants, facemasks, quarantine, and a social distance of 1.5 metres between pilgrims (Ebrahim & Memish, 2020). They have had a severe negative influence on *Umrah* package travellers' finances, spirituality, and emotional well-being.

According to the United Nations World Tourism Organization, Covid-19 is responsible for the worldwide tourism sector crisis that decreased international tourist arrival and resulted in losses of between US\$300 and

US\$450 billion (Rahman et al., 2021). On September 27, 2019, Saudi Arabia launched an E-Visa scheme that enables 49 nations to apply for visas beforehand or upon arrival. The Kingdom has launched this scheme in an effort to increase local tourism while luring tourists from abroad. The Covid-19, however, has ruined the initial strategy and caused the tourism business to experience a loss of up to 45% from the prior year. Nearly all of the hotels in Mecca and Madinah that were neighbouring to the two grand mosques during the crisis suffered losses with non-occupancy and briefly shut down. As a result of the scenario, numerous business operations slowed down or totally ceased.

In addition, the decline in oil prices and the economic effects of the Covid-19 outbreak, Saudi Arabia's economy was expected to have a USD 9 billion budget deficit in the first quarter of 2020. Furthermore, the government announced in May 2020 that it will reduce spending by up to \$26.6 billion and increase the value-added tax by up to three times, from 5% to 15%, both of which will take effect on July 1st, 2020. Thus, Vision 2030 goals represent the largest spending reduction brought about by the suspension of cost of living adjustments and the cancellation and postponement of some projects (Saudi Arabia Triples VAT to Support Coronavirus-Hit Economy, 2020).

UMRAH AND HAJJ SCENARIO PRIOR TO COVID-19

The primary motivation for Muslims to undertake *Ummrah* and *Hajj* are intended to submit with gratefulness towards the Almighty Allah. Muslims conduct *Ummrah* year-round, with the exception of the *Hajj* season (Almuhrzi & Alsawafi, 2017). *Hajj* must be performed within a specific time frame and only once a year. Due to the limited space in the *Hajj* area (Arafah, Mina, Muzdalifah, and the Grand Mosque) and the tremendous demand from the more than 2.0 billion Muslims around the world, the authorities play their part in setting specific quotas for each country.

Hajj is the world's largest human gathering, with nearly 2.5 million pilgrims expected in 2019. In the same year, more than 19 million pilgrims performed *Ummrah*, with the month of Ramadhan being the busiest. This religious tourism has contributed significantly to the local economy and to Saudi Arabia in general. Bokhari (2018) discovered that religious tourists spent the most money in Saudi Arabia when compared to other types of tourists.

According to Raj & Bozonelos (2020), people who travel for *Ummrah* and *Hajj* do not consider themselves tourists, but rather religious pilgrims. The pilgrims claimed to have a pleased and attained a great, sincere and modest journey indeed. The vast majority of them demonstrated a high level of humility and devotion (Caidi, 2019). Despite the fact that whether Mecca emerges and transforms with an injection of US\$80 billion (Picenoni & Choufany, 2012) in

modern infrastructure geared towards tourism, the sense of excitement, humility and obedience always be irreplaceable.

Moreover, Jafari & Scott (2014) pointed out that modern Muslim societies have already acknowledged the legality of tourism. In addition, Sanad et al. (2010) emphasised that the goal of travel and voyage is to reflect on and acknowledge to worship Allah's the Creator and Sustainer of creation. Yet, travelling for the pilgrimage, which is a pillar of the religion of Islam for those who are able, is the ultimate voyage (Jafari & Scott, 2014).

Hajj in particular, and *Umrab* in general, are exclusive spiritual occasions. It brings together people from all over the world who have never met before to perform all aspects of religious activities. Cultures and languages are not barriers for these people to unite in their pursuit of true faith and devotion to their single creator, the Almighty Allah (Raj & Bozonelos, 2020b).

UMRAH AND HAJJ SCENARIO DURING PANDEMIC COVID-19

Saudi Arabia has decided to suspend *Umrab* and limit access to *Hajj* occasions in 2020 as a consequence to the Covid-19 pandemic outbreak. The virus Covid-19 was likely to be transmitted due to the overcrowding conditions of the pilgrimages during *Hajj* and *Umrab*. Some of them are older and have comorbidities that could spread the virus back to their home countries when they return from the pilgrimage.

Prior to the Covid-19 pandemic, a few outbreaks occurred during *Hajj* seasons. MERS-CoV was discovered in a Saudi patient in 2012. It spread quickly to neighbouring countries and other parts of the world. Aside from that, the researchers discovered a few types of respiratory viruses most commonly obtained from *Hajj* pilgrims, including human rhinovirus (HRV), influenza virus, and common human coronavirus (HCoV) (Al-Tawfiq et al., 2016; Hoang & Gautret, 2018).

In order to control the spread of Covid-19, the Kingdom of Saudi Arabia cancelled all inbound and outbound travel and closed all mosques in March 2020. The government took this drastic action after The World Health Organization (WHO) declared the Covid-19 pandemic on March 11, 2020.

Ahmed & Memish (2020) assert that it is the Kingdom's divine duty to uphold the reverence of the *Hajj* and *Umrab*. This indicates that it is the Kingdom's responsibility to make sure that these events can continue to be held successfully year after year. (Raj & Bozonelos, (2020a) further stated that the Kingdom is obligated to guarantee the security of the pilgrims. As a result, it was wise to decide to limit the number of *Umrab* and *Hajj* pilgrims that year. They claimed that taking care of the pilgrims' safety is as divined as preserving the pilgrimage itself (Ahmed & Memish, 2020).

Therefore, the Kingdom has mandated that the maximum number of pilgrims in the *Hajj* season 2020 be limited to 10 thousand only, with certain restrictions, in contrast to the previous year's total of over 2.5 million pilgrims. Among the restrictions were a 1.5-2.0-meter social distance, the prohibition on touching the *Kaaba* or kissing the Black Stone, and the use of only provided (sterile) pebbles for the stoning ritual (part of the *Hajj* activities). At the same time, the pilgrims underwent a thorough medical examination. The *Hajj* for that season was only available to Saudi residents.

THE IMPACT OF THE KINGDOM'S DECISION ON *UMRAH* AND *HAJJ* business operations

Since the Kingdom temporarily suspended *Umrah* and *Hajj* until further notice, it has negatively impacted the economic value chain for the neighbouring businesses in Mecca and Madinah, including the pilgrims' home countries. According to Ghapa et al. (2021), Malaysian *Umrah* package travellers have suffered significant emotional, spiritual, and economic losses as a result of this temporary suspension, despite estimates of date rescheduling or partial refund.

There was a chain of forfeitures in terms of monetary and economic losses, beginning with the forced closure of operations in terms of accommodation/hotel and air transportation. It had a negative impact on local hoteliers, travel agencies, and tour operators. All of them are required to halt the operation, putting the operators in a difficult position when dealing with customers. They probably have two options: offer a refund or reschedule to an unknown date. Operators and travel agents stated that the Covid-19 scenario was extraordinary and allowed them to do so. Consumers were refunded in some cases, but not in others.

This situation had a major consequence on *Umrah* operators and travel agencies, who are the entities in direct contact with the end customers. The majority of them were clogged with early payments made for hotels and flight tickets, many of which were negotiated for refund policies because the latter had been used for capital or operational expenditure of the business (Demir et al., 2021).

On the other hand, customers who had paid for the package were looking for their rights, even though there were operators and agents who argued that the situation was critical and considered extraordinary circumstances (Norhasliza et al., 2020). However, in the Malaysian context, Section 55 of the Consumer Protection Act 1999 stated that the seller is responsible for ensuring the delivery of the service or goods within a reasonable period of time, or else it will be considered non-compliance with this Act (Norhasliza et al., 2020) and action will be taken against them.

Except for Saudi locals, the *Hajj* was paused for nearly two (2) seasons, 2020 and 2021, with 10,000 pilgrims in 2020 and 58,518 pilgrims in 2021 (Al Amir, 2021). The Kingdom had announced the re-opening of the *Ummrah* for fully vaccinated foreign pilgrims beginning on August 9, 2021, with a monthly capacity of 60,000 pilgrims. The capacity was gradually increased until it reached two (2) million pilgrims. The Kingdom of Saudi Arabia's Ministry of *Hajj* and *Ummrah* has announced a quota of one million pilgrims for the 2022 *Hajj* season. Only 15%, or 150,000 pilgrims, were allocated for local pilgrims, while 85%, or 850,000 pilgrims, were allocated to international pilgrims.

As a result of these scenarios, *Hajj* and *Ummrah* operators face unusual challenges, inducing them to make difficult decisions about how to respond. This study aims to investigate how *Hajj* and *Ummrah* operators have dealt with the pandemic, including whether they have decided to close down their businesses, fled with a significant amount of debt from pilgrimages, hidden behind new corporations, or tackled the challenges methodically.

The re-opening and normalisation of *Ummrah* and *Hajj* activities have given stranded pilgrims, *Ummrah* agencies, hoteliers, airlines, and all businesses in this supply chain new hope. This study aims to investigate the challenges and opportunities of *Ummrah* and *Hajj* business activities following the Covid-19 pandemic. It focuses on the recovery processes, business reinstatement, and operation restoration. Even though the Covid-19 is not yet finished, the economic recovery has had a positive impact.

METHODOLOGY

This study takes a qualitative method of data collection, employing interviews. Six (6) informants who are directly involved in the *Ummrah* and *Hajj* operations of selected prominent Malaysian Travel Agencies participated in the unstructured interview processes. Face-to-face interviews were held. The transcripts of the recorded interviews were sent to the informants for validation and confirmation. It is a triangulation process that is used to strengthen and validate the data that has been collected (Jick, 1998). Following that, the data was analysed using a type of case study and a thematic approach.

There are three (3) main targets to be achieved from the in-depth interview session. In the first part of the interview session, the study intends to explore the actual situation that happened during the Covid-19 pandemic scenario in Saudi Arabia especially surrounding the two-holy places (Mecca and Madinah). Then followed with the expectation toward post Covid-19 pandemic *Ummrah* and *Hajj* opportunities and finally the important approaches that keep the *Ummrah* and *Hajj* related business afloat.

The identities of the informants were kept secret right away to give the participants the freedom to express their genuine concerns without having to be forced or pressured. The following is the profile of respondents:

Table 1: List of Informants' Age Range

Age	Sum	%
20 – 30 years	2	33.33%
31 – 40 years	4	66.67%
Total	6	100%

Table 2: List of Informants' Gender

Gender	Sum	%
Men	6	100%
Women	0	0%
Total	6	100%

Table 3: List of Informants' Nationalities

Nationalities	Sum	%
Malaysian	3	50%
Saudi Arabians	2	33.33%
Thais	1	16.67%
Total	6	100%

Table 4: List of Informants' Occupations

Occupations	Sum	%
<i>Umrah</i> Travel Agents	2	33.33%
Hotel Operator	1	16.67%
Saudi Government Servant	1	16.67%
Mecca Business Owners	2	33.33%
Total	6	100%

Conducting thorough face-to-face unstructured interviews demands substantial time and effort from both researchers and participants. Due to constraints related to time and logistics, the authors of this research had limited access to a larger sample size. The study specifically targets individuals who possess specialized knowledge, experience, and valuable insights regarding the challenges and opportunities encountered by the industry. In such cases, a smaller sample size comprising highly knowledgeable informants can still provide significant insights. As the data collected reached a saturation point, where

additional interviews were deemed unlikely to contribute significantly to further understanding, the researchers determined that saturation had been achieved with the inclusion of these six informants.

It is important to note that this study adopts a case study approach with a specific focus, thereby limiting its generalizability. Consequently, the findings and conclusions should be interpreted within the confines of this particular context, relating to this type of company, and may not be directly applicable to other regions or industries.

The data from the replies were also examined using theme analysis, which has six stages (data depth, initial code identification, theme search, theme review, defining and recognising themes, and reporting) (Nowell et al., 2017). The author, in accordance with the purpose of the conversation, analyses and abstracts the survey findings into a code, which is then put together into a sub-theme and topic by taking into account patterns, relevance, and proximity of meaning. To ensure that the developed theme effectively conveys the information, these procedures are carried out both backward and forwards. In this case, the themes are presented as a theme map to demonstrate their relationships.

CASE STUDY ANALYSIS AND DISCUSSION

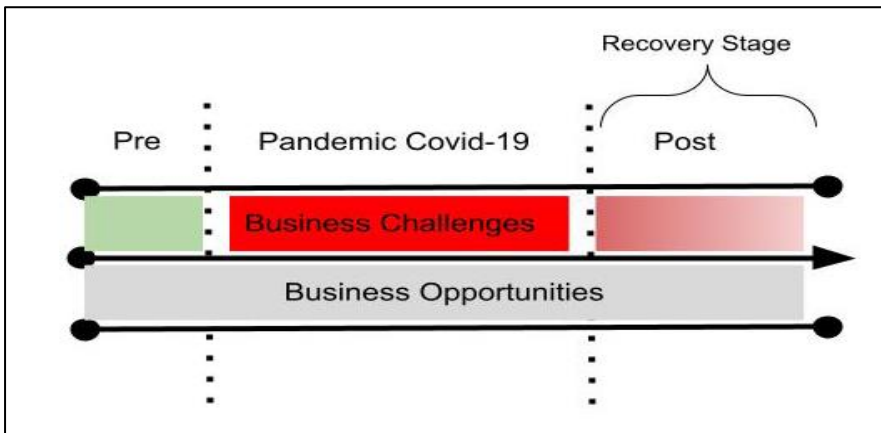


Figure 1: Business Stages During The COVID-19 Pandemic

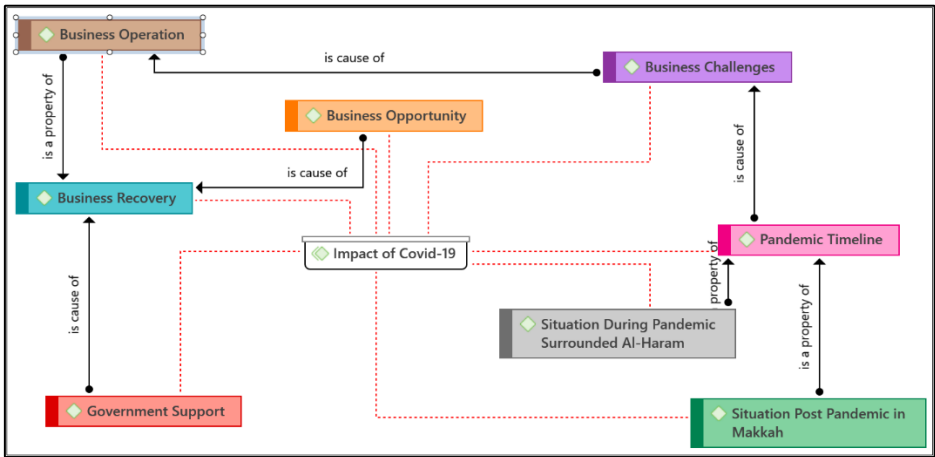


Figure 2: Themes Map

The diagram depicts the position of *Umrab* and *Hajj*-related business activity in Mecca both before and after the-Covid 19 pandemic. The number of people visiting Mecca, particularly for *Umrab* and *Hajj* activities, has been constrained by Movement Control Orders (MCO) for locals and Temporary Entry Restriction Orders (TERO) for visitors and nationals from other countries. Mecca's commercial activity suffered as a result of this circumstance. All hotels and accommodation facilities are required to halt operations temporarily. Some of them were able to get back to work, while many had to restructure or shut down. The airline industries were harmed by the cascading effects of this. As a result, during the Covid-19 pandemic, *Umrab* travel companies had to temporarily cease operations. That led to operational difficulties for businesses, in this case, *Umrab* travel agencies.

Following the epidemic and the improvement of the MCO and TERO, commercial prospects have returned. The enterprises were given excellent possibilities to pick back where they left off. Individuals with the skills and creativity to seize opportunities were able to recover their businesses from the struggle stage more quickly. With the government's assistance through various programs, business recovery has sped significantly.

According to the findings of this study, the Covid-19 pandemic had hardly impaired the *Umrab* operation of travel agencies. Almost two years of no operation made the business stuck and struggle to resume. It was tougher since it involved the whole value chain of *Umrab* and *Hajj* operations. There were at least two main parties which were hoteliers and airlines. Hoteliers had totally stopped during that period but airlines were partially stopped.

Cash flow management was one of the most difficult business challenges for all parties during and after the Covid-19 pandemic. However, the demand for *Ummrah* and *Hajj* has never decreased, and there are signs of tourism retribution that encourage *Ummrah* and *Hajj* operators to resume operations. Within two years of its recovery, the market reverted to its pre- Covid pandemic states. Many *Ummrah* and *Hajj* travel agencies were able to resume operations after the blackout period, though some had to change entities with the same operators.

The COVID-19 pandemic Timeline

The timeline was two (2) years which can be segmented into three parts according to the business allowability for operation. First, during the movement control order (MCO), the business operation was totally stopped, second was during the partial control order, the business operation was partially opened and the third was post Covid-19 pandemic condition. Informant 6 shared the action taken by the travel agency operators during the pandemic situation.

Business Situation During the COVID-19 Pandemic:

“I travelled to Bosnia with 28 travel companies. The majority of them were hit by the Covid-19 pandemic; thus, every employee departed the business, leaving the owner as the sole employee.” (Informant 6)

“There were businesses who diversified their company operations into several areas, such as catering and nasi Arab sales, among others. My possessions, like my bags and zamzam water, were auctioned.” (Informant 6)

Situation During the Covid-19 Pandemic Surrounded Al-Haram

Informant 2, 3, 4 and 5 shared their personal experienced about the real situation within Mecca and Al-Haram during the Covid-19 pandemic, especially at the peak of the lockdown.

Surrounding Al-Haram and Mecca:

“I arrived at this location near Al-Haram with a tasrib (permission for leaving the house during curfew), and it was completely silent and empty.” (Informant 5)

“This location was vacant and bare at that time for a whole year.”
(Informant 2, 3 and 4)

“While I was passing through Ajyad and this region, I had a glance at the hotels that surrounded Al-Haram. They appeared dark, closed, and tied with yellow tape as an indication of their activity and closure.”
(Informant 5)

“About all of the stores around Al-haram suffered losses.” (Informant 1)

Conditions of Locality:

“During two months, we are unable to engage in any economic activity. No rental discounts are available to us despite the fact that we have no income.” (Informant 5)

“All companies, with the exception of grocery retailers, suffered losses.”
(Informant 1)

“About all of the stores around Al-haram suffered losses.” (Informant 1)

Situation Post- Covid-19 pandemic in Mecca

Meanwhile, Informant 1 and Informant 5 highlighted about the situation post Covid-19 pandemic in Mecca.

Spending and Pricing Characteristics Post- Covid-19 Pandemic:

“People were still cautious with their spending during the start of the post-Covid-19 pandemic and normalization period, and business conditions were not as favorable as they had been.” (Informant 1)

“The cost of everything has increased, especially in the stores surrounding Al-Haram.” (Informant 1)

Practicing Umrah:

“The pilgrims were initially given progressively more permission to practice Umrah by the authorities. Once every 15 days, Umrah was permitted.”
(Informant 5)

Business Challenges

The Covid-19 pandemic had directly stopped the daily business operation. The duration of no operation for almost two years had created a financial problem for almost all businesses. The staff was terminated, the rental business premises were surrendered to the owner, and the assets were liquidated to pay for the due and obligation. The situation was very hard for the business owner as the focus was on the individual live survival. Informant 1, Informant 5 and Informant 6 emphasized the challenges of the Covid-19 pandemic toward businesses related to pilgrimage activities.

No Rental Assistance:

“No discounts are offered; the rental pricing is as usual. Tenants who were operating the enterprises may suffer losses as a result.” (Informant 1)
“In the event that the businesses couldn't pay their rent, they were instructed to shut down and stop operating.” (Informant 1)

Advance Payment Not Recovered:

“Travel agencies must pay in full for lodging reservations made before the Covid-19 pandemic. All of the advance payments were lost, and the companies received no return.” (Informant 5)

The Difficulties of Restarting the Business:

“Resuming business operations for hotels is very challenging. Everything had to be rebuilt from scratch, including the furnishings because there had been no repairs for two years.” (Informant 5)

Impact of Tourist Visa on Umrah Travel Agency:

“Since the establishment of the tourist visa for Malaysia, we forecast that the Umrah market in Malaysia will decline within three years. The Malaysian pilgrims will be more knowledgeable and adept at “do it yourself” projects. In order to examine the Indonesian market since there are still people without tourist visas, we built an office there..” (Informant 6)

Business Opportunity

In 2017, Saudi Arabia was known as the second highest tourist destination in the Middle East with more than 16 million visitors. Religious pilgrimages were the dominant types of tourist visited Saudi Arabia, especially Mecca and Madinah. According to World Travel and Tourism Council, in 2018, tourism contributed as much as 9% of the total income of the Kingdom.

Mecca and Madinah have offered huge business opportunities prior to the Covid-19 pandemic. Like other parts of the world, these opportunities have been totally stopped during the Covid-19 pandemic. Subsequently, it gradually increases during the post- Covid-19 pandemic, and after a certain period it will reach the pre- Covid-19 pandemic level. Informant 5 and Informant 6 shared their perspective about the business opportunity post the Covid-19 pandemic. Furthermore, Informant 6 highlighted his golden opportunity during the Covid-19 pandemic to take care of their parents until both of them passed away. He believed that it was impossible for him to do so in a normal situation.

Barakah in Helping Parents:

“Throughout the Covid-19 pandemic, I had the honour of caring for my parents till their deaths. I closed my office, left everything, and spent two years returning to Kelantan.” (Informant 6)

A Business Opportunity: Room Bulk Leasing:

“There will be plenty of prospects in this industry shortly, as there won't be many rooms available near Haram once all the gates are opened. Several travel firms will be forced to reroute their trips to Taif in order to wait for a room in Haram.” (Informant 6)

“Before this, we were the only operators in Safwah, and nobody wanted to come here. We took out a two-year bulk lease. After the Covid-19 pandemic, we halted operations and moved to Hilton. But, since the Hilton Suite refused to permit us to bulk lease, we plan to do so at the Safwah for the upcoming season.” (Informant 6)

“We have the possibility to execute the bulk lease once more because, on average, all agents charge more than we do. We must now look into the matter of capital. Although it is a terrific opportunity, a large investment is necessary. If we have a bulk lease, we can use it for our Jemaah and also

give other agencies affordable pricing. The capital can be returned in six months with that level of demand.” (Informant 6)

“A business-to-business potential exists here. Other operators will come and haggle for a better price if we have rooms. Once the price is agreed upon, they will pay the full amount upfront in cash.” (Informant 6)

“In Malaysia, there are more than 1000 travel agencies.” (Informant 6)

A Business Opportunity: A Unique Agreement with Airlines:

“Another possibility is with MAS AMAL for the direct trip from the international airport in Senai, Johor, which they offer to two travel agents.” (Informant 6)

Business Recovery and Operation

The Covid-19 pandemic has had a significant impact on the *Umrah* industry because several nations have implemented travel restrictions and stopped religious pilgrimage in an effort to stop the virus's spread. There are indications that the *Umrah* industry is beginning to revive, nevertheless, as a result of the gradual opening of borders and the distribution of vaccines. Thus, all the informants gave their positive perspectives on business recovery and operation post- Covid-19 pandemic. Their opinion can be classified into a few codes which are:

Estimation of Business Recovery:

“The estimated time for recovery is three years.” (Informant 1)

“The recovery will take two years. The authorities stated that a larger turnout is anticipated for this Hajj.” (Informant 5)

Resumption of Business Operation:

“In 2022, a year after it had reached its bare minimum, the hotel operator resumed normal operations.” (Informant 2, 3 and 4)

“With the exception of hotels located close to Al-Haram, operations are currently not operating at their full potential. It is anticipated that during

the upcoming Hajj, the hotel would be completely booked.” (Informant 2, 3 and 4)

“When it first started, it opened in stages just for Saudi Arabian citizens who came, performed Umrah, and then immediately returned. Because they did not stay at the hotels, there was still no demand for rooms there.” (Informant 5)

“Restart is like starting over from a low point, but it is easier than our initial initiation because we have previously gained experience.” (Informant 6)

“I asked one of my staff members to travel to Kelantan as soon as we received word that the border will soon open. Designing the packaging, brochure, and everything else was a new beginning for us from Kelantan. We began our marketing efforts as soon as the authorities announced that Umrah activities were permitted. We gave an Umrah course to the first group we had, who were from Sarawak. For a combined contribution of RM400,000 in cash, they each gave RM10,000, making a total of 40 people. This financial flow was utilised to call in the personnel. September 2021 was the date. Once more the border closed in January 2022, disrupting the operation, but this time it did not affect our cash flow because the payment had not yet been made.” (Informant 6)

“Arrival of Indonesian pilgrims is an indication of a healthy market. Our annual number of pilgrims is probably between 30 and 70 thousand, whereas Indonesia receives between 400 and 500 thousand.” (Informant 6)

The Approach to Dealing with Operational Issues:

“Business operations have now reached 70%, but we still owed money for 400 pilgrims who had been completely compensated but were left stranded owing to the Covid-19 pandemic. Seeing that we need to buy a new flight ticket, it is difficult for us to address them all at once. The previous payment was considered forfeiture. The expense of the ground must be incurred at the same time. Prior to this, we made a hotel advance payment, which was also lost.” (Informant 6)

“We designated two staff members to communicate with all 400 pilgrims, offering consolation and occasionally disseminating information. In addition, we continue to advertise our Umrah packages to obtain the new Jemaah.” (Informant 6)

Government Support

Throughout and after the Covid-19 pandemic, the Malaysian government has put in place a variety of measures to assist the travel sector, including *Umrah* travel agencies. Informant 6 listed a few of the resources that helped him as an *Umrah* travel agency. Subsidies on wages and financial aid are a couple of them.

Wage Subsidies:

“The government offered assistance to keep the workers in place through programs like PERKESO, but the proprietors received nothing. The only source of support was a loan, but because of currency fluctuations and the high expense of visitors returning home, our industry is one that entails high levels of risk.” (Informant 6)

“All employees were KIVs and received compensation from PERKESO. All 40 employees were back to work with us as soon as business resumed.” (Informant 6)

Financial Assistance:

“Only during the Covid-19 outbreak did our company obtain a loan from BSN for RM 100,000.” (Informant 6)

Even after the Covid-19 pandemic, the situation remains challenging for the *Umrah* and *Hajj* operators. One of the underlying concerns that challenged the business conditions was the outstanding debt that had accumulated over the pandemic scenarios, along with the unsettled fully paid pilgrimages who were stranded and some other post-pandemic business situations. The Operators had completely halted the travel business during the Covid-19 pandemic and had switched to other activities. In the instance of Informant 6, who is also a *Hajj* and *Umrah* Operator, he made the decision to completely stop business operations in favour of concentrating on caring for his parents.

Several Operators reopened their businesses once the Kingdom of Saudi Arabia abolished the embargo. The stranded pilgrimages began to pressure the Operators, demanding a fund or reset the journey. The demand from new

pilgrimages is likewise overwhelming at the same time. The *Umrab* and *Hajj* Operators' ability to maintain their operations following the Covid-19 outbreak was largely due to their creativity, inspiration, prior expertise, and entrepreneurial skills. Government assistance to enterprises did exist, but was insufficient.

Mitigation Approaches

This part explores key mitigation measures such as diversification of revenue streams, technological integration, collaboration and networking, and government support. By embracing these strategies, businesses can navigate the challenges posed by the pandemic, revitalize the industry, and create a safer and more resilient pilgrimage experience for all.

Diversification of revenue streams is crucial for mitigating the impact of future disruptions. Relying solely on *Umrab* and *Hajj*-related activities can make businesses vulnerable to sudden shocks. Exploring alternative sources of income, such as offering local tourism services, organizing religious seminars, or providing online spiritual programs, can help generate revenue during periods when pilgrimage activities are limited or restricted. By diversifying their offerings, businesses can adapt to changing circumstances, maintain financial stability, and reduce dependency on a single revenue stream.

Technological integration plays a pivotal role in enhancing the efficiency and resilience of *Umrab* and *Hajj*-related businesses. Embracing technology through the implementation of online booking systems, virtual tours, and digital marketing strategies can attract customers and enable remote participation in religious activities. Furthermore, the adoption of contactless payment methods and digital documentation will streamline processes and reduce physical interactions, ensuring a safer and more convenient experience for pilgrims. By harnessing the power of technology, businesses can improve their operations, reach a wider audience, and adapt to the evolving needs of the post-Covid-19 era.

Collaboration and networking are essential for overcoming challenges and driving post-pandemic recovery in the pilgrimage industry. By fostering collaboration among industry stakeholders such as travel agencies, hoteliers, and airlines, businesses can share resources, knowledge, and best practices. This collective effort allows them to address common issues, negotiate better deals, and provide comprehensive services to pilgrims. Additionally, networking with local and international partners opens up new opportunities for collaboration and business expansion, contributing to the growth and sustainability of the industry as a whole.

Government support and incentives are critical for the recovery of *Umrab* and *Hajj*-related businesses. Actively engaging with government agencies

to seek financial assistance, tax incentives, and subsidies can help alleviate the financial burden on these businesses. Advocating for favorable policies and regulations that promote the ease of doing business in the pilgrimage sector is also crucial for long-term sustainability. By working closely with the government, businesses can receive the necessary support to navigate challenges and contribute to the revival of the pilgrimage industry, ensuring its resilience and prosperity in the post-Covid-19 era.

In conclusion, implementing effective mitigation strategies is essential for the revival and long-term success of *Ummrah* and *Hajj*-related businesses in the post Covid-19 era. Diversification of revenue streams, technological integration, collaboration and networking, and government support are key pillars for mitigating risks, fostering resilience, and revitalizing the pilgrimage industry. By embracing these strategies, businesses can adapt to the new normal, provide a safe and enriching experience for pilgrims, and contribute to the overall growth and prosperity of the industry.

RECOMMENDATION AND CONCLUSION

Table 5 provides a summary of the Covid-19 pandemic's effects on businesses based in *Ummrah* and *Hajj*. Three key themes—business problems, business possibilities, and business recovery—can be used to analyse the two-year-long effects of the Covid-19 pandemic. Together with help from the government, the business operation's capacity to adjust to the new business environment brought on by the post- Covid-19 pandemic has sped up the recovery process and assured that the company is viable and sustainable.

Table 5: A Summary of the Covid-19 Pandemic’s Effect

Theme	Sub Theme	Code
Business Challenges	No Rental Assistance	1. Rental Discount 2. Shut Down the Business Operation
	Advance Payment Not Recovered	1. Loss of Advance Payment
	The Difficulties of Restarting the Business	1. Cost of Hotel Refurbishment
	Impact of Tourist Visa on <i>Ummrah</i> Travel Agency	1. Shrink the <i>Ummrah</i> Travel Agent Market
Business Opportunity	<i>Barakah</i> in Helping Parents	1. Converting adversity into an opportunity
	A Business Opportunity:	1. The first player's benefits

Business Recovery and Operation	Room Bulk Leasing	<ol style="list-style-type: none"> 2. <i>Safwah</i> Hotel as the Target Place 3. ROI is within 6 months 4. Business to Business Opportunity 5. Big Market for B2B
	A Business Opportunity: A Unique Agreement with Airlines	<ol style="list-style-type: none"> 1. Special Arrangement with Airlines
	Estimation of Business Recovery	<ol style="list-style-type: none"> 1. 3 Years 2. 2 Years
	Resumption of Business Operation	<ol style="list-style-type: none"> 1. Hotel Normalized in 2022 2. <i>Hajj</i> 2022 – Hotel at full capacity 3. The Benefits of Business Experience 4. Business Turning Point 5. Business Early Signal
	Approach in Dealing with Operational Issues	<ol style="list-style-type: none"> 1. Cashflow arrangement 2. Communication

Given that the Covid-19 pandemic has altered the typical course of business, all the topics and sub-themes addressed are understandable. Even though the diversion lasted only for two years, its effects were irreversible. According to the themes that were found, the main factors that keep *Ummrah* travel agencies operating are their entrepreneurial talents. The major strength points inherent in each individual entrepreneur in seizing the business prospects available at all market conditions are innovation and imagination along with prior expertise. They must methodically address the difficulties rather than try to avoid them. Government assistance to businesses is not the entire option, but it does help to lessen the negative effects. The ultimate solution is still within the reach of the business owner.

The study's limitations include the sample size, timing, and geographic location perspectives. The principal constraint is specifically related to the number of informants that participated in the interview. There are only 6 informants involved, and each is distinctive in its own way due to how the Covid-19 pandemic specifically affected Mecca and Madinah. As a result, their judgment may be skewed and unfit to extrapolate the findings into different situations. In terms of timing and geographical perspective, it is also context-related because the Covid-19 pandemic has never occurred before, making it

inapplicable non-other circumstances and environments. Yet, this approach has given the study a wealth of detailed information that helps it comprehend the precise contextual situation surrounding *Umrah* and *Hajj* activities following the Covid-19 outbreak.

The sustainability evaluation of the *Umrah* and *Hajj* agency after the three-year adoption of the tourist visa for Malaysian pilgrims is a possible area of additional investigation. By such a study, it would be feasible to determine whether Malaysian pilgrims are prepared to undertake *Umrah* independently of an *Umrah* agency. Such an event will give the *Umrah* agency additional background for investigating the unique company concept and ensuring the viability of the venture.

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