



“The Hospitality Industry In The Face Of Covid-19”

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EXECUTIVE SUMMARY

This study reports on a systematic review of the published literature used to reveal the current research investigating the hospitality industry in the face of the COVID-19 pandemic. The presented review identified relevant papers using Google Scholar, Web of Science, and Science Direct databases. Of the 168 articles found, 50 papers met the predefined inclusion criteria. The included papers were classified concerning the following dimensions: the source of publication, hospitality industry domain, and methodology. The reviewed articles focused on different aspects of the hospitality industry, including hospitality workers' issues, loss of jobs, revenue impact, the COVID-19 spreading patterns in the industry, market demand, prospects for recovery of the hospitality industry, safety and health, travel behavior, and preference of customers. The results revealed a variety of research approaches that have been used to investigate the hospitality industry at the time of the pandemic. The reported approaches include simulation and scenario modeling for discovering the COVID-19 spreading patterns, field surveys, secondary data analysis, discussing the resumption of activities during and after the pandemic, comparing the COVID-19 pandemic with previous public health crises, and measuring the impact of the pandemic in terms of economics. Findings of the review reveal that the outbreak of pandemic disease led to rapid shutdowns in cities and states across the country, which greatly affected the hospitality industry. This pandemic showed the rapid negative impact on the country tourism and hotel industry. The findings of the review reveal that COVID-19 has increased cancellations of hotels and travel bookings resulted in revenue loss and unemployment situations, resulting in loss of substantial revenue to the government and increasing incidence of poverty among others. The review recommends provision of alternative service and diversification of service and product and compensation to business operators in the sector to return back to normal operations. The Government

should consider supporting the hotel and restaurant industry by subsidizing their fixed costs. Additionally, applications and renewal of licensing fees should be absolved for at least a year and kept at minimum for the next two years for all such businesses. Transfer of license should be made seamless so as to bring ease of doing business in the industry. State governments should consider waiving certain critical charges such as property tax and interstate transport taxes for a fixed period of time.

I. INTRODUCTION

Pneumonia like disease of unknown cause was first reported in Wuhan city of China on 31 December, 2019, later it was named as novel corona virus/COVID-19. It is caused by new coronavirus which results into severe respiratory infection and known as SARS-COV2. Patients with this disease show clinical symptoms like dry cough, fever, tiredness and in some serious cases like difficulty in breathing, chest pain and organ failure in some rare cases. The first outbreak of this infectious disease was in China and infected 84,603 number of people out of which 4,645 people died(WHO). By the mid of March the virus had transmitted to various continents of the world via global transport mainly through air, following which the world health organization on 11 march 2020 declare it as pandemic. In India the first case was reported on 30th January, 2020, which originated from China. As per the latest statistics of Ministry of Family and Health welfare of India, more than 10 lakhs of people are infected in India. In response to flatten the curve and to safe its citizen from the virus, the government of India announces a nationwide lockdown on 24th March 2020, which restricted the movement of people, shutdown borders, people had to stay in their homes. It not only affects the daily life of people but also the working of economy as most of industries were shutdown. Working people were not allowed to go to their office, businessman were not allowed to run their business. The outbreak of



COVID-19 in the country has a destructive impact on the economy, particularly the tourism and hospitality sector. The hospitality sector which contributes a good share in country's GDP, has suffered a serious losses. As per the hotel association of various states, bookings from foreign tourists which was a regular feature in March or April have been either canceled, put on halt or hasn't been any query at all, due to the inter border travel restriction and scare of COVID19.

OBJECTIVES

The study is based upon the following objectives.

1. The primary objective of the study is to explain the impact of COVID-19 on the hospitality sector in India
2. To assess the losses suffered by the hospitality sector and measures taken by the administration to compensate the losses incurred.
3. To discuss and examine the study of hospitality industry growth before the post-pandemic.
4. To project and analyze the future with few measures that will assist and overcome the problems in hospitality sector.
5. To recommend the action plan for recovery and survival of hospitality sector from COVID-19 outbreak.

II. LITERATURE REVIEW

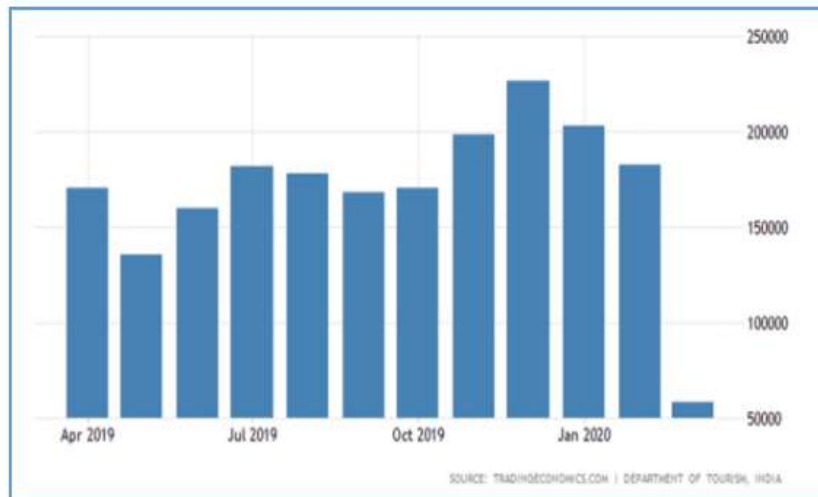
The tourism sector adds to India's GDP by 9 per cent. Indian airlines, tourists and hospitality industry suffered the highest damage from the Covid 19 outbreak. The industry has hotels, restaurants, travel agencies, food and beverages, shops, transportation, etc. Indian hospitality industry is expected to lose 125 trillion by 2020 and the potential loss of about 38 million, that is, 70% of the total workforce. Compared to last year, tourism income can be declined by 2020. The outbreak of the corona virus began the global economic downturn by 2020. There is a sense of fear among the people that foreign visitors might be carriers of the virus because the virus appears to enter India from abroad. Through an economic standpoint, the ban of traveling and closure of industrial units leads to a reduction in jobs and production. Neither can all roads be opened in rural

areas or new tourism trails be built. Moreover, the Indian medical tourism that was estimated to be at \$28 billion by 2020 was disrupted due to the spread of virus. The main reason behind all this was the spread of virus that can be restrained only by social- distancing and thus the affected countries decided on lockdown of the nation. As India's government had agreed to lockout and social isolation during the pandemic, restaurant sector was impaired. It is the mid-level restaurants that are the most affected in this pandemic and these are the ones that need to take the initiative to overcome the situation. The usual business practices to be avoided and efforts to be taken to develop sustainable and modern food systems.

III. PROBLEM STATEMENT

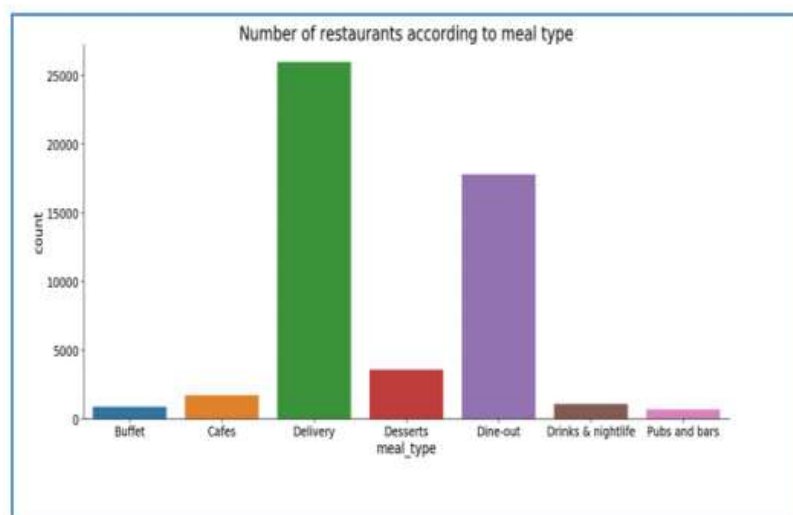
Factors that were driving the hospitality industry before pandemic COVID-19 include increasing disposable income, new travel trends, increasing online business of travelling due to increased internet penetration and internet banking, web-presence of hotels & tourism directories and many more. Key factors affecting the market after the pandemic include the decrease in tours and travels as most of the flights are getting canceled. 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 hospitality industry report is segmented based on food and beverages, travel and tourism, lodging, and recreation. Travel and tourist segments along with the recreation segment are majorly declining due to the lockdowns happening across the world.

Effect of Covid-19 on Tourism Revenue of India- In a situation where tourism contributes to the country's GDP, it's faced decline due to the pandemic. Tour operators and travel agencies would face a financial crunch as tourists visit India. Tourism revenue of the country has been reduced drastically. Both aspects of tourism were impacted by the stoppage of the tourist traffic to take control of the transmission of Corona Virus. As a result of decline in tourist arrivals so does the tourism revenue.



Effect of Pandemic on Hospitality Industry- As travel is a part of tourism industry, likewise, hospitality industry also backs tourism of a country. Hospitality industry provides stay, food and other basic necessities for a traveler. Moreover, the stand-alone restaurants, local eateries and online deliveries faced a bad hit in their business. As per Zomato in Figure 5, the most preferred meal type by consumers were doorstep deliveries and dine out when compared to other meal types like buffet, café, drinks and nightlife. In addressing the food outlets in Bangalore, there are 21,000 restaurants and 3500 hotels with lodging and 580 hotels above 3-star categories. According to Mr. PC Rao, President of Bhurat Bangalore Hotels, the pandemic crisis is threatening the existence due to two reasons, namely people are reluctant to dine at outlets due to the fear of the virus and many sectors had faced salary cut and loss of job. Though during

lockdown parcel services were allowed it would make up just 10% of the business. Same time, according to Bangalore Mirror, 77% of the people are in the urge of dining out and 13.3% of them still wanted food to be delivered at home. This is contradictory to the data analysis of Zomato, the delivery app. According to Figure 5, Zomato states that more percentage of people prefer delivery and later comes the dine out. This may be due to the effect of lockdown on people as they stayed indoors together for days and now, they would start showing more interest in dining out, yet fear of virus and financial crunch are the constraints that affect the business of tourism and hospitality. This emphasizes the need to draw suggestions that would help the sectors of tourism, hospitality, and food service to overcome the crisis they are going through.





IV. RESEARCH METHODOLOGY

The literature review follows Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines and contains two main features: developing research questions and determining search strategy. The following research questions have guided this review:

RQ1. What aspects of the hospitality industry at the time of the COVID-19 pandemic have been studied?

RQ2. What research methodologies have been used to investigate the impact of COVID-19 on the hospitality industry?

In order to address the above questions, a search strategy was developed to list and review all relevant scientific papers by (a) defining keywords and identifying all relevant materials, (b) filtering the identified records, and (c) addressing the risk of any bias. One of the main steps in a systematic review is developing specific keywords. Herein, our objective was to target all critical segments of the hospitality industry (e.g., hotels, restaurants) and the broadly defined tourism industry.

Web of Science, Science Direct, and Google Scholar were used as database search tools. Keywords were used to discover relevant articles and identify 175 articles with relevant content. Because this topic is rapidly evolving, it is important to mention that article discovery was finished at the end of August 2020. After developing the main database and identifying all relevant papers, a formal screening process based on specific exclusion and inclusion criteria was followed. Because of the very timely issue of the COVID-19 pandemic, we included documents in the forms of peer-reviewed academic publications, grey literature, and pre-print articles. However, we excluded secondary sources that were not free or open access, letters, newspaper articles, viewpoints, presentations, anecdotes, and posters.

The screening of the titles, abstracts, conclusions, and keywords in the identified records after removing duplication ($n = 168$) resulted in excluding articles ($n = 115$) because of not enough relating to the topic. The remaining articles ($n = 53$) were read in full against the eligibility principle, and three articles were excluded for not addressing the research questions. Selection bias in a systematic review can occur by the erroneous application of inclusion/exclusion criteria and/or the specification of included papers' dimensions.

Research Approach Used

The reviewed papers used different research approaches and focused on various subjects related to the hospitality industry during

the COVID-19 pandemic. However, all papers have been classified into six groups as follows: (1) developing simulation and scenario modeling, (2) reporting impacts of the COVID-19 pandemic, (3) comparing the COVID-19 pandemic with previous public health crises, (4) measuring impacts of the COVID-19 pandemic in terms of economics, (5) discussing the resumption of activities during and after the pandemic, and (6) conducting surveys. Since some of the reviewed papers belong to more than one group, these have been assigned to the dominant group.

Developing Simulation & Scenario Modeling

Eight included papers in this review applied simulation & scenario modeling to estimate aspects of tourism demand and the COVID-19 spreading pattern. The studies used different models and analyses, including a dynamic stochastic general equilibrium (DSGE) model, supply and demand curve, agent-based model, epidemiological model, and susceptible exposed infected recovered (SEIR) model.

Reporting the Impacts of the COVID-19 Pandemic

Seventeen papers applied secondary data analysis to report COVID-19 pandemic's impacts on the hospitality industry. Because of the ongoing pandemic and publication time of included papers, secondary data sources have been invaluable for most studies in this review. The studies reported impacts of the pandemic on different aspects of the hospitality industry, including job loss, revenue losses, access to loans, market demand, emerging new markets, hostile behaviors towards foreigners, and issues of hospitality workers and hotel cleaners.

Comparing COVID-19 with Previous Public Health Crises

Two papers compared the COVID-19 pandemic with previous public health crises. In the first study, lessons learned from previous crises and pandemics are discussed, including malaria, yellow fever, Ebola, Zika virus, Middle East respiratory syndrome (MERS-CoV), avian influenza (H5N1), Creutzfeldt-Jakob disease (Mad Cow disease), swine flu (H1N1), and severe acute respiratory syndrome (SARS). This paper concluded that the impacts of COVID-19 on the economy and country's tourism and hospitality industry, in particular, are likely to differ from previous pandemics, from which the tourism and hospitality industry recovered relatively quickly. The still-evolving understanding of the coronavirus's behavior makes it difficult to predict the industry's recovery in the near future. However, suggestions



have already been made for post-COVID-19 management of the tourism and hospitality industry. These include: (1) focusing primarily on domestic tourism; (2) ending mass tourism and pilgrimage tourism; (3) focusing more on conference tourism, virtual reality tourism, and medical tourism; and (4) building a more sustainable tourism and hospitality industry rather than a return to "business as usual"

Measuring the Impacts of COVID-19 in Terms of Economics

Five papers measured the impacts of the pandemic on the hospitality industry in terms of economics. These studies used different models and analyses, including seasonal autoregressive integrated moving average model, scenario analysis, and trend analysis. The economic impact of COVID-19 on the tourism and hospitality industry has been examined in terms of lost earnings or jobs. Mehta estimated the effect of COVID-19 on India's economy at an earnings loss of about \$28 billion in 2020, along with 70% job losses for tourism and hospitality workers, and mass bankruptcies. Trend analysis was also used to examine the impact of COVID-19 on the global tourism and hospitality industry and global GDP. According to Priyadarshini, the real global GDP growth will drop from 2.9% in 2019 to 2.4% by the end of 2020, while global revenues for the tourism and hospitality industry will drop by 17% compared to 2019

Resumption of Activities during and after the Pandemic

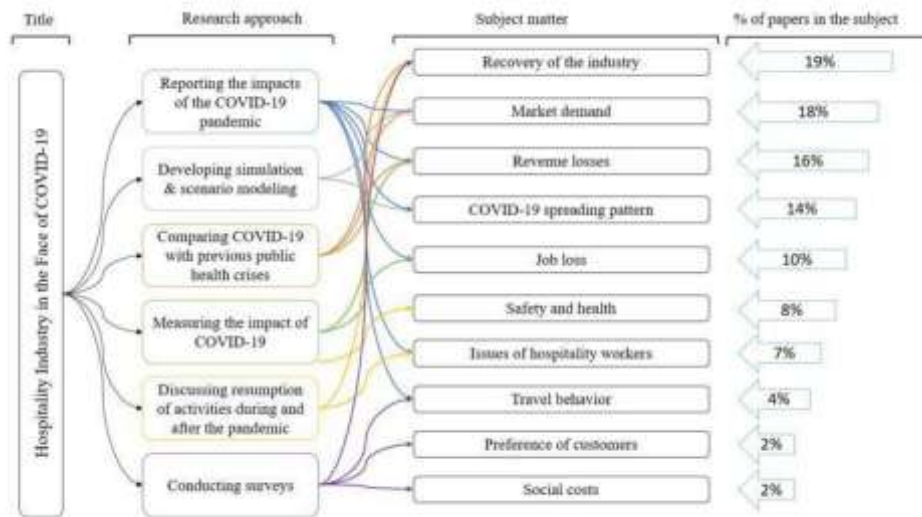
Thirteen papers recommended various remedial and management actions for the resumption of activities during and after the pandemic. The consequences of COVID-19 on the hospitality industry, such as empty hotels and loss of jobs, are discussed in one paper that offers a positive outlook that the industry will receive a significant flow of guests upon the easing of travel bans and restrictions. The author stressed the

importance of support for the hospitality industry during the pandemic and the need for proper guidance to ensure successful reopening during the post-pandemic period. Taking a different perspective, another study suggests that the hospitality industry may not do well after the lifting of travel bans and mobility restrictions. The study refers to a survey that found more than half of the participants would not order food even after the pandemic ends. The author also recommends a series of actions for restaurants to attract customers in the post-COVID-19 period, such as including island-sitting arrangements to assure maximum physical distances between people, live cooking counters to allow customers to watch their food being prepared to instill confidence in its safety, and having appropriate hygiene and cleaning procedures throughout.

Conducting Surveys

Five papers conducted survey studies to investigate different hospitality industry aspects, including social costs, customer preference, expected chance of survival, and travel behavior. The survey developed the contingent valuation method to estimate costs borne by residents of tourist destinations (social costs) due to the COVID-19 pandemic. Contingent valuation is a survey-based economic technique for the valuation of non-market resources. The survey asks questions about how much money residents would be willing to pay to keep a specific resource. The study attempted to investigate how residents perceive the risk of tourism during the COVID-19 pandemic. By considering some prominent destinations, the survey quantified tourism's social costs during the pandemic. The results indicate that most residents were willing to pay for risk reduction, but this payment differs based on respondents' age and income.

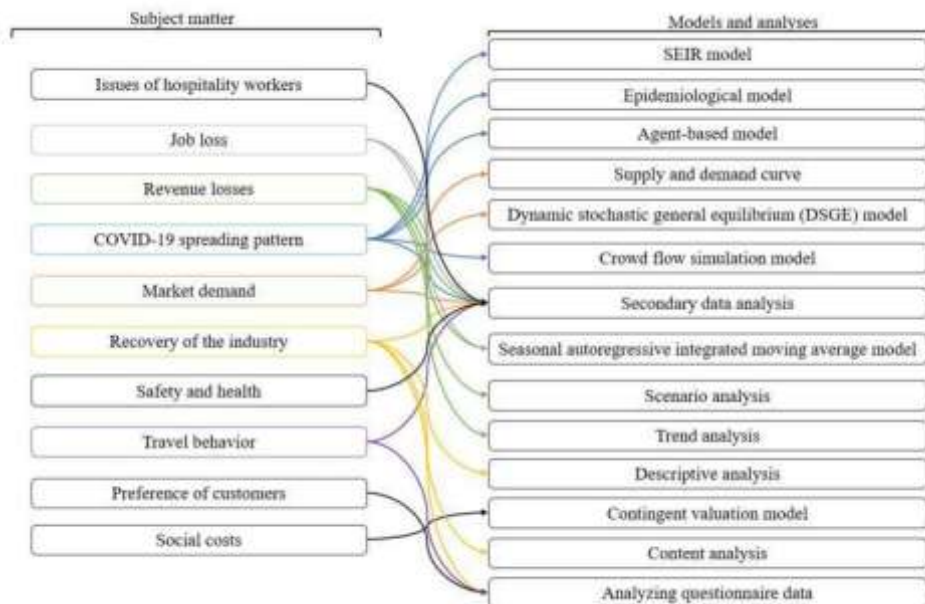
Research aspects of the hospitality industry included papers.



V. DISCUSSION

Even though included papers studied different aspects of the hospitality industry during the COVID-19 pandemic (see Figure 6), the main topics relate to recovery of the industry (19% of papers), market demand (18% of papers), revenue losses (16% of papers), the COVID-19 spreading

patterns in the industry (14% of papers), job losses (10% of papers), safety and health aspects (8% of papers), issues related to the employment of hospitality workforce (7% of papers), travel behaviors (4% of papers), preferences of customers (2% of papers), and social costs of pandemic (2% of papers).



The employment issues of hospitality workers have been mentioned by 7% of papers in the categories of “reporting the impacts of the COVID-19 pandemic” and “discussing the resumption of activities”. These papers discussed job insecurity, financial, and health issues among documented and undocumented workers. Ten

percent of included papers reported or measured job losses in the hospitality industry as the result of the COVID-19 pandemic. Revenue losses, market demand, and recovery of the industry were the most popular aspects of the hospitality industry, and 16%, 18%, and 19% of the included papers, respectively, discussed these topics. It should be



noted that these aspects were mainly discussed in the framework of “reporting the impacts of the COVID-19”. The aspect of COVID-19 spreading patterns was the most popular topic in the approach of “developing simulation & scenario modeling”. Eight percent of included papers recommended different safety actions for the resumption of activities during and after the pandemic. Travel behaviors, preferences of customers, and social costs were mainly analyzed in the “conducting surveys” approach.

The reviewed papers used a variety of research models and analyses to study the hospitality industry in the face of COVID-19. Secondary data analysis was utilized to study almost all aspects of the hospitality industry. COVID-19 spreading patterns were investigated by using several quantitative models, including the SEIR models, epidemiological models, agent-based models, and crowd flow simulation models. The seasonal autoregressive integrated moving average model was used to calculate job loss and revenue losses. The contingent valuation method, content analysis, and analyzing questionnaire data were parts of the “conducting surveys” approach and were used to analyze social and behavioral aspects

of the hospitality industry response to the COVID-19 epidemic.

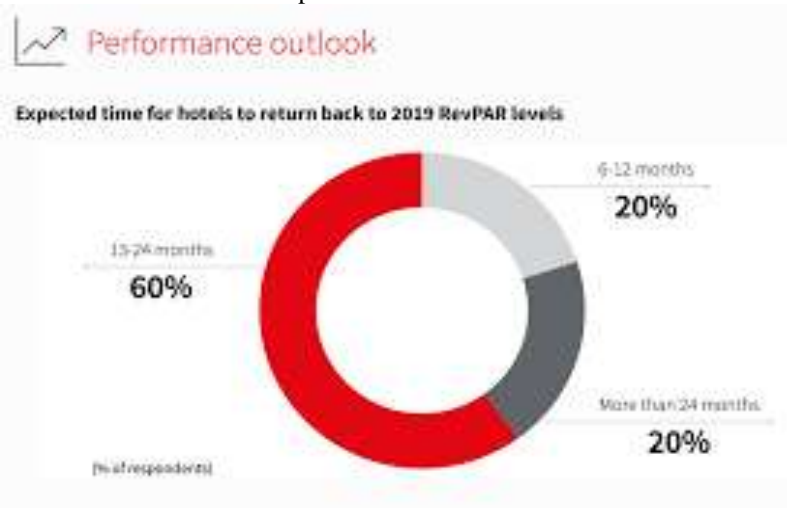
VI. RESULTS & KEY FINDINGS

Current Scenario- Operations

- Over 60% of respondents have up to 10% of their total hotels serving as quarantine facilities predominantly in key markets, with some of these hotels providing rooms for the “Vande Bharat Mission”.
- Luxury Hotel Operators shut down a higher percentage of hotels, as very few of them were being used as quarantine or medical support facilities until mid June 2020.
- Operators with large presence in the economy and midscale segment have a higher number of hotels operating as quarantine or medical support facilities.
- Most of the respondents have very few operational hotels with low occupancy levels, primarily catering to extended stay guests.

Performance Outlook

Expected time for hotels to return back to 2019 RevPAR levels



- Majority (60%) believe that it will take between 13 to 24 months for their portfolio to return back to 2019 RevPAR levels.
- Only 20% of the sample set believes that their hotels could bounce back to 2019 RevPAR levels within 6 to 12 months from now.
- Luxury Hotel Operators expect the ramp-up to be slower with some expecting that their

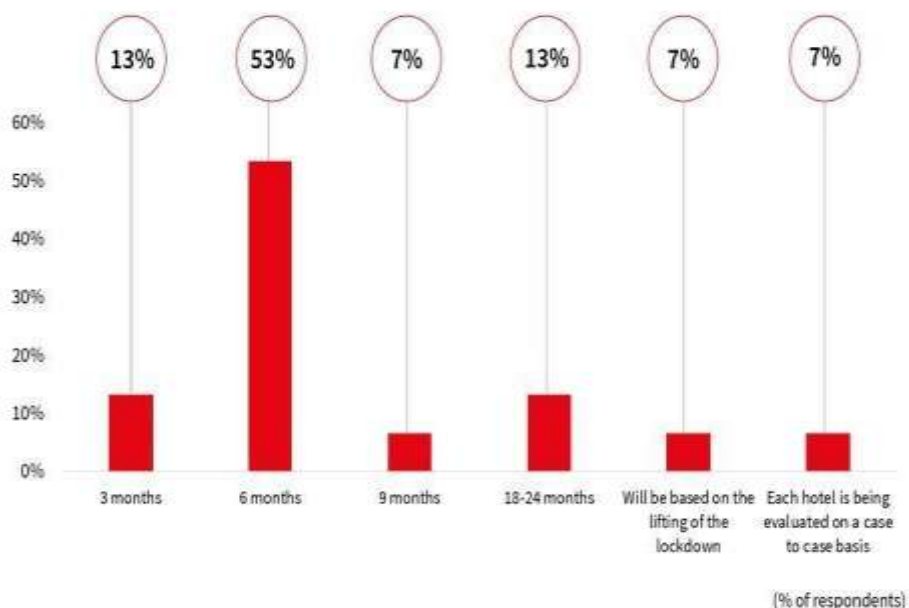
portfolio may take more than 2 years to reach 2019 performance levels.

- Qualitatively, our survey indicates that business travel is expected to reduce in the post COVID-19 world, as companies will rationalize spending on travel, which could benefit branded economy and midscale hotels.



Hotel Development & Openings

Deferring of new openings



- Majority (53%) of the respondents indicated that new openings would be deferred by 6 months. It is anticipated that new hotel openings will pick up in Q1 2021.
- Luxury Hotel Operators expect to push new openings by 18 to 24 months.
- Some Operators believe that it is too early to decide the fate of new hotel openings, as the situation keeps evolving.
- In hotel development space, discussions have slowed down and development plans are being deferred. Operators believe that owners with properties that are in early stages of development with openings likely in 2-3 years are less worried as they feel that they will open in the next upcycle of the economy. Owners who had recently started conversations have

rather taken a step back in advancing negotiations.

Support From Operators For Hotels In Pre-Opening Stage

A third of the Operators are helping owners by providing flexibility on technical services & pre-opening fee. Some Operators are yet to decide how they can support owners in the pre-opening stage and are evaluating the same on a case to case basis.

Support From Operators For Operational Hotels

Relief measures provided by Operators to existing hotels



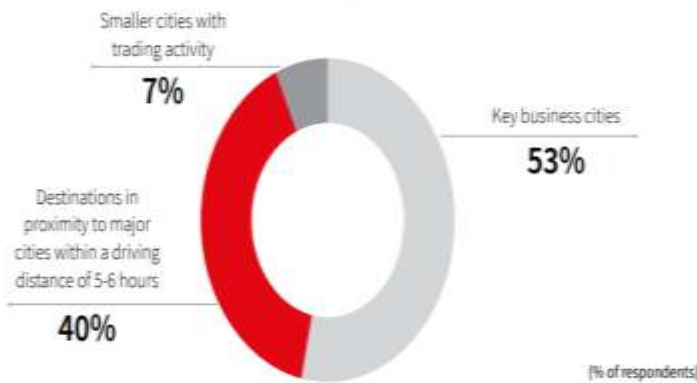


- 67% of the Operators surveyed confirmed that they are being approached by the hotel owners for financial assistance or relief.
- Out of which:
 - 27% of the respondents said that they are going to defer management fees;
 - 13% said that they are going to defer only incentive management fees and

- the remaining 27% said that they are helping by deferring fixed system charges, or by providing flexibility on fixed fees like Audit / Revenue Management etc.
- Balance 33% of Operators said that they have not yet taken any firm decision but they are taking steps on case to case basis.

Markets Most likely To Witness Early Pick-Up In Demand

Markets which are most likely to witness a pick-up in demand



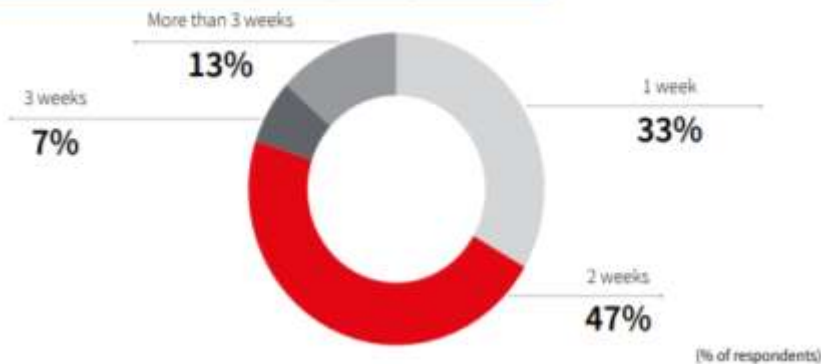
- 53% of the respondents felt that key business cities are likely to witness an early pick up in room nights demand.
- 40% of respondents believe that destinations in close proximity to cities within a driving distance of 5-6 hours are expected to see a pick-up in demand.

- Some Operators believe that smaller cities with trading activities may see quicker travel turnaround.

Time Frame To Restart Existing Hotels

Time frame for hotels to restart operations post lifting of the lockdown

Time frame for hotels to restart operations post lifting of the lockdown



47% of the Operators expect to open their hotels for operation within 2 weeks of lifting of the lockdown / travel restrictions by the respective state governments. 33% expect to open within a week of lifting of the lockdown while 13% of Operators expect more than 3 weeks for hotel operations to restart. Importantly, almost all Operators believe that most hotels in their portfolio

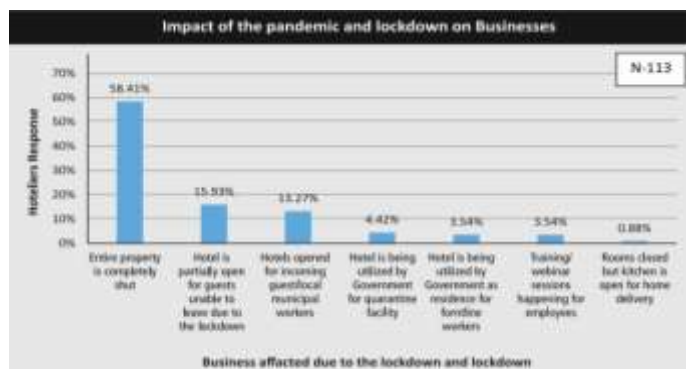
would need working capital infusion to continue or re-start their operations due to the reserves having almost dried up.

Impact on Business due to the lockdown and pandemic – Out of 113 hoteliers, 58.41 per cent of the hoteliers from Delhi; Mumbai and Ahmedabad mentioned that the entire property/ hotel was shut



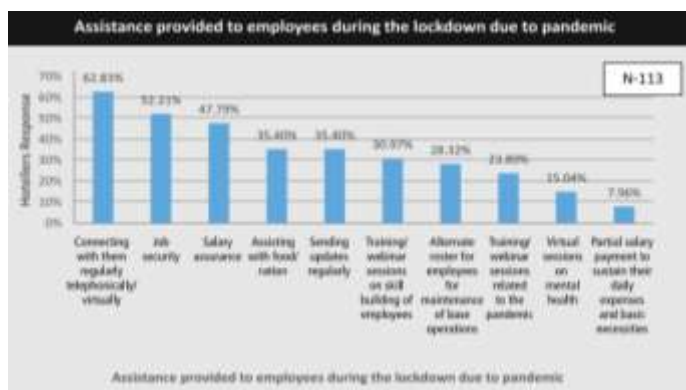
down with zero operations. This also meant 48 per cent were open partially as being used by government Covid warriors' residential purposes and quarantine purposes during the lockdown. A very small number kept their kitchen services open for take away purposes. This was necessitated largely due to the Vande Bharat Mission, launched on 7 may to evacuate Indian citizens stranded in

various countries. According to the Aviation ministry sources around 17 lakh passengers were brought back by Air India. All of them were mandated to spend 14 days of quarantine. Hotels were roped in by the government to accommodate these passengers. Overall, the complete lockdown phase was a massive financial burden on these facilities, which require maintenance and upkeep.



Assistance provided to employees during the lockdown due to pandemic – Around 52.21 per cent of the hoteliers stated that they assisted their employees in the way of job security. The rest 48 per cent provided curtailed pay; subsistence help; in dire cases, retrenchment while keeping basic

staff on payroll. Most of them have given assurances to the staff about returning to their jobs as and when the unlockdown happens. Those with lesser burden are keeping the staff with provision for subsistence.



Outlook

Hotels, once re-opened, would most importantly be monitored for hygiene standards across all their operations. The standard operating procedures are likely to be transformed in a big way along with adaptation of available technology to encourage social distancing till the pandemic is completely eradicated. Hotel developments have slowed down, and most hotel openings are likely to be deferred by at least 6 months. Capital assistance is the need of the hour to help hotels sustain till demand picks up. Operators are assisting Owners

as much as they can by deferring the various applicable fees and by preparing new Standard Operating Procedures (SOPs) and by bringing in efficiencies in various operating departments. In absence of negligible fiscal support from governments, the sector continues to face intense pressure on cash flows. Though unlock 1.0 has allowed hotels to open in a few cities, the ride ahead seems bumpy with limited demand offtake for rooms, F&B and other recreational businesses. Hotels could rather earn better revenues serving as



COVID support facilities in more affected cities such as Delhi and Mumbai.

VII. LIMITATIONS AND FUTURE RESEARCH

This study is subject to certain limitations that must be addressed. Some of them are highlighted here and future directions of research have been indicated. In general, conducting a systematic literature review has several limitations. The first limitation is identifying and analyzing papers published in a specific time frame. The second limitation is the inability to discover individual relevant papers arising from a limited number of keywords. The third limitation is using a limited number of search databases for article discovery. First and foremost the research is based on the qualitative analysis that although uses interview responses from managers or senior personnel, may not justifiably work toward generalisation of the results. Thus with the problem at hand robust empirical investigations are deemed necessary in immediate course to study the pandemic's industry impacts and make model based estimations and recommendations. However, this research makes a sturdier point in giving an exploratory stance to trigger other empirical investigations.

The researches from here can take various variables exhibited as sub-themes and major broad themes that accumulated through perspectives obtained from the industry experts and may operationalise them in future investigations. Quantitative investigations or even triangulation studies can bring deeper insights and help enrich literature. Although studies on SARS and other outbreaks have happened in past, the extent and enormity of the current pandemic is comparable to even greater health catastrophes of past. Thus scales development to study the outbreak impacts, industry response and change in travel and consumer behaviour are strongly recommended.

Another important limitation that should be addresses is that the perspectives reported in the study are from India. Several other themes may surface and some factors manifested from current research may not apply in other scenarios, which remains a strand that could be picked in future researches. Random samples from diverse geographical and cultural setups may contribute toward newer findings. It is also important to note that situation is still evolving and the matters that were prominent a few weeks or months ago may not be as influential now, for instance the rise and decline in the number of cases and its varied manifestation in various geographical settings. This

increases the relevance of studies that factor in the temporal change in the circumstances. Going forward, there certainly would be need of more dedicated issues dealing with the COVID-19 outbreak for ensuring literature captures its evolution and recommends practices to mitigate the impacts. One more limitation in the study is that it mostly takes into cognizance individuals working in higher positions in hotels with few senior individuals from academics. The study didn't consider other stakeholders viewpoints. This leaves a glaring gap for future researches to consider other players in the leisure industry like travel intermediaries, airlines, restaurants at destinations, locals at destinations, other accommodation providers, travel and hospitality students and even different levels of employees' etc. Addressing to these limitations can fill potential lacunae and improve understanding of scholars and practitioners toward dealing with the ongoing crisis and minimise future fallouts.

VIII. RECOMMENDATION AND SUGGESTIONS

Based on the findings of this review, the following recommendations are made: There is no doubt, that this pandemic situation has brought lot of negative impacts to the Hospitality sector.

a. Maintaining the safety and security of employees and guests is clearly the highest priority. That includes setting up a secure remote working environment. While there will inevitably be some loss of productivity as employees work away from the office, companies need to ensure that employees are engaged and productive in the new operating environment.

b. Availability of cash: keeping cash on hand via liquidity management strategies, such as maximizing one-time revenue opportunities, realigning and reducing costs, employing working capital crisis management techniques and deferring capital expenditures.

c. Further, promoting flexible rates and allowing guests to move a booking to a new date is another key strategy to promote hotel business in compensation for emergency cancellations. Further, making some timely-modifications to existing hotel policies are also vital, such as flexible cancellation policies, flexible rates for all services, ensuring strict hygiene policies should be some of the key areas of concerns.

d. At the same time, it is also recommended to promote flexi-services instead of promoting value-added services. Because of the pandemic situation people are very much concern about their health and safety. Thus, taking some additional time for



cleaning the entire hotel is essential. These strategies will positively impact on ensuring hygienically clean safety and secure environment for guest stay.

e. Practicing E-marketing and Electronic transaction strategy with suppliers to prevent the spread of the pandemic and safe the frustration of customers and employees.

f. A digital resource platform with social media profiles, electronic signatures, has been created to provide different options for any individual, business or institutional user to join this initiative.

g. In addition, hotel companies need to have plans in place to quickly recover once the worst of the pandemic has passed. In the face of potential hotel closures, companies will have to assess their employee retention and operational policies.

h. Empowering local and national health care industry

i. The world, with respect to the special attention of World Tourism Organization (UNWTO), has already launched several practices to save the essentials of tourism industry at present. The special campaign named "Travel Tomorrow" has become the common thread that runs through the World Tourism Organization's response to the current crisis, highlighting the enduring values of tourism. "By staying home today, we can travel tomorrow".

j. Announcements and advices carried out from global institutional structures such as UNWTO and WTTC in order to recover the industry level globally

k. Knowledge sharing and collaboration with necessary stakeholders locally and globally

l. Hoteliers, travel agents and other service providers should be continuously keep in touch with key customer base during the outbreak (check their safety maintaining a strong linkage)

m. Responsible and ethical use of social media and mass media

n. Destination rebranding is very much essential after the situation highlighting the positive elements during the outbreak

o. The domestic travel market will significantly grow compared to the international tourism market to release the home bound stress of the community as an immediate effect

p. The government's attempt to invite indigenous medical practitioners to explore alternative medical solutions to this global pandemic, specify the value of this fact.

q. Finally, it is recommended to initiate collaborative strategies among the public and private sector. Specially, government could initiate tax reduction schemes (for certain period of time)

for both micro and macro level business owners could think of introducing interest-free capital loan schemes and job guarantees for permanent carder employees.

r. More researches should be carried out with the support of academia to see the indirect effects of the outbreak the pandemic in the country.

s. Lending to MSMEs in the Hospitality sector may be treated as 'Priority Sector lending', which will enable increased access to bank finance. GOI may consider supporting borrowers in the hospitality sector with payment/reimbursement of Six Month's interest and providing 5% interest subventions for coming 2-3 years to ensure continuity in business operations/ survival of players in the Hospitality Sector.

t. Electricity and water to tourism & hospitality units should be charged at a subsidized rate and on actual consumption against fixed load

HOSPITALITY INDUSTRY TO TURN PROFITABLE AGAIN

The sector may see a protracted recovery cycle of 12-18 months, during which time the revenues may contract to 30- 50% of 2019 levels. This would lead to operating costs consuming most of the truncated revenues leaving little else for debt servicing, essential repairs and so on. Payroll cost in hotels typically ranges between 20-25% of the ideal revenue which would increase to 40-50% of turnover, if revenue is reduced to half its original level. World over, hotels have resorted to aggressive furloughing (wherever supported by state programs) or salary reduction for managerial staff to mitigate the impact. Here are some ideas, thoughts and questions with an aim to utilise the human capital in hospitality more productively. The questions here point towards the art of possibilities and do not purport to be all-encompassing solutions:

Reduction of layers in the hierarchy- Can hotels operate with a flatter structure – GM, line managers, rank and file? Can we set processes that allow teams to perform independently and without inspectors?

Outsourcing procures superlative expertise on a variable expense basis- If functions like revenue management, accounting can be outsourced for higher efficiency, then why is the adoption still rather limited?

Technology for repetitive and mundane jobs-In near future, could robots play a big role in functions like housekeeping, security, patisserie, room service, reservations? Should hotels adopt digital training modules which may be a blend of standard and purpose-built training?



Compensation mechanism needs to tilt towards variable pay- Can hotels continue to afford to pay high fixed salaries to General Managers and HODs? Why not structure the compensation of key management personnel to mimic the fee structure of hotel operators and bring out the entrepreneurial spirit in them? A lower fixed salary but with a high incentive salary based on performance? Incentives could be 2x or 3x of the fixed salary with no upper limit.

GOVERNMENT INITIATIVES IN INDIA

The Government of India has been applauded by several world leaders for taking stringent measures to contain the spread of the COVID-19 outbreak in the country at an early stage. They had also announced the first relief package of ₹1.7 lakh crore between April and June 2020, mainly targeted at economically weaker sections of society, and include the following actions:

- For 20.40 crore women covered under the Jan Dhan Yojana, three instalments of ₹500 each will be directly transferred to their accounts over the three-month period.
- For 2.8 crore senior citizens, widows and the disabled, two instalments of ₹500 each will be directly transferred to their Jan Dhan accounts.
- 8 crore farmers have received or will soon receive ₹2000 each in cash hand-outs.
- 22.12 lakh frontline medical workers will be included under the New India Assurance Company Ltd's ₹50 lakh cover per person over a period of 90 days (starting March 2020) in case of death during the pandemic.
- 3.5 crore construction workers are being handed-out cash amounting to a total of ₹3,071 crore. Free gas cylinders have been promised to all beneficiaries of the PM Ujjwala Yojana.

While the Government of India works on a Financial Relief Package for the revival of industries and services in the country, there is already talk of what it will include. Some proposals that may find their way into the second relief package include:

- 3-month moratorium on working capital loans may well be extended to a 6-month period. Cheaper lending and softer loan servicing may also be worked out.
- Payroll support for employees of SMEs will take the burden off the organisations while offering some respite to the employees currently facing retrenchment or even loss of jobs.

- Some fixed expenses for such enterprises may be borne by the government e.g. fixed electricity cost.
- Reduction in GST rates to lower slabs for the service sector including airlines, hotels and restaurants that cannot recover losses incurred during the lockdown period. This will lead to a reduction in overall prices of services thereby creating demand and allowing the service providers to find their feet again.

The key stakeholders of hospitality industry have proposed some relief measures such as:

- Monetary support to casual/ contracted staff in the hotel, aviation and cruise line industries as people face severe pay-cuts and lay-offs.
- Working capital loans at reduced interest rates in order to continue paying employee salaries.
- Offering a moratorium or a deferment of debt payments to hotel owners over a six to nine-month period.
- Deferment of renewal of licenses that do not pose immediate health, hygiene or safety related operating risk to establishments by six months as well as the possibility of smooth renewal at no incremental cost in this fiscal year.
- Deferment in filing and submission of GST on the monthly portal for a longer period of time post June 2020.
- Introduction of Leave Travel Allowance (LTA) post the lockdown period to create domestic demand that will help jump-start the Indian aviation and hotel industries.

IX. CONCLUSION

In conclusion, it can be said that the epidemic caused by COVID-19 is the largest pandemic that has affected the world in the last hundred years and has caused devastating effects both on the world economy and on that of the individual nations and, especially, the tourist field. These negative effects have been due to: (a) the drastic restrictions on mobility that were initially decreed by the governments of most countries which have paralyzed a large part of productive and service activity, as well as transportation and movements between territories, and which have cancelled the movement of tourists around the world; and (b) the reduction in disposable income of many families who have seen their incomes disappear or decrease for a considerable period of time, which will affect tourist spending capacity even after the measures of confinement and restriction of mobility have been made more flexible, at least in the short and medium term.



Corona virus has posed a threat to India and its economy. Due break the chain of spreading virus lockdown was imposed all over the nation which means an emergency protocol that presents people movement⁶. All sectors of the business have faced a financial crunch. Amidst Covid-19, the tourism and hospitality industry have been facing immense loss due to no foreign arrivals, no air travel, less demand and booking of hotel rooms. The meetings, weddings, conferences and other events were cancelled and added up to the loss of revenue. During lockdown hotels in Bengaluru have namely, Hilton, Accor and Sheraton delivered food from their restaurants through Swiggy and Zomato in a way to balance the loss of revenue. Meanwhile laundry services were provided by hotels like Novotel and Sheraton Grand in Bengaluru. Though the corona cases kept rising, the ease on lockdown was enabled in order to save the economy keeping in mind the safety of the citizens. The lockdown ease was done gradually and it also focused on tourism and hospitality services and food service sectors. The study recommends live kitchens, frequent sanitization, standard operating procedures from social distancing to cashless transactions, protective gears for food handlers, etc. in food service sectors. Likewise, to focus on sustainable tourism especially in religious, MICE and adventure tourism. Despite all this, it would take a little longer time for travel to get back to normal pattern. It the intervention from the Government that would help the tourism and hospitality industry upliftment. The crisis has proved the weakness of the industry which emphasis future research to create frameworks which would help to overcome the economic situation during a pandemic.

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