

IMPACT OF COVID 19 ON TOURISM INDUSTRY- AN EXPLORATORY STUDY

Anshu Singh¹, Bhavna Garg²

Assistant Professor, AS&H, ABES Engineering College Ghaziabad, India¹

Sr Assistant Professor, AS&H, ABES Engineering College Ghaziabad, India²
anshu_singhh81@yahoo.com¹, hrmbhavna@gmail.com²

Abstract:- Almost all the industrial sectors have been impacted by the covid 19. Tourism sector is worst impacted as the hospitality industry is in different space as travelling is considered as a major vector in spread of the disease. Tourism has a dynamic element which involves movements and this invariably fuels the spread of viruses. The movement of people via air travel increases the risk of the spread of viruses at a much faster pace than normal. Thus, tourism is both a catalyst for the spread of viruses and a victim of the spread. The present paper is based on secondary data collected from various online sources.

Keywords: - : Covid 19, Travel, Tourism, hospitality

I INTRODUCTION

Tourism industry is thriving for past few years. It has emerged as a major contributor in fiscal development of a country. The primary stimulant for the growth of tourism industry are growing disposable income, new travel trends, growing ecommerce in hospitality and tourism industry, web presence of hotels, ease of payments, globalisation and many more.

However due to the recent outbreak of corona virus, the ever-expanding tourism industry has taken a halt. Due to burgeoning globalisation the geographical boundaries of the world are almost erased which has made travel an easy and popular affair. Due to this ripple effect of recent pandemic have hit every corner of the earth.

The tourism has always been an industry which is hit hard by pandemics. Battered and bruised, travel industry has always experienced catastrophes, be it Black Death (1346-1353), Spanish Flu (1918-1920), SARS (2002-2004), H1N1 Swine Flu (2009-2010) and Ebola Virus (2014-2016). The Spanish flu for instance, restricted travel for four months and killed 21 million people during that short period.

Due to global lockdowns, Countries closing their International borders, the hospitality industry is in different space as travelling is considered as a major vector in spread of the disease. Tourism has a dynamic element which involves movements and this invariably fuels the spread of viruses. The movement of people via air travel increases the risk of the spread of viruses at a much faster pace than normal. Thus, tourism is both a catalyst for the spread of viruses and a victim of the spread.

Pandemics and outbreak of diseases render destinations unattractive to tourists who are risk averse. Usually, travel restrictions, border closures, quarantine and social distance measures are instituted by governments to minimize or curtail

the spree ad of viruses. The World Health Organization also issues travel advisories to discourage travel to destinations with cases of pandemics. These measures coupled with media sensationalism in news reports render destinations affected by pandemics unattractive. These results is fear of travel to those destinations and cancellation of flights, hotel reservations and other scheduled events.

Impact on tourism industry

.Key factors affecting the market after the pandemic include the decrease in tours and travels as most of the flights are getting cancelled. The government all across the globe are cancelling the foreign visits and locking down most of the area which is one of the other major reasons behind the slowing down of hospitality industry

The effect of COVID-19 on hospitality industry can be observed in all the regions including North America, Europe, Asia-Pacific, and Rest of the World. In the US, many hotels had reported a sudden increase in cancellations for both individual reservations and group events. Additionally, since the origin of the COVID-19 outbreak, many cities in the Asia-Pacific are on complete lockdown, which is in turn restricting the growth of the hospitality industry.

During the outbreak of pandemics, almost everything connected to tourism is affected perhaps with the exception of the environment. In Italy, one of the countries hardest-hit by COVID-19, popular tourist destinations like Rome, Venice and Milan are deserted and occupancy rates have slumped to as low as 6%. On 26 March, the World Tourism Organization predicted a 20-30% loss in international arrivals in a press release. Meanwhile, the World Travel and Tourism Council has indicated that 50 million travel and tourism jobs are at risk due to COVID-19.

IMPACT OF COVID19 OH HOTELS

Undeniably, hotels are one of the hardest-hit industries by COVID-19. As a result of massive cancellations of flights, tours, events, hotel reservations and a resultant decline in inbound travel, hotel occupancy rates and average room rates have dropped sharply causing unprecedented declines in profit margins. In Italy, 90% and 80% of all hotel bookings in Rome and Sicily respectively have been cancelled and for a relatively small tourist destination like Ghana, hotel occupancy rates are down from 70% to under 30%, with some hotels recording as low as 5%. Also, it has been reported that hotel industry REVPAR in the United States fell 11.6% for the week ending 7th March 2020. The problem is compounded by lockdowns and other social distance protocols announced by governments in an attempt to 'flatten the curve'. Governments are in a dilemma as to how to flatten the curve without flattening their economies. Though hotels are experiencing substantial revenue losses, utilities, wages and salaries as well as other recurrent expenditure and statutory payments have to be made. From all intents and purposes, the hotel industry is headed for an unprecedented slump from COVID-19. According to experts, the pandemic will linger on for about two years. However, the fear of travelling and enforcement of social distance protocols will not go away soon after the pandemic subsides.

COVID-19 will leave the hotel industry badly bruised and there is a general agreement that the industry will not be the same long after the lockdowns and travel restrictions have been lifted. But hoteliers cannot afford to follow the existing model of operations. Hotels must adopt survival strategies against COVID-19. This calls for repackaging the hotel service to make it more attractive in this COVID-19 era. After all, desperate situations require desperate measures.

It must be emphasized that the extent of the impact of COVID-19 on the entire economies of destinations and along the tourism value chain, requires government to provide leadership in managing the situation. Indeed, in most destinations, governments have instituted a number of austerity measures to help cushion businesses including hotels and restaurants off the debilitating effect of the pandemic. This has been in the form of relief funds, tax cuts, subsidies, credit facilities and employment support.

Other consequences of COVID-19 The International Labour Organisation's (ILO) (2020) aspiration of the right to decent work for all (Baum and Nguyen, 2019) has been challenged by the consequences of COVID-19 induced economic upheaval which has led to widespread retrenchment of tourism workers, often with little or no compensation. ILO (2020) highlight the global impact of COVID-19 on work and employment opportunities, particularly for those in the informal sectors of the Global South. Many of these workers are currently denied their right to work as a result of the collapse of the international

tourism industry. Globally, a substantial number of employees work in notional self-employment in the gig economy where social protection and employment rights for workers is limited or non-existent. Similar concerns relate to the vulnerability of migrant workers, both in terms of catching the virus (in Singapore, for example) and their employment rights (UNHCR, 2020). News reports include anecdotal examples of high-profile companies in tourism who have acted without apparent concern for the rights of individuals to work. Tourism work is precarious at the best of times (Robinson et al., 2019) and the current crisis has demonstrated this with far greater rapidity than in other sectors. Whether the lost workers will return to serve tourists after the crisis remains to be seen

Responding to the impact of coronavirus on the tourism economy

The impact of the crisis is being felt throughout the entire tourism ecosystem, and reopening and rebuilding destinations will require a joined-up approach. Tourism businesses and workers are benefiting from economy-wide stimulus packages, with many governments also introducing tourism specific measures. Governments and industry are focusing their efforts on:

- Lifting travel restrictions and working with businesses to access liquidity supports, apply new health protocols for safe travel, and help to diversify their markets.
- Restoring traveller confidence and stimulating demand with new safe and clean labels for the sector, information apps for visitors and domestic tourism promotion campaigns.
- Preparing comprehensive tourism recovery plans, to rebuild destinations, encourage innovation and investment, and rethink the tourism sector.

These actions are essential, but to reopen the tourism economy successfully and get businesses up and running, more needs to be done in a coordinated way as tourism services are very interdependent. The travel and tourism industry and governments should continue to reinforce their coordination mechanisms to accompany the businesses, notably the smallest ones, and the workers. Particular attention should be given also to the most sensitive/vulnerable destinations in the recovery phase. Looking ahead, the measures put in place today will shape tourism of tomorrow. Governments need to already consider the longer-term implications of the crisis, while staying ahead of the digital curve, supporting the low carbon transition, and promoting the structural transformation needed to build a stronger, more sustainable and resilient tourism economy. The crisis is an opportunity to rethink tourism for the future.

Tourism is a significant part of many national economies, and the immediate and immense shock to the tourism sector resulting from the coronavirus pandemic is affecting the wider economy.

As governments around the world have introduced unprecedented measures to contain the virus, restrictions on travel, business operations and people-to-people interactions have brought the tourism economy to a standstill. Many countries are now entering a new phase in fighting the virus while at the same time managing the re-opening of the tourism economy. This is a complex and challenging task, and quantifying the impact on the tourism economy is difficult.

However, hotels must also take their destiny into their own hands. The road to recovery is going to be a long one and hotels must start today. A journey of a thousand miles begins with a step. Hotel managers must take steps to institute crisis management plans which must embody survival strategies namely, Cost-cutting, Orderliness, Virtualization, Integration and Domestication (COVID).

Cost Cutting

Decline in demand for hotel accommodation resulting in decline in REVPAR requires hotels to embark on cost-cutting measures. Managers must identify non-essential services and areas with significant declines in demand during this period and mark them for cost-cutting in order to minimize or eliminate losses. This could be carried out by first shutting down unnecessary or redundant equipment in order to reduce utility bills. These include reducing the number of elevators and escalators in use, closing down some guest room floors and restaurants as well as stopping the use of some expensive but under-utilized facilities like washing machines. Another area to be targeted for cost cutting is labor cost. Specific measures in this area include laying off some of the temporary employees, negotiating salary reductions, requesting employees to clear their outstanding leave and take no-pay leave as well as initiating no-pay leave and advance leave. Temporal staff could be laid off; however, care should be taken when dealing with permanent staff as management could be caught on the wrong side of the law for salary cuts and layoffs. Management could however hold discussions with labour unions and individual employees to agree on solutions that are mutually acceptable. Additionally, due to the low occupancy rates being experienced by hotels, managers can train their staff to multitask because of reduced work load in all departments. In a typical hotel, labour cost and utilities account for approximately 50% and 10% respectively of total operational costs. Therefore, implementing these cost-cutting measures will help reduce costs and improve the bottom line.

Orderliness

Indeed, we are not in normal times and we cannot afford to take chances or continue to live our lives the way we used to pre-COVID-19. COVID-19 has brought about a new normal. The new normal includes social distance and health protocols which must be religiously adhered to. Orderliness here includes

sanitation, health and safety as well as operational procedures. Guests will now place more premium on their health and safety than service quality. The new standard for hotel operations includes measures instituted to curtail the spread of the virus. Hotels must strive to balance the need to reduce unnecessary expenses in order to improve the bottom-line and the moral responsibility to ensure the health and safety of their employees and guests.

The logical first step in ensuring that sanitation and health protocols as well as operating procedures are adhered to, is to involve employees in safety, security and health awareness training programs. This is referred to as the software approach. After training, management must institute measures to ensure that hygienic standards and social distance protocols such as frequent cleaning of surfaces, use of disposable materials, washing of hands and wearing of PPEs are adhered to by both staff and guests. The hardware approach involves installation of new hygiene equipment and facilities including chemical sterilizers, special air filters, sanitizers and sinks as well as procurement of thermometers for daily temperature-taking of employees and guests. Hotels have to demonstrate a strong commitment to providing services under strict hygienic standards in order to reassure customers and build guest confidence.

These measures must be instituted and enforced across all departments of hotels to prevent and decrease the spread of the virus because a hotel could easily serve as a medium for the spread of the virus. For instance, the SARS outbreak in 2003 was spread in a hotel by a physician from Guangdong who travelled to Hong Kong and while he was there, he stayed in a local hotel and infected other guests from Hong Kong, China, Vietnam, Singapore and Canada. These guests subsequently spread the virus upon return to their respective countries and this sparked off the international spread of SARS. Strict adherence to sanitation, health and safety protocols must be ensured because any reported incident of spread of the virus in a particular hotel will seriously affect the brand image of that hotel in particular and the destination as a whole.

Virtualization

Another aspect of the new normal is that we must as much as possible avoid social contacts and live in a virtual world. Fortunately, advances in ICT makes this possible. For instance, apps like zoom, skype and zoho have facilitated videoconferencing. The reality is that there will be less people willing to go to a travel agency to book a hotel or a tour. Patronage of online channels, including online travel agents like bookings.com, expedia and priceline has become the order of the day. Also, hotels must leverage technology to fulfil social distance and lockdown requirements. Under the new normal, robots, automated systems and digital systems will have to be deployed by hotels. The use of robots to sanitize and disinfect

guestrooms and other public areas helps to avoid the spread of the virus through humans. Hotels should also integrate Customer Relationship Management System (CRM) systems into their websites and automate their revenue management systems (RMS) as this will help to collect and analyse customer data which could be used to tailor the hotel product to the needs of customers. Also, since the majority of people are staying at home in conformance to isolation and social distancing protocols, hoteliers should ensure that their hotels and activities are active on social media platforms. Social media should be used to engage with guests and relay vital information on services and other product offerings to them.

Certain functions such as reservations, digital marketing, sales and customer service support could be undertaken at home. Hotel managers must ensure that some of their staff, including administrative staff work from home. Meetings could be held online. Hotels must also adopt digital marketing strategies including social media marketing, e-reservations and search engine optimization. Even in pre-COVID-19, 60% of guests did online search when booking a hotel. It is expected that this percentage will increase with COVID-19 through the post-COVID era.

Integration

The COVID-19 pandemic has affected every hotel. To deal with the pandemic, there is the need for hotels to integrate their efforts and embark on common programmes that will benefit all hotels at a destination. The hotels association at the destination should unify the efforts of its members towards finding a common solution to the problem. The hotels association is in a better position to negotiate with government and the national tourism authority for austerity packages like tax cuts that will help reduce the burden on members. Hotel associations can also provide technical and financial support for members.

Hotels must work closely with other stakeholders to develop recovery strategies. There is the need for hotel managers to recognize that though the efforts of individual hotels towards recovery from the loss of business is essential, co-operation with other stakeholders is even more important to overcome challenges confronting the entire industry. This is even more imperative considering the fact that tourism is multisectoral and multidimensional, as such the success of hotels hinges on the efforts of other segments of the tourism industry and other industries. Integrated efforts should however not be considered as a substitution for the individual efforts of managers. A hotel manager who simply banks all his/her hopes on other hotels or stakeholders, will be shirking his/her responsibilities.

Domestication

The reality is that the tourists are no longer coming because borders and airports have been closed, cities are on lockdown, flight restrictions have been imposed and travel advisories have been issued. As a result of the pandemic, coupled with

lockdowns and flight restriction, the inbound tourism market is almost non-existent, so for hotels to survive, they must reach out to the local residents through innovative promotional packages. Hotels, including upscale hotels and resorts which traditionally cater for the inbound market should reorient their marketing strategies towards the domestic market. For hotels to succeed at this, they should discount their rates and repackage their products. For instance, hotels could enter into arrangements with local health authorities and come up with 'quarantine packages' for local residents who have to be isolated. In the same vein, there could be special packages for frontline health workers who may want to detach from their families for a while due to the risk of infecting them. Already, some hotels are collaborating with government to serve as isolation centres. Care should however be taken under such circumstances so as not to endanger staff and other guests. Human contact should be reduced as much as possible and social distance protocols should be strictly adhered to. Meals should be delivered to guestrooms on trolleys or by robots. Housekeepers should be provided with PPEs and trained on how to clean the rooms of guests who are under quarantine. Protocols on how to monitor guests under quarantine should be developed and enforced in collaboration with medical officers.

II CONCLUSION

The tourism industry has always proven to be resilient in times of pandemics and crisis and it is expected that post-COVID-19 will not be any different though the road to recovery could be long. With the outbreak of coronavirus and the resultant impact on hotels, we can only say that the industry is down but not out. Hotel managers must institute a crisis management plan based on the COVID model outlined above to ensure that they keep their heads above water.

There is no doubt that consumers of hospitality and tourism experiences across the globe have been denied their rights to access these services as a result of both political and commercial decisions. As we have seen, such rights manifest in a wide diversity of ways across the hospitality and tourism environment. In the context of saving lives, such sacrifices pale into relative insignificance but, none-the-less whether such diminution of rights becomes part, even a small portion, of the new, post-pandemic reality for hospitality and tourism. Only time will tell. Hospitality and tourism will undoubtedly re-emerge from the effects of the pandemic over an extended timeframe and at varying speeds in different countries. In most locations, access to domestic travel, maybe led by visiting friends and relatives-induced mobility, will probably lead the way followed, slowly, by international travel as countries relax their border controls and permit international flights. So, it is likely that the right to travel and the right to enjoy gainful employment in the hospitality and tourism industry will continue to be denied in full or in part for some time to come. How fully these rights will be returned to us remains to be seen.

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