

# AN EXPLORATION STUDY OF INSIGHTS OF IMPACT OF COVID-19 ON HOSPITALITY INDUSTRY: A VIEWPOINT

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**Abstract.** Due to ongoing pandemic caused by COVID-19 and delay in manufacturing the medicine for COVID-19 treatment, there has been a significant loss of economy in from low gross domestic product, loss of job, shambling economy, shut down of businesses and fear among hospitality industry employees due to job cuts, layoffs and unpaid working creating low morale, poor psychology and lowering staff performance and behavior. It was need of the hour to explore the hotel operations on the parameters of hotel occupancy, hotel sales, room revenue, food & beverage revenue and employee behavior to gain the in depth insight of managerial level employees as they are the one who lead and manage their respective teams in all operational activities. The study was conducted through a questionnaire based on Likert scale questions to study and explore the in depth perception and impact caused by COVID-19 induced pandemic. The study also focuses on reviewing the various quality literatures from reputed journals, websites, articles and online web news portals for gaining the insights of information available pertaining to the COVID-19 induced changes in hospitality and tourism sector and impacts. For analyzing the primary data mean, mean2 and standard deviation, research techniques were used to further interpret the collected data. Since the response was to be gained from the specific level employees of the hotels of Delhi-NCR, managing and leading operations so the sample size is 34. This was one of the limitations of the study.

**Keywords:** *hotel occupancy, hotel sales, room revenue, F7B revenue, employee behavior*

## Introduction

As on October 22, 2020, COVID-19 cases overview across India is: active cases-715812, recovered cases-6874518, confirmed cases-7706946 and deceased cases-116616. From the WHO website the data for COVID-19 cases overview worldwide as on October 22, 2020 are: confirmed cases-41,104,946 and confirmed deaths-1,128,325 countries, areas or territories with cases-235 (World Health Organization, 2020). The hospitality industry in India depended on tourism industry as due to COVID-19 the 240 billion \$ worth tourism industry came to stand still as quoted in an article in economic times 2020. As per the article the tourism and hospitality industry needed a INR 5000 million package form government of India as COVID-19 relief package as requested by the Industry body Federation of Associations in Indian Tourism and Hospitality (The Economic Times, 2020). As reported by Jain (2020a) that this kind a relief package demand in India is not unique or out of place as \$150 billion COVID-19 relief package in the form of bailout as already been requested by the hotel industry in America.

The hospitality industry is highly depended on tourism industry and tourism industry in India is one of the major key players in contributing better GDP (gross domestic product). Due to COVID-19 outbreak in India followed by a lock down from March 2020, the tourism industry got badly impacted leaving hotels in disdain by giving no tourists in the form hotel guests. Due to the imposition from the government to stop the spread of COVID-19 in country, and so India had to cancel visas of foreign countries

causing severe impact on hospitality industry and tourism industry (India Today, 2020). As discussed by Kalina and Tilley (2020) about gaining more footfalls of the guests in the hotel it is necessary for hotels to focus on solid waste management as hotels itself are being used as quarantine center and are in need to be not just cleaned but also sanitized on the standards of hospital cleaning. Because guests irrespective of the nationality will only come back to the hotels if only they are ensured that hotels are managing the solid waste created by COVID-19 treatment is handled well and disposed of well. Also various foreign nationals prefer to stay with hotels which are environment friendly and follow the green initiatives. So this is the additional responsibility of the hotels to understand the need of hour and start managing the solid waste carefully and hotels also showcase all these good practices on their website and in all marketing drives and programs.

The role of management in taking great care of employee safety and security, while they are at work makes to be motivated and complete their tasks with devotion and as per the standard. With the prevailing set of rules of safety (for example-hygiene rules), the need to adhere and follow the new set of safety rules of COVID-19 and associated procedures are now a must for the businesses to follow and enforce (Kalina and Tilley, 2020). As discussed by PV and Varma (2020) that the tourists and guests who are stranded in country due to lockdown must be handled very carefully as these guests will be out word of mouth publicity in their own nations once they return. It will be of much importance to note that the way they have been managed here during their stay and our preparations in handling the COVID-19 will set the base for such guests and travelers to return back with other colleagues and friends after COVID-19 (PV and Varma, 2020). As discussed by Jain (2020b) it is necessary for the hotels to stay competitive especially in this period when already a huge amount of loss has been suffered by the hotel industry. To stay competitive it is obligatory for the hotels to pursue the sustainable practices which may be supportive to hotels in long run. Application-based check in, GPS guided self-parking lot provision, pre-allotted room, keyless room entry followed by GPS guided escort to the room are few of the recommendations made by the author (Jain, 2020b).

As reported by Reuters (2020) most airlines reduced or cancelled flights due to lower demand and international border closures. As discussed by Anzolin and Mason (2020) that hospitality establishments along with tour & travel provision were closed due to sinking room requirement or federal impositions causing to collapse of economies of nation. As reported by Skift (2020) a main shock on the visiting the attractions by the tourists via travel & tour business was the termination of (mammoth) proceedings, festivals, and conferences that depressingly blown up the local financial system of the host destinations. As reported by Weinstein (1988) that human beliefs tend to change to a positive side where humans become more attentive towards the required change and support change implementations. This study is helpful in bringing the change in employers behaviors keeping the COVID-19 pandemic caused changes in the hospitality industry in mind so that employees are trained and provided with the COVID-19 safety kits and PPE (personal protective equipment's) so that they believe and trust the organizations they are working with and support the new processes and procedures by incorporating them in their work behavior (Weinstein, 1988).

As discussed by Jaipuria et al. (2020) it was suggested to boost Indian economy by focusing more on producing the goods and services within India so that more of the job opportunities and infusion of funds may be encouraged into the Indian economy. Even

PM of India has initiated a regime by the name of “Atmanirbhar Baharat” to encourage “Make in India” drive. This will also ensure that India is more dependent on export by unlocking the hospitality industry and Tourism in India (Jaipuri et al., 2020). As reported by Nhamo et al. (2020) that implementation of safety measures and procures which are accepted internationally will surely bring back the tourists back on track of tourism the destinations helping the domestic tourism to boom back and in context with international travelers, they will percept more safe and secure under these internationally accepted rules, regulations and safety measures. If this happens, the tourism and hospitality sector in India will gain momentum sooner (Nhamo et al., 2020). As discussed by Kumudumali (2020) the impact of COVID-19 on tourism also impacted the associated industries like hospitality industry & airline sector. The limitation of available data on COVID-19 makes it difficult to interpret possible strategies for mitigating the threat of COVID-19. Social distancing, hand hygiene and other related protocol must be strictly followed till the time a vaccine is manufactured (Kumudumali, 2020). As discussed by Folinias et al. (2020) that COVID-19 induced environment has also created a new possibility & trend of business opportunity for the hospitality industry in the form of guests who had been advised to be in quarantine due to COVID-19 symptoms or infection and they are staying in the hotels (Folinias et al., 2020).

As discussed by Mishra (2020) for revival tourism & hotels in India is based on government intent on how fast it want the industry to revive by relaxing the tax norms, offer of moratorium, COVID-19 relief package, log term tax rebate to hotels and tourism organizations and suspension of taxes and various duties to be paid by these organizations to government and/or state (Mishra, 2020). As discussed by Kumar (2020) that devastating effect of COVID-19 is affecting the entire world and countries are even responding to counter it with all the best efforts they can, but the response is purely based on specific countries government intent, use of measures based on scientific advances of that country and the way society behaves and supports the parameters initiated to fight COVID-19 and stop its spread. Technology plays an important role and that was evident in the way different countries responded to COVID-19 medically (Kumar, 2020). As reported by Thams et al. (2020) in their case study based in Ghana, Africa, additional monetary support is essential for survival of tourism and hospitality organizations by the government of specific country. It is also essential to ensure that any rebate which is offered is available for all in that business sector (Tham et al., 2020). As reported by Jones and Comfort (2020) that COVID-19 has induced the need of livable and supportable operating business model of hospitality industry indicates that there are various possible challenges lying ahead of this as it will lead to the way hospitality organizations used to operate before COVID-19 and this in turn also indicated that guests perception, responses and the way they used to experience the hospitality industry will be changed for them too (Jones and Comfort, 2020). As reported by Davahli et al. (2020) that various other systematic exploration techniques of research may be used for analyzing the impact of COVID-19 on hospitality industry so that a better understanding may be obtained. This also reveals that still there is a lot of gap in understanding the impact of COVID-19 on hospitality industry and further study and research may be conducted (Davahli et al., 2020).

## Materials and Methods

### *Scope of the research*

The study is conducted to get an insight of what hospitality employees working at managerial level think about the hospitality industry during COVID-19, the complexities and alternatives to revive from such challenges.

### *Research Objective*

The objective of research study is; (1) to analyze the impact of COVID-19 on hospitality industry; (2) to identify with the most important viewpoints impacting the hotel operations; and (3) to explore factors helpful in bringing hospitality industry back on track.

### *Data collection*

Data was collected using a questionnaire consisting Likert-scale questions to get insights into the perception of the hotel employees working at the level of managing operations.

### *Research and sampling design*

The study is quantitative in nature. The study uses convenience sampling. Sample size is 34. Sampling area consists of respondents from hospitality industry in Delhi-NCR, India.

## Results and Discussion

*Table 1* indicates that majority of respondents agree that arrival off the guests was badly impacted due to the outspread of corona virus also known as COVID-19. This study also reveals that the decrease in the arrival was not instantaneous as 17.65% of respondents revealed as agree instead of strongly agree. This also indicated that if the hotel operations would have foresighted the outspread of this virus when it did not reach in India, they could have prepared for this worse situation and could have survived in a better way.

**Table 1.** Main data.

Questions	Total	Strongy disagree	Disagree	Neutral	Agree	Strongly agree
1. Arrival of reserved guests was decreased	34	5.88%	2.94%	8.82%	17.65%	64.71%
2. Number of walk-in guests were reduced.	34	5.88%	5.88%	2.94%	14.71%	70.59%
3. Hotel had to deal with toom cancellations.	34	2.94%	2.94%	8.82%	20.59%	64.71%
4. Hotel rooms sales was dropped.	34	2.94%	0.00%	2.94%	17.65%	76.47%
5. Hotel MICE	34	2.94%	0.00%	5.88%	14.71%	76.47%

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6. Hotel achieved the budgeted room revenue.	34	32.35%	20.59%	8.82%	14.71%	23.53%
7. Hotels other revenue centres like telephones, laundry, business center were able to generate revenue.	34	50.00%	14.71%	5.88%	8.82%	20.59%
8. Restaurants were able to generate budgeted revenue.	34	32.35%	35.29%	5.88%	5.88%	20.59%
9. Bars were able to fetch the required revenue.	34	47.06%	23.53%	5.88%	2.94%	20.59%
10. In Room Dining was able to generate required revenue.	34	44.12%	23.53%	8.82%	5.88%	17.65%
11. Employees reported on time.	34	14.71%	17.65%	17.65%	17.65%	32.35%
12. Employees productivity remained as required.	34	20.59%	11.76%	20.59%	14.71%	32.35%
13. Employees attendance remained as required.	34	20.59%	8.82%	26.47%	20.59%	23.53%
14. Hotel took initiative for training employees.	34	2.94%	5.88%	20.59%	35.29%	35.29%

Walk-in guests who constitute a good amount of hotel revenue for room division and other associated services was affected severely leading to a significant drop in room sales, MICE business and room cancellations. For hotel performance in achieving the budgeted room revenue respondents opinion suggests that to the possibility of impact on room revenue was not as significant as it was in the case of other revenue centers stated earlier indicating the occupancy of rooms was not at complete halt but also was not as significant to drive the required room revenue. This also suggests that there was not similar pace of decrease in room revenue indicating for further need of analysis of the facts contributing at that stage except the foreigner guests stranded in the hotel due to COVID-19 outbreak and lockdown restrictions imposed by Government of India. It was also found that among other revenue centers food and beverage outlets in the hotels also suffered huge losses. Majority of the respondents agree that employees reporting on time and employee productivity were appropriate, which suggests that hospitality employees were managed well by hotel managers and superiors to keep them feeling safe and highly motivated.

*Table 2* consisting of mean of all their corresponding statement suggests the closeness to the assigned value of scale so that it is more meaningful to understand the respondents' level of agreement to the corresponding statement. Standard Deviation is

also calculated to analyze the points in data are closer to mean or spread over a large number of values.

**Table 2.** Mean of all corresponding statement.

Question	Mean	Mean2	Standard deviation
1. Arrival of reserved guests was decreased	4.32	19.97	3.96
2. Number of walk-in guests were reduced	4.38	20.56	4.02
3. Hotel had to deal with room cancellations	4.41	20.41	4.00
4. Hotel rooms sales was dropped	4.65	22.24	4.19
5. Hotel MICE business was dropped	4.62	22.03	4.17
6. Hotel achieved the budgeted room revenue	2.76	10.18	2.72
7. Hotel's other revenue centers like telephones, laundry, business center were able to generate revenue	2.35	8.18	2.41
8. Restaurants were able to generate budgeted revenue	2.47	8.35	2.43
9. Bars were able to fetch the required revenue	2.26	7.56	2.30
10. In Room Dining was able to generate required revenue	2.29	7.53	2.29
11. Employees reported on time	3.35	13.35	3.16
12. Employees productivity remained as required	3.26	12.97	3.12
13. Employees attendance remained as required	3.18	12.12	2.99
14. Hotel took initiative for training employees	3.94	16.59	3.56

It was found out from *Table 2* that from question number 1 to question number 5 the central tendency of data is towards the agreement of the respondents to the corresponding statements. The corresponding standard deviation also suggests that points in data are closure to mean, conforming data central tendency. From the *Table 2* mean value reveals that from question-6 to question-10, respondents tendency is towards being neutral which also adds to the corresponding statements impact on hotel operations. There are no points found spread over a large number in the same data. From question-11 to question-14, mean suggest that majority of respondents agree with the corresponding statements and there are no points found spread over a large number in the same data set.

The discussions of main points from the primary research are; (1) hospitality industry is impacted by corona virus; (2) tourism is affected by COVID-19 & suffered huge losses; (3) support by Government of India and efforts made by hospitality industry will be a key differentiator to bring the guests back; (4) hotels need to focus more on employees training of improving their mental well-being; and (5) hotels preparation in dealing with such situations like COVID-19 pandemic will be a key essential.

### ***Discussion and recommendations from authors based on primary and secondary research***

The efforts from government and top brass of management are needed at this crucial hour to fight and survive the impact of COVID-19 on hospitality industry. From government point of view, we have seen various rebates and cuts in interests to be paid by industries has been offered, moratorium has also been implemented to allow the struggling hospitality industry impacted badly by COVID-19, to let it breathe for long run ahead. The important effort from government must be to devise all these strategies

for a long run until the hospitality industry booms back to normal state. Having said that, it is not the sole responsibility of the government but also of the industry leaders to infuse their supporting form capital investment in keeping the business running, keeping employees paid, at least with a salary cut instead off firing or asking to leave and most importantly keeping hotel employees trained for new normal post COVID-19 unlock phases.

Hotels are also required to follow all the WHO recommended COVID-19 safety guidelines so that staff and guest safety can be ensured on priority. It will also ensure that guests are confident to come to the hotel. To make it more effective and useful hotel must market their all COVID-19 related preparations and showcase their new upgraded and superior safety and cleaning techniques on their websites and marketing programs. Employee performance and behavior play a very important role in hotels growth, and it should reflect in the hotels efforts that they are employee centric too, and this must be showcased by highlighting employees who have extraordinarily performed during COVID-19, and rewarding them, by installing employees safety and security provisions in hotels, providing employees safety kits and COVID-19 personal protective equipment's. Thanks to COVID-19, that forced the hotels operators and owners to convert their hotels into working office space and corona treatment center as these examples will set a new trend in hospitality industry and will become part of new business model for hotels in future. It is also suggested to implement internationally accepted safety and security parameters in the hospitality and tourism industry to enable it recover sooner from the shambles caused COVID-19 pandemic.

## **Conclusion**

It is quite evident that government and industries are now trying very desperately to bring back the state of hospitality and tourism industry to normal state from the abyss. But it is also necessary for all of us to part our support in all possible ways in which we can to support the government and business enterprises so that they may come back quickly to normal state and bring the economy back on track. This will be possible with the help of implementation new policies, guidelines and frameworks. Technology will be a key player in bringing the change and helping the economy back on track. Artificial intelligence, robot, card less entry into the room, contactless food & beverage service and online provision of dealing with guest queries and problems will be an integral and key differentiator in bringing the new normal easily. If our country promptly applies all the possible and globally accepted COVID-19 related safety parameters and procedures in hospitality & tourism industry it will not be late for these industries to come back to normal state.

The future scope of this analysis is in exploring more new ways to bring hospitality industry back on track. Exploring and analyzing the data of hospitality industry from other nations will be useful in understanding the growth pattern of hotels. To supplement this, further study can be conducted keeping more quantitative variable of the hotel industry operations so that more meaningful exploration can be done.

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## Conflict of interest

There is no conflict of interest with any parties or organizations involved in this research study.

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