

# **COMPARATIVE ANALYSIS OF THE IMPACT OF QUARANTINE RESTRICTIONS DUE TO COVID-19 ON THE ACTIVITIES OF COMPANIES IN THE CREATIVE INDUSTRIES AND OTHER AREAS**

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Quarantine restrictions related to COVID-19 have significantly affected international business. On the one hand, restrictions on the movement of people and closing borders have led to a decrease in international travel, which has resulted in more difficult deliveries of goods, acquisition of new contracts and meetings with partners from different countries.

On the other hand, the COVID-19 pandemic has contributed to the development of remote work and the increased use of online communication technologies, which has made virtual meetings and negotiations possible. However, these new technologies may not replace full face-to-face business contact, and therefore restrictions on the movement of people may still continue to affect international business in the future.

Quarantine restrictions related to COVID-19 have affected different areas of international business in different ways, but some have been more significantly affected than others. Here are some of the most affected areas:

1) tourism and the hotel industry: border closures and restrictions on the movement of people have led to a significant decrease in the number of tourists traveling abroad; this has caused difficulties for the hotel industry and tour operators who have to compete for a limited number of customers;

2) processing industry: restrictions on the movement of people and closure of businesses led to a significant decrease in demand for some goods; this has caused difficulties for the companies that produce these goods and may lead to reduced production and reduced profits.

3) aviation industry: restrictions on the movement of people led to a reduction in the number of air flights; this has led to difficulties for airlines and airports that have to compete for a limited number of passengers;

4) retail trade: closure of businesses and restrictions on the movement of people led to a decrease in the number of customers in retail stores and shopping centers; this has created difficulties for retail companies that have to compete for a limited number of customers.

While there are many other areas that have been affected by the quarantine restrictions, these industries in particular have been hit harder than others.

According to general estimates, quarantine restrictions related to COVID-19 have strongly affected almost all areas of international business, but some areas have felt less of an impact compared to others. These areas may include:

1) technologies and digital business - the demand for technologies and digital services has increased due to the transition to remote work and online purchases;

2) medical technologies and pharmaceuticals - the increase in demand for medical goods and services enabled these areas to increase their sales;

3) the food industry – although some industries such as restaurants and cafes have suffered significant losses, the demand for food products remains stable and even increased in some cases;

4) E-commerce – an increase in the number of people shopping online has led to an increase in e-commerce sales.

It must be remembered that even in these areas there was a noticeable decline due to changes in economic conditions and changes in the demand for goods and services.

The creative industries (publishing, music, theatre, film, television, web design, architecture, etc.) have suffered significant losses due to quarantine restrictions, as most of these industries require direct consumer contact and live events.

For example, movie screenings and theater performances have decreased or stopped completely due to the closure of cinemas and theaters. There was also a noticeable decrease in demand for paper books sold in bookstores due to the closure of many stores and restrictions on visiting places of public catering.

However, on the other hand, creative industries have been able to find ways to adapt to new conditions and change their approaches in order to maintain their popularity and make money. For example, many musicians and theaters have started streaming their performances and concerts online. Video games and other digital entertainment that could be played or consumed at home also grew in popularity.

Thus, although creative industries suffered losses due to quarantine restrictions, they were able to find new ways to develop and adapt to changing conditions (fig. 1).

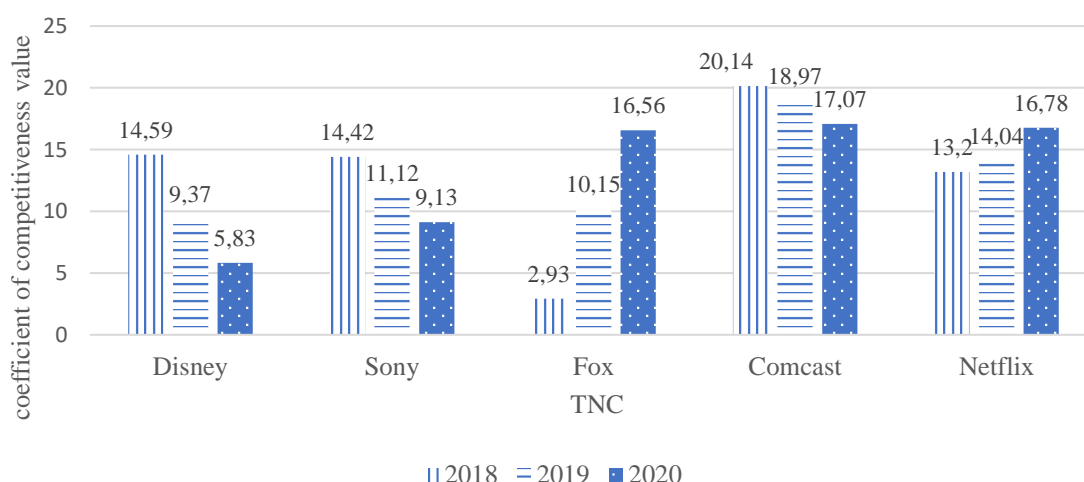


Fig. 1. – The coefficient of competitiveness of companies in the field of creative industries, 2018 - 2020.

Source: Compiled by author based on [1; 2; 3; 4; 5; 6; 7; 8; 9; 10].

Such trends, as well as the non-leading position of «The Walt Disney Company» are primarily due to the fact that in recent years «The Walt Disney Company» received a large share of its income from the activities of amusement parks (unlike other companies who received income mainly from their activities on the Internet), whose activities were limited due to measures related to the spread of COVID-19.

Despite the fact that the indicator «The Walt Disney Company» does not indicate a strong position of this company in the market, the company still remains a leader in its field, because, as we noted above, it diversifies its activities and has very diverse types of activities. That is, the competitors we analyzed are actually competitors for «The Walt Disney Company» only individually in certain types of its activities, but they cannot represent a real threat to the company's activities.

The state of competitiveness of companies in other industries has also undergone some changes (fig. 2)

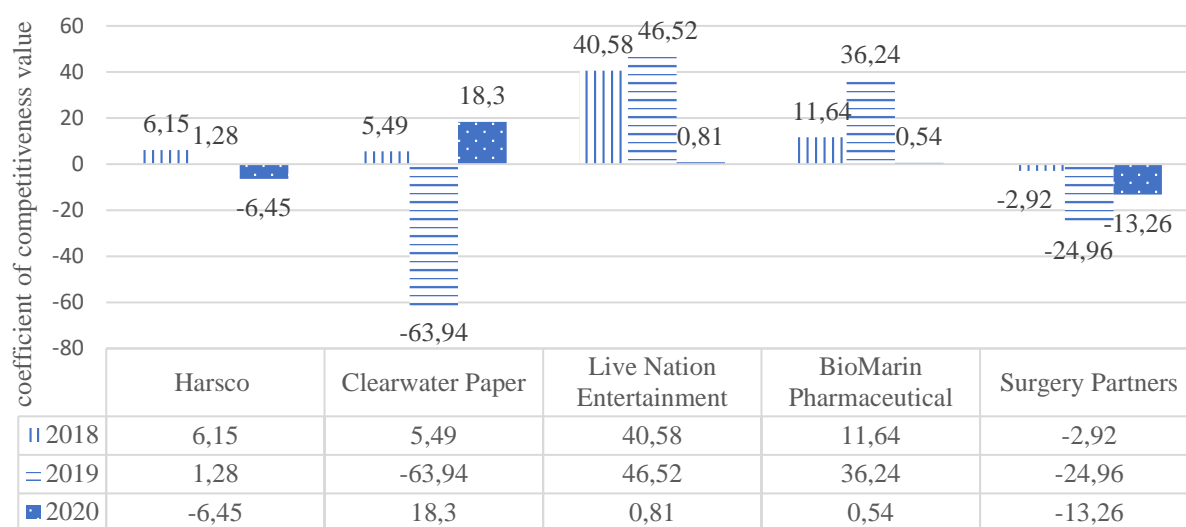


Figure 2 – The Coefficient of Competitiveness of the companies in different fields, 2018 – 2020

Source: Compiled by author based on [11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21].

The lowest value of the competitiveness coefficient was observed in Clearwater Paper (-63,94) in 2019. And the company Live Nation Entertainment (46,52) also had the most positive value of the competitiveness coefficient in 2019. Moreover, the Clearwater Paper company experienced a sharp decline in this indicator in 2019, and a rapid growth in 2020, which even exceeded the value of 2018. Live Nation Entertainment's competitive indicator decreased significantly in 2020 compared to 2019.

As for other companies, the competitiveness coefficient mostly had a downward trend in 2020 compared to 2019 and 2018, with the exception of Surgery Partners, which had the lowest value of this indicator in 2019 and was -24,96. In general, it can be concluded that the quarantine restrictions had a certain negative impact on the competitiveness of companies in various industries, but some of them managed to adapt to the new conditions.

So, we can say that anyway, quarantine restrictions affected all sectors of the economy, both positively and negatively. The diagrams show that quarantine

restrictions had a greater impact not on creative industries, but on companies in other industries, whose competitiveness coefficient fluctuated more between 2018 and 2020. This can be explained by the fact that the companies of other industries included in this study and before the quarantine restrictions did not occupy leading positions in the world market, and most of the companies of the creative industries were able to adapt to the new conditions.

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