Handling Covid-19 Pandemic Crisis to Sustain the Hotels Business

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Abstract

Crisis management is a necessary factor in successful digital tactics. In the crisis period, the hospitality industry needs to think wisely to develop a prevention plan quickly, communicate with employees and guests, and make critical shifts to successful revenue management and digital strategy. The study aims to understand the impact of Covid-19 on the hotel industry and to summarize how hotels handle with this pandemic situation. As well as, this study is focusing on what kind of prevention that hotels use to handle with Covid-19 pandemic, what are the recovery process and plan that hotels use to sustain the business after the crisis, and what strategies hotels applied to manage within the organization. The researcher chose a qualitative method with an in-depth interview to collect information from asking 15 questions. The data was collected from eight hotels based in Bangkok and Chonburi province with nine managers. The collection of data was done from June 22, 2020 to July 8, 2020. The Thematic Analysis technique was applied to analyze. According to this study, the researcher found that Artificial Intelligence is very helpful for back of the house of hotel for productive, validity and capacity and Keep in touch to customer is very necessary to remind them and not forget them. They will feel impress with every massage, email, and call from hotels.

Keywords: Covid-19 pandemic, Artificial Intelligence, and robotics, Hotel

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Introduction

As Coronavirus (Covid-19) spread continually, accommodation must have an action plan to handle for both the current situation and what is it going to happen in the future if the situation is getting worse. Therefore, the industry should have an internal Coronavirus response team that consists of a member from every department of the organization to be responsible for developing landscape, frequently brainstorming modifications to strategy, and presenting to internal stakeholders to take action. (Mastrogiacomo, 2020) The hotel industry has to handle unexpected situations that may occur every time such as epidemics, pandemics, natural disasters, and terrorist attacks. The different types of crises are quite challenged hoteliers to handle in different ways. The purpose of this study is to understand the impact of Covid-19 on hotels and to summarize how hotels handle the pandemic situation, this pandemic is not easy to end as no one knows the duration and scope. This study also focuses on what kind of prevention that hotels use to handle with Covid-19 crisis and what are the recovery process and plan that hotels tell has to think more carefully in case an unexpected thing might happen and to hit the revenue management back, also what strategies that hotels applied to manage within the organization.

Hotel marketing and management
Artificial intelligence and robotics

Covid-19 pandemic is spreadable from person to person. It also can be from touching and spreading through the air. Everyone has been asked to keep social distancing and less personal contact to prevent themselves from the disease (WHO, 2020). Therefore, AI and robotics are quite useful to the hotel industry as it can help to prevent and decrease high contact services from person to person. It is suited for the hotel were likely to implement unmanned services. AI and robotics will be replaced interaction between person to person shortly as it is provided to be as robot receptionists, robot concierge, facial recognition for checking in, voice control, robot delivery, and other services with contactless.

Hygiene and cleanliness

Due to Covid-19, hygiene and cleanliness are the main factors of guests to choose their accommodation, guest satisfaction, and loyalty. It becomes more important to concern as it can be represented for hotel image especially guestroom cleanliness. (Gu, 2008) Besides, hotel surfaces are the most spreading area for disease as they get a high touch from customers. On the other hand, some areas that do not get a high touch from customers such as air conditioning also can be a place for spreading the virus to humans. Therefore, hoteliers have to make sure that providing proper cleaning and effective.

Rebuilt marketing during and after crisis or disease

Control expenses are not enough to survive the business during and after crises or diseases as many customers canceled the rooms. Therefore, hotel managers have to put more effort into marketing. Below are some practices that the hotel used during crises to survive the business after crises:

working closely with airlines, travel agents, and other related company in the hospitality industry

providing discount package programs for customers but the hotel cannot provide much discount as it will be destroyed the hotel's brand and reputation. (during SARS epidemic 2003)

making strategic planning during the crisis to generate revenue management

finding the new target to fill the occupancy room by providing special promotion to local people as the hotel cannot target inbound customers

Human resource management

Human resource is fix cost for hotels and it is hard to reduce this cost. Therefore, hotel managers have to well manage and consider more to cut unnecessary cost.

minimize expenses and cut unnecessary cost in the hotel such as reduce the number of elevators used to save power and costs

providing an option to employees whether taking holidays or voluntary unpaid leave

acknowledge and train employees about safety and security

installed new hygiene protocols such as chemical sterilizers, air filter, masks and gloves for health awareness

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cutting part-time employees to decrease expenses Jang (2020) considers the effects of Covid-19 on hotel marketing and management tips which focusing on artificial intelligence and robotics, hygiene and cleanliness, and health and healthcare. Johnson (2008) examines the impact of the SARS epidemic on the tourism industry and giving practical tips including pre-crisis stage, acute crisis stage, chronicle crisis stage and review stage, and strategic tips to hotel sector and destination. Also, offering detail about how tourism can get ready for any crises and disaster and how stakeholders can work together.

Kim (2005) discussing the impact of the SARS outbreak in the Korean hotel industry, determining the crisis management contingency concept, and determining implications are for managers of the hotel industry. Lo (2006) investigate that there are various strategies planning which including recovery strategies that hotel applied during the crisis, management strategies and operational procedures for hoteliers to be able to handle crises in the future for hotel.

Methodology

This qualitative research encourages the respondents to express their opinions and issues faced personally, making it possible to collect accurate information. The target participants for the research are the 9 hotel managers which took place in Bangkok and Chonburi province, Thailand. From two five-star hotels, two four-star hotels, and four three-star hotels to interview for collecting data by using an in-depth interview for this study. Used in-depth interview to collect information from managers of a hotel in different departments who works in the selected hotel with 15 questions from June 22, 2020, to July 8, 2020. All the interviews were analyzed by going through recordings and written keynotes. The thematic analysis method used by coding the key information from the interview transcript of the hotel manager and employee, using manual coding.

Results and Discussions
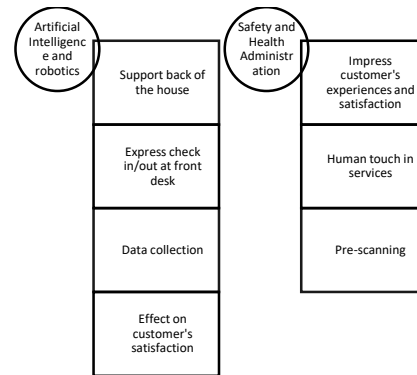**To clarify the way of prevention to handle Covid-19 situation.**

Figure 1 The way of prevention to handle Covid-19 situation

Social distancing and being precautious are important because they can help to reduce the spreading virus from one to another. Artificial Intelligence and robotics can be one technology to help hotel industry service to customers. Regardless, AI and robotic cannot be the first plan where hotels choose to install to prevent handling with the Covid-19 pandemic. This is because it will be affected by the hotel brand, especially for chain hotels. They have their standard to service to the customer by human touch in service. Also, it may destroy the first impression of customers and they cannot get services that they expect or want. On the other hand, to install AI and robotics may help change a group of customers and reduce processes of working. Therefore, installing AI and using software to help reducing steps of working and interreacting with others is the way the hotel used. Especially, AI is suited for the front desk to do express check-in and out and less contact between staff and customers, yet for the restaurant also help if the hotels applied for cashless payment as one option to customers or providing E-menus to the customer and they can scan QR code and check from their smartphone. This way, it will help to reduce high touch surfaces in the hotel.

To determine the processes of recovery of hotels to handle with Covid-19 pandemic situation.

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Figure 2 The processes of recovery of hotels to handle with Covid-19 pandemic situation

During the Covid-19 pandemic, no tourists can travel around. There are only Thai residents who can travel in domestic and some foreigners who stuck here cannot go back to their hometown. So, everyone concerns about hygiene and cleanliness during their trip. Safety and Health Administration has launched the regulations that every hotel and accommodation need to follow strictly. For employees and hotels, entrance and exit doors should be opened only one door in the hotel. Then, everyone has to get pre-scanning from the entrance door before getting inside the hotel which including checked body temperature 2-3 times a day depends on hotel rule and regulation, used hand sanitizer, trained how to wash hand properly, wore mask, gloves and face shield during working time, provided hand sanitizer in public areas, cleaned in common areas and spots in every 1-2 hours, cover shield provided to keep distancing between staff and customers, and social distancing. Moreover, it is an extra option for the hotel to clean the room by using ultraviolet sterilizer to kill the bacteria or gem in the air. One five-star hotel according to this research using Copper (Cu) protection material at high touch surfaces in the hotel as copper has been used to disinfectant. Also, the cleaned room will be sealed for 24 hours before re-allocation. Another three-star hotel provides PVC to seal the bed for deep cleaning to make sure that every part in the room has been cleaned.

Not only hygiene and cleanliness are matters to recover the hotel business after the Covid-19 pandemic but also marketing to promote the hotels. The digital platform is one of the most popular channels for hotels to promote. During the Covid-19 pandemic, many hotels have been closed for 2 months

and over. As well as, the target customer also changed to Thai residents. Therefore, to recover the business after any crisis, the marketer has to know who is the target customers and what is the best way to promote and attract the group customers. For Thai people, they mostly use Facebook, so, Facebook is the best channel to do marketing to attract Thai customers. The most hotel has launched their campaign, voucher, promotion to attract Thai people with an affordable price.

To determine what marketing that is effective to apply to sustain the business not to be closed.
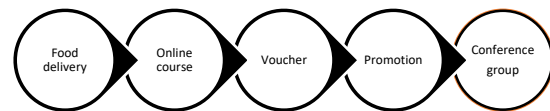

Figure 3 The effective to apply to sustain the business not to be closed

The most effective plan to apply for the business to survive during and after the Covid-19 pandemic is launching voucher and promotion, yet target the right customers and learn from their behavior to know what direction they have to go for to attract customers to come over. Two five-star hotels have provided online courses to customers such as cooking class, yoga class, and fitness class to keep in touch with customers and to remind them that we are still here. For other hotels, they have launched a promotion to attract Thai customers such as selling the best deal of voucher with limited time called 4X promotion which customer can buy this voucher only 500THB but can get discount for the room up to 2000THB, and "the comeback package" which starting at 5,999THB net included breakfast for two and Thai residents will get a special rate at 2,000THB++ included breakfast. Moreover, a three-star hotel is likely to focus on the conference group to fill up the occupancy room because is they offer the discount, it is not worth enough for revenue. It is a better target for a big group of customers than a small group. However, every hotel has its way to do marketing to survive the business after post-COVID-19.

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To understand the management strategies that will be effective to the hotel to manage the business during Covid-19.
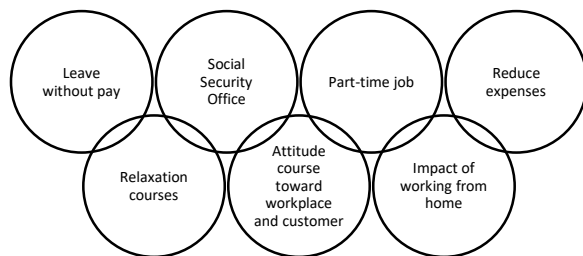

Figure 4 The management strategies that will be effective for the hotel to manage the business during Covid-19.

Covid-19 pandemic is quite tough for every business also hotel industry. Budget is the most thing that every hotel needs to concern and expenses are what they have to control. To manage human resources, the hotel may not need that many employees to work during a crisis because there is no customer also the country has been lockdown. Mostly, it depends on employees whether they would like to work at the hotel or go back to their hometowns. Yet, they received some supportive salary from Social Security Office up to 62% based on their salary. In some hotel has provided the rest of the salary that they supposed to earn in case if they would like to continue working at the hotel. Moreover, employees got the chance to spend the holidays in advance without any deduct salary during the crisis. Every hotel has different strategies to manage their employees.

Because of the Covid-19 pandemic, most hotels have shifted to work from home but not every hotel can assign and adjust with this technique because many problems occurred during work from the home process such as privacy information, close system, communication barrier, and out of control. In some hotels, they set a schedule for employees to rotate the job and come to the workplace. They do not have work from home because it might be hard for some employee who does not know who to use application.

Conclusion and Implications

Every respondent has a similar way to handle this pandemic but every hotel follows Safety and Health Administration strictly in terms of pre-scanning for the Covid-19 virus to make sure that everyone in the hotel is safe from the virus. The process of scanning customers and employees are including checking body temperature, wearing masks, using hand sanitizer, and keep social distancing. These are basic for everyone in the hotel has to do. For employees, they have to wear masks, gloves, face shields, and check body temperature 2-3 times a day depends on the hotel's regulation. At the hotel, the public area has to been cleaned every 2 hours, social distancing in a common area is applied, providing hand sanitizer in every outlet and common area, the cover shield is provided at the front desk.

Hygiene and cleanliness become the first place to concern because customers will be more sensitive about hygiene and they have to feel safe during their stay as this pandemic is worse than what we are expected. So, hotels will choose a standard quality of disinfected cleaning products to take care of everything and get ready to welcome back to the customer as most hotels have been closed for two months. In four and five-star hotels, they have their auditor team to check for the standard of quality and some also hire outsource companies to audit. Not only hygiene and cleanliness are important, but also marketing. The digital platform is very powerful for the hotel industry to promote and do marketing to attract customers. Launching promotions and vouchers are applied in four and five-star hotels and every hotel has its strategies to launch. Three-star hotels mostly target conference groups, not promotion and vouchers as they can earn more in this way. However, hotels have to concern about expenses and budget as there is no tourist come over. Hotels have to cut unnecessary costs out such as too many employees if compare with jobs that have on hand, electricity, and security. So, management is very important for the hotel to manage wisely but the most effective outcomes.

Future Research

All through the research, the study is very wide, it can be more precise to get details in each background.

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Future research can be conducted using a quantitative method so that it can be measurable on how accurate the results are there. The duration time is limited and because of the lockdown situation, the researcher didn't get enough information and got less sample size thus that created to hard in the analysis part so the future research can get great same size and when doing the analysis part can be easier and more effective. Most of the data are collected from the local hotel but for the future research they can get more opportunity to collect the data from the international and local hotel so that can make them acquire more ideas about the how hotels handle the crisis glitches, what are the recovery process and plan that hotels use to sustain the business after the crisis, and what strategies hotels applied to manage within the organization.

Acknowledgements

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