IMPACT OF COVID ON TOURISM AND HOSPITALITY SECTOR

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Abstract: Covid-19 has fundamentally altered our life with people and businesses slowly limping back to normalcy. One of the worst hit sectors due to covid-19 was hospitality sector and tourism. Our paper attempts to shed light on these effects and what the future holds.

Index terms: Tourism, Covid-19, Hospitality

After long months of lockdown wherein people had to remain confined to their homes the news of economies across the world opening up came as a breath of fresh air to many. In fact, a recent trend has emerged among travelers which is called Revenge Travel, which in simple terms refers to the type of travel individuals to get rid of the boredom with the lockdown. The origin of the term can be linked to the reverse spending concept which happened in China in the 80’s once the country came out of restrictions (Handu, 2020). So when the economy started opening up people started travelling with a vengeance and all the stakeholders in the tourism industry (Tourism board, hotel owners, cab aggregators and trip aggregators) realized one thing emphasis on safety protocols is of prime importance in such cases.

Speaking about the new consumer behavior, Miguel Munoz, Chief Resorts Officer, Mahindra Holidays and Resorts India, has shared that tourism industry would grow in the coming year wherein people would travel for relaxation and rejuvenating themselves. This is true since tourism as an industry suffered a steep fall after lockdown. However, now with restrictions being relaxed instead of avoiding travel, people are traveling more than ever with indulgence, but are mindful of the safety standards in mind. Some interesting trends are booking of more expensive suites and trip extension by individuals as they are having too much fun.

Literature Review

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| 2020 | Enger, Saxon, Suo, Yu | What the world can learn from China’s travel restart after Covid-19 | • Business processes need to be modified to incorporate the Covid -9 safety protocols like cleaning high contact surfaces, social distancing, contactless payment etc. should be the norm  
• Modifying the existing communication to focus on safety and be relevant to different consumer needs. |
| 2020 | Guggenheim | How Travel Companies can emerge stronger from covid 19 | • Currently the market has both opportunities and challenges so appropriate investments to cope with the new normal should be made while being ready for all kinds of contingencies. Some notable trends, cash is still preferred, planning for eventualities, adjusting to new normal, taking advantage of adversity. |
Impact of covid on different sectors across continents

The slowdown in demand for hotel rooms is evident in revenue declines.

Impact of covid on different sectors across continents

The travel industry turned upside down: Insights, analysis, and actions for travel executives

- Capturing the latent demand for travel
- Possibility of working from home or the workstations becoming the norm thereby blurring the line between leisure and business travelling.
- Reconceptualising customer journey
It is logical to presume that these industries would like to go back to smooth functioning like before but many of them are pinning their hopes on government stimulus packages and interventions. For example, one of the world’s largest tourism multinational companies, Tui, is currently in talks with the German government on an extra 1.5-1.8 billion euros ($1.8-$2.1 billion) in state aid claiming that the 2 previous bailouts have not been sufficient in coping with the crash in travel demand. (Lauer, Nienaber, Schuetze, 2020). In case of airlines, to cite an example for facilitating Lufthansa’s 9-billion-euro bailout, the government purchased new shares worth up to 25%, injected non-voting capital along with approving loans through its state bank KfW. In fact, Organisation of Economic Cooperation and Development (OECD) report has noted: ‘The industry is now focused on ensuring business continuity despite the crisis’ (OECD, 2020, p. 6).

**Conclusion**

Hospitality industry professionals have pointed towards the surge in bookings across segments, from luxury to basic, with occupancy at some places reaching 80 per cent during weekends and holidays (Narayanan, 2020). “Thirty-six of our 40 hotels are drivable locations from main cities hence we are seeing a surge in traffic in Sterling Resorts,” says Vikram Lalvani, Chief of Sales, Revenue and Destinations, Sterling Holiday Resorts. People are inclined toward travelling to places which do not require public transport or air travel. (Mukherjee, 2020). Going away from the city at a drive to destinations is their first choice of a holiday as it’s a safe bet for their health and safety too,” Satyen Jain, CEO, Pride Hotels Limited Sharing his insights about nearby destination, Vineet Verma, CEO & Executive Director, Brigade Hospitality informed, “We are already noticing a sizeable spike in travel to nearby destinations like Mysuru, Coorg, Nagarhole and Kabini etc. These are all within a few hours of driving distance from Bengaluru. In the long run, we do expect people to travel to different destinations once the fear of pandemic eases out and we learn to live in the new normal.” One thing is for sure the customer experience and industry is set to change and has to adapt to the new normal at least for the foreseeable future.
References: