
A STUDY ON SUSTAINABLE REVIVAL OF HOSPITALITY INDUSTRY POST COVID- 19 PANDEMIC

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Abstract

COVID-19 pandemic is a threat to mankind across the globe. Hospitality industry is undergoing a forceful lockdown with shouldering a high amount of operational cost and overheads that has got its financial standing to a rock bottom. It is been through a tsunami of recession with a dense darkness. The non-favorable conditions and the non-supportive government policies are making the reinstate process very difficult. Sustainability seems to be mission impossible with many hotels with low profile financial conditions. The research revolves around the impact of the pandemic and identifying possible solutions that will not only help the hoteliers to revive but also to boost the hospitality industry back at its normal pace and prosper. It is very important that all the stakeholders of the hospitality industry like Hoteliers, Customers, travel agents, tour operators, government, NGO, financial institution should work in harmony and symbiosis to come out of this global crisis.

Keywords: Sustainable, revival, hospitality industry and post COVID19.

Introduction

The first outburst of covid 19 occurred in Wuhan, Hubei Province in early December 2019. On January 30, 2020, the World Health Organization tagged this outbreak of the disease as COVID 19. Severe Acute respiratory syndrome coronavirus 2 is the root cause behind COVID- 19 disease. The first Coronavirus case in India was detected due to the foreign travel history in Kerala in the month of March. To control this spread Ministry of health & family welfare issued travel advisory restrictions which were similar to the previous pandemic. The travel restrictions, ban on visa, self-quarantine policies, work from home, social distancing while buying essentials were immediately enforced due to rising cases of pandemic. Indian government acted very quickly to stop the spread of this disease by proposing lockdown in various phases. In spite of all the precautionary measures taken by the Indian government, the Spread of COVID 19 cases are yet to be controlled. The hospitality industry depends on movement of International visitor as well as domestic traveller. The outbreak of COVID 19 has halted travel across the borders, ban on visas, fear in the mind of traveller about moving out of their places and staying in hotel as the last thing on their list because the hotels are social places frequented by many people using the common spaces and guestrooms with many common touch points. The hospitality industry has been badly smashed by the outbreak of pandemic all over the world by reduction in the foreign tourist arrivals across the world eventually losing over the Foreign Exchange Earnings. Sudden lockdown has caused losses for all the sectors of the economy, with unlocking in phases gradually many industries were allowed to start their operations with strict guidelines and few

had the option to work from home. But in case of hospitality industry work from home option cannot work as the hospitality products and services need to be delivered physically.

Objectives-

1. To study the impact of COVID 19 on hospitality industry
2. To identify the possible difficulties faced by hospitality industry post COVID 19
3. To suggest the sustainable measures for the revival of hospitality industry

Review of Literature:

BW Hotelier (April 10, 2020) in its reports on the impact of COVID 19 on Indian hotels sector mentioned that hospitality industry is badly hit with the outbreak of pandemic causing a foremost financial loss. The FTA arrival and ban on visa influenced overall occupancy percentage, RevPAR instigating a revenue loss.

Ramsay Rankoussi, Vice President, Development, Africa & Turkey, Radisson Hotel Group (16th Nov 2020) in his article highlighted that the hospitality industry in the year 2019 claimed to contribute more than 10% of the GDP globally directly and secondarily. It also has provided one out of ten jobs been created worldwide compounding 300 million jobs worldwide. With the fall of industry due to pandemic, the numbers above will divulge the gravity of this crisis which has worst affected the lives of the workers and their family at a large. The social impact on the economy has been highly transformative in the developing countries and will take years to heal and arise.

Dr. Amit Kumar explained the impact of COVID 19 affecting the job opportunities of millions of people associated directly or indirectly with the tourism sector across the globe. Many employees from the travel & airline companies were sent home without salary even before the lockdown. The industry will receive relief funds from central government like loan prepayment proposal by the RBI, exemption from GST for tourism, travel & hospitality sector.

Hospitality Net (April 3, 2020) highlights the impact of COVID 19 on the global economy affecting the overall GDP. With the outbreak of pandemic the travel and hospitality sector is going through the tough time waiting to evolve to its normalized operation. The scope for quick revival is limited as the number of FTA has gone down drastically

Aritra Ghosh (July 23, 2020) pointed out how India is dealing with COVID 19 pandemic. The key areas that got affected are the various segments of Indian economy, the virus and starvation has resulted in death of many people. The positive lining in this situation is recovery of ecology. The lockdown policy, social distancing norms, use of mask, the reform from government will help in sustaining the sectors which are affected badly with the outbreak of COVID.

Ritu Agast (29 March 2020) in her article stated that all the people across the world have experienced and believed after COVID 19 pandemic that our life is very much fragile and unpredictable, the virus has got phenomenal change in our day to day life and work culture. It has spread its web to an alarming situation impacting travelling, public isolation, business and trade worldwide.

Yash Shukla (6 Nov 2020) mentioned that in a survey conducted it was revealed that the pandemic has impacted the employees with a deep concern about their well-being, protection, exhaustion due to change in unsocial work culture and job retention.

Lata Narayanan (June 2020) remarked that advent of COVID 19 crisis has impacted to a greater extent. The dominance of social media platforms has progressed as a remedy for social isolation. Sources like mobile games, mobile net surfing on social media apps, online streaming platform like Amazon prime or Netflix which has received remarkable and over whelming subscriptions during COVID 19 pandemic.

Arshad Khan(28th May 2020) in his article in The new Indian Express stated that hospitality industry has come a tranquil. The high overheads on the industry will for sure create a tsunami of credit stress which will compel them to opt for permanent closure. Even the debt servicing holiday benefit of RBI won't be able to rescue the industry. The recovery of the field of hospitality is going to take even 2-3 years post vaccine is implemented.

SME Futures (May 14, 2020) predicts that hotel business is capital sensitive and has higher fixed cost. Many people have lost their jobs; the occupancy for the year 2020 is followed drastically resulting in low Rev PAR, the impact is irrepressible. The report also mentions the measures for the revival for the hospitality industry by seeking support from the central government; the focus should be on catering to domestic tourist, changing the pattern of F& B operations to return to the normal operations

Vikrant Kaushal (October 1, 2020) mentioned that the outbreak of pandemic hindered the growth of tourism & hospitality industry and future seems uncertain. He also highlighted the multiskilling of the employees, improved sense of hygiene, Amendment of SOP's towards clinically sanitized areas, positive outlook towards the revival of hospitality industry.

David Eisen (24 July 2020) noted that on the conclude of second quarter of year 2020, hospitality industry globally has been struggling and suffocating by the impact of corona virus some tried to resurrect with aiming their cannon high while others kept their eyebrows high on with an anxiety of thorns in future that will hinder the possibility and ability of hospitality industry in getting back to normality.

6xsCapegemini (August 18, 2020) suggests the revival strategies post COVID 19 for hotels to start their operations with the provision of safe & secure spaces for guest and staff serving them. Introduction of advance technology like mobile check in, contactless services along with the tailored Packages that will create opportunities to attract customers post COVID.

Business standard (June 8, 2020) as per report robotic interaction will facilitate the efficiency and productivity of the hotel operations, this trend will take a leap in next ten year.

Hospitality world (April 28, 2020) offers suggestion for the hospitality industry to normalize its operations. Hotels first priority should be providing safe & healthy environment to its guest. Introduce Table d'hote menu to save on the cost of inventories, encourage self-service to have less contact with hotel staff. 95% accommodation falls in low priced category hotels, focus on domestic tourism will help to get boost to hospitality sector. Financial support by Government of India will help in stimulating the operations of hospitality industry.

Hospitality world (May 11, 2020) offers the revival plans post COVID 19 like drafting of new normal SOP's, focus on hygiene & sanitation & guest touch points, sales & marketing plans to target customers with cancellation friendly offers. Hotel employees should have a degree of awareness & perquisite skills to function in the new normal working environment.

Gagan deep Sharma (June 30, 2020) puts forth the findings in his research paper how the outbreak of COVID 19 has impacted the emerging economies like India were substantial population live in extreme poverty. Industries like tourism & hospitality has to bear a large share of loss as well as the population who live on daily wages. Many citizens shifted from cities to villages creating a question of their earnings. The economic impact of COVID 19 will be extensive in all sectors of the economy and strong measures should be adopted to recover from the continued slowdown post COVID 19. The government supported fiscal policies will help in the recovery of hospitality industry.

Hospitality Net (17 Nov 2020) published that WTTC is going to conduct a conference in March 2021 in Cancun to reinstate Tourism industry around the world. It will be the most persuasive platform that will strive to sustain the millions of Jobs around the World. It will use the apex expertise like Barack Obama, Bill Clinton, Mauricio Macri, José Manuel Barroso and David Cameron along with Industry leaders and Government representatives to showcase and guide the world hospitality to rise like

Phoenix, sustain to march forth on a progressive track. The conference will concentrate on imperative topics like reopening of national borders to the world, agreement on an inclusive and cost efficient testing rule of global standards at the airports, assurance for unified travel operation, re-establishing harmony relations between countries across the world developing air corridors to flourish international business routes.

Ramsay Rankoussi, Vice President, Development, Africa & Turkey, Radisson Hotel Group (16th Nov 2020) in his article wrote that the pandemic has certainly compelled the hospitality world to confront the preordained questions of survival projections in the future.

He mentioned only the wisest who can clinch astuteness under pressure will sustain and rise again. He projected that in these difficult times all the hospitality fraternity should come together and strive pre-emptively to find practical solution rather than reaping for individual profits.

The government reform and policies are required to benefit in revival of Hospitality Industry in the long run. To kick start with the operations of hospitality industry along with travel & tourism industry following measures at various levels will help in sustainable revival of tourism

1. Use of PPE kit should be mandatory for air & sea travel.
2. Famous destinations government authorizes to take action to control the spread of disease at the destinations.
3. Control on number of tourist entering the destinations.
4. Social distancing norms to be followed while travelling, at tourist destinations, hotels for common guest areas
5. Hotels to follow strict guidelines laid by ministry of tourism
6. Hotel should focus on attracting domestic tourist.
7. Offer customized packages for business clients
8. Frequent disinfection of common touch points
9. Provision of clinically safe hotel areas for safety & security of guest as well as employees
10. Drafting of new SOP's to enhance the work culture Post COVID 19
11. Hotel to focus on corporate social responsibility.
12. Provision of Health & medical facilities at the tourist destinations
13. Government financial support & reforms towards revival of hospitality industry.

Yuki Hu, Eva Liu & George Yu (Mar4, 2020) suggested measures that will accelerate the process of revival and sustain the hospitality industry at a faster pace:

- Realistic predictions and budgeting about the recovery of business.
- More emphasis on marketing and sales by digital platforms during and post pandemic
- Create an optimistic social image in the market.
- Identify and implement strategies that will be in accordance to the changing customer expectations.
- Try out new formats of business like service apartments for extended stay clientele that will stabilize the cash flow.
- Utilization of Artificial intelligence for applying social distancing and disinfectant practices where ever possible in the hotels.
- Redesigning the layout and various seating arrangements in the public areas.
- Create healthy environment for the guests through installing ozonators, sanitizers, organic food supplies, etc.
- Proper forecasting, planning and coordination between all the staff and departments to minimize costs.
- Ensure curbing of Cash-flow disruptions.

Suggestions of sustainable measures for the hospitality industry:

The Management should commence with practical budgeting, developing and applying marketing policies through digital platforms. They should start with proper negotiation and payment credit with suppliers. Train their staff with Government certifying agencies like Fostac or WHO for post COVID19 manuals this will also help to gain trust in the customers. Guest safety should be given paramount importance. They should gear up with the Standard Operating Procedures for the processes in front and back areas that will combat the spread of virus. Identify and make provisions that will evade cash flow disruptions for at least two quarters. They should practice social responsibility based activities and advertise it to create a good brand. They should get available compliance certification on efficiency of Anti-COVID19 by Competent authority. They should also conduct sessions on creating positivity among the staff. They should avoid the thought of shutting down of operations, laying off staff, wage reductions etc. instead of that they need to gain the confidence of the employees to ensure them that all will be back to normal soon. The hoteliers should come up with attractive packages not with reducing the rates but by providing more value added services. Star hoteliers can prefer getting audited and contracting with professional agencies like Diversey Inc. for professional services disinfecting the hotel premises. They should not only practice new normal post COVID19 but also create awareness amongst the customers with posters at the strategic points, orientation training sessions about combating COVID19. Government or Ministry of Tourism should understand its almighty role in sustaining the hospitality industry by making hoteliers friendly policies, booster packages, drafting new normal guidelines and forming competent authorities to check it is been implemented and followed religiously, Creating Certifying competent bodies for creating trust amongst customers, provide subsidies and bank loans or overdraft at a very reasonable rate of interest. All the stakeholders of the hospitality industry like Hoteliers, Customers, travel agents, tour operators, government, NGO, Advertising modes, financial institutions should take lead and chalk out the plan of revival. They should work in harmony and synchronization towards the recommencement of the industry and together find solutions for all the hindrances to get the tourism and hospitality industry back on its track.

Conclusion

COVID19 which has got the World business and economy to a halt seems to be at the edge of correction, the introduction of vaccine will create a new hope and trust in the mind of mankind but the impact of obliteration it has done on the economy and humans will take atleast 2-3 years of constructive and planned approach of rebuilding in order to sustain and get back on normal pace. Hospitality industry needs to understand and start with planning strategies along with all the stakeholders with their synchronization. A Harmonized approach of all of them will accelerate the rebuilding process. Government can play a crucial role in monitoring and keeping them together.

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