Hospitality and Tourism Industry Post-COVID-19:
A Silver Lining in the Dark Cloud

Adarsh Batra
Faculty, MBA-HTM & Ph.D.HTM
Graduate School of Business
Assumption University, Thailand
Email: abtra@au.edu

Abstract

It is the sad truth that all hospitality and tourism (H&T) related businesses are experiencing setbacks in 2020, some greater than others, and are trying to navigate out of the storm. Coronavirus has changed the face of the global H&T industry which is not the same as it was in 2019 and before it. Countries reliant on hospitality, and tourism for their growth are experiencing particularly large disruptions. In the meantime, H&T businesses face tremendous uncertainty around what comes next. However, H&T businesses need to have strategies in place that address both the current state and the potential future impact while the exact response and recovery for the H&T business may be different. Global protocols followed by H&T businesses, health experts, and the public sector could help gain back travelers' confidence.

Keywords: COVID-19, crisis, hospitality & tourism businesses, social distancing

Introduction

Pneumonia of unknown cause was detected in Wuhan, China, was first reported to the WHO Country Office in China on 31 December 2019, (Gossling, Scott, & Hall, 2020). The outbreak of the coronavirus hit destinations particularly hard, as a stark decline in Chinese Outbound tourists, and a general fear of traveling, especially to some destinations in Asia. While nobody can predict when things turn back to normal, or if the industry needs to adapt to a new reality in travel, destinations can do a few things during this time, instead of solely focusing on declining numbers and fear.

The world faced an unprecedented global health emergency with an unparalleled impact on societies and ways of living. As the Coronavirus (COVID-19) pandemic continues to spread, economic activity continues to slow down. The global economic impact of the novel coronavirus is severe. No one knows what the long-term implications of COVID-19 will be, but it is widely accepted that its impact is severe across many industries, including tourism.

Past crises have shown tourism's capacity to bounce back strongly and quickly after external shocks demonstrating the sector's remarkable resilience to mitigate sudden breakdowns in demand or supply noted by Novelli et al., (2018); (Papatheodorou et al., 2010, as cited in Ioannides & Gyimothy, 2020). Mitigating the impact of the crisis and stimulating tourism recovery can pay massive returns across the whole economy. The harsh reality of the post-COVID-19 tourism situation is that not many in the H&T industry believe in a complete return to

normal as the evolving picture is opposite than 'business as usual' and towards 'transformation' speculated by Brouder (2020). Understandably, service sectors, including tourism, hospitality, and aviation are the hardest hit. Travel restrictions have been imposed by many countries accounting for the vast majority of travel demand (UNWTO, 2020). The vacationers are left with no choice but to cancel their proposed plans.

Over the first few days of the crisis [*February to late March 2020*]

H&T Businesses had difficult conversations with clients about cancellation policies, transferring deposits, moving dates for the postponed events, no idea what the future would look like. Everything was unclear and unknown and all H&T businesses could offer was empathy, a listening ear, and a guarantee of loyalty to clients. According to (Gossling, Hall & Scott, 2020), there were canceling or postponing events (i.e. MICE events and tradeshows, festivals and concerts, sports seasons, and clouds over organizing Olympics). Many countries-imposed bans on gatherings of people over certain numbers. There were impacts of canceled events (meetings, conferences, concerts, sports, or large family gatherings such as weddings). Without guests', accommodations had to close and attractions were shut down (Gössling, Hall & Scott, 2020). With social distance in place, catering, laundry services, cafés, cinemas, and gyms were closed as well. The foundation of the traditionally high-touch service industry that has always encouraged personal interaction between a guest and smiling service provider for the service delivery disappeared.

Universal restrictive measures in place [*End of March 2020*]

With international air travel movement restricted as a result of the crisis, and many countries imposing travel bans, closing borders, or inconvenient quarantine periods, international tourism declined precipitously over months observed by (Gossling, Scott, & Hall, 2020). Governments imposed lockdown (home isolation, voluntary/required quarantine) all around the world. It was followed by travel bans, destination-specific travel restrictions, and partial or complete closure of borders to tourists. The total or partial suspension of flights forced tourists to be stuck in places where they have no friends or family to rely on emotionally and most importantly financially.

Social activities were curtailed, and people were told to stay in their homes. New terms and requirements were introduced: new normal, ventilators, Personal Protective Equipment (PPE) Kit, quarantine or self-isolation, flights to nowhere, work from home, and Social Distancing. New heroes emerge – medical professionals. As a result of travel restrictions and lockdowns, global tourism slowed down significantly. Travel bans grounded a growing number of carriers. Passenger numbers declined even more steeply, as many airlines adopted specific seating policies to maintain a distance between customers.

The Virus effect on H&T value chain [*April and May 2020*]

The arrival of COVID-19 is observed as a watershed moment, that is from over-tourism to no tourism because earlier the H&T industry was grappling with concerns of over-tourism.

Catering, laundry services, cafés, cinemas, and gyms had to close as well. Restaurants switched to take-away/delivery, opined (Gossling, Scott, & Hall, 2020). Lunchtime queues stretched out of the door, not exceeding six people are allowed in at a time. Airlines have been one of the sectors hardest hit by the pandemic, with many carriers forced to park entire fleets — or close for good (Gilchrist, 2020). Many airlines permanently reduced fleet size and the number of routes that they offer. There were reports on lay-offs and bankruptcies (hotels and airlines) followed. Staff at some airlines were let go or forced to take pay cuts. Many small and medium-sized businesses (travel agents, travel operators, and B2B resellers operating a low-profit model) did not survive. A sudden disruption in the cash-flow meant a drastic loss of jobs in the sector. According to (WTO, 2020), on the socio-economic front, a global recession, with the loss of millions of jobs in the hospitality and tourism sector, affecting the whole of the value chain. This has particularly pinched the most vulnerable groups of the society such as youth, women, and rural communities.

Regulations regarding restaurants

Restaurants faced problems recovering because of social distancing. Many smaller places, including cafes, preferred to stay closed, as diminished customer flows made that impossible to operate at a plus. The initial easing of social distancing led to the advantage of fast food over fine-dining restaurants. All guests and staff must have their temperatures checked before entering the restaurant. Groups of diners are limited to four people or fewer. Despite challenges, restaurants tried to operate at 50 percent capacity or less. Tables were spaced 1-2 meters apart or more that focus on seating and queue management to achieve social distancing. Hand sanitizers are made available to guests and staff. In cafes, restaurants, and other food outlets, all menus are available digitally. Buffet meals are a big risk, along with pools, bars, and beaches. Non-vegetarians consuming wildlife may pose health risks because wild animals can carry deadly viruses that have been found to trigger global health epidemics observed (Ying, Wang, Liu, Wen & Goh, 2020).

Hotels for the post-coronavirus era

Hotels started to provide guests with an immediate sense of safety by implementing specific restrictions and cleaning protocols. 'Namaste' is used as a greeting for all guests at all touchpoints to maintain social distance. Temperature checks at the entrance are made mandatory. Check-ins and check-outs are performed virtually, letting guests opt-out of room service. Guests are given an option to access pre-made boxed meals in an industrial refrigerator in the lobby. Ensure to disinfect and clean guest luggage after informing the guests. Not more than four guests are permitted to use the elevator at a time; use stairs more often than lifts. Guests who wish to use the hotel's gym must sign up for a specific time slot to continue social distancing practices. Room service is discontinued, and the hotel's restaurant, bar, and complimentary coffee station are closed to maintain social distances. Amenities such as excess linens, excess hangers, and excess pillows are removed from the rooms. The rooms must be deep-cleaned after guests check

out. Contactless payment is encouraged instead of cash. More strict cleaning of public amenities like pools and fitness centers is required.

Social distancing and changes in tourism habits

Earlier this year, stringent lockdowns and uncertainty about the severity and transmission of COVID-19 led to the widespread adoption of physical distancing measures across the world. The rules of conduct in global tourism have changed. Hotels, airlines, tourist attractions, convention halls, and exhibition venues have come up with creative solutions that enable guests, travelers, participants to let them enjoy a safe and hazard-free environment. Hotels have created a much cleaner and more sterile environment both in hotel rooms and in all the public areas. Ballrooms and convention halls, restaurants maintain the appropriate distance and spaces between participants, provide them with face masks and containers of alcogel at all entrances. Food preparation address the issue of sterilization and sanitation in a similar way hospital prepare their food. Airports have closed all common areas like a smoking room, prayer room, and dining area while flying offer the passengers to use masks, gloves, alcogel, alcohol pads, and disinfection spray on the airplane toilet.

A series of measures required by airports

Airports have introduced "thermal detection screening" in efforts to prevent the further spread of the virus overseas. They also use technology to speed through check-in, security, the gate, immigration. Biometric screening like using facial recognition systems to ID and check-in passengers has cut down on unnecessary human interactions, speed up the airport process, and reduce crowding. Passengers who are not tech-savvy still need to fill the form before traveling to reveal their health history. Fingerprint identification may pivot to retinal scans to reduce high-touch surfaces in airports. The process of passing through airports take longer because of stricter checks. Arriving passengers for check-in may need to maintain between one and two-meter distancing at all times. The passengers are provided hand sanitizers throughout the airport. It will be a challenge for airport authorities to disperse and efforts to spread passengers more evenly across terminals. Airports that have electronic check-in kiosks encourage passengers to use them where possible to avoid unnecessary interaction.

A series of measures required by airlines

The beginning saw strict social distancing at check-in counters; passengers will have to wear a face mask or always wear personal protective equipment (PPE) even during the flight. Passengers must adhere to strict health controls. Travelers are screened at the airport and undergo a body temperature scan. Social distancing protocol in the airport on the shuttle bus and the aircraft is noticeable. The airline crew wears protective gear such as gowns, masks, gloves, and eye masks.

Airlines took a lot of safety steps — flights were not fully booked on certain routes and middle seats might be kept empty [one such case is the Atlanta-based Delta Airlines in the US who plans to abide by this policy until January 2021, citing a push to increase "confidence and

reassurance" in air travel. Losing a third of seats means that airlines fly at a loss. Spreading passengers on a plane made sense in respect of distancing guidelines, it could prove "hugely prohibitive" and costly. Most major airlines have stepped up their cleaning and sanitation procedures, leaving the folded tray table, seat rests, and safety belt suitably disinfected. Airlines also continue cutting down on in-flight meals and inflight drinks to reduce the possibility of germ transmission while first-class passengers receive a packaged meal. Additionally, an extra process requires passing plastic and metal suitcases through UV light to disinfect them.

Will this change the future of travel for good?

With travel restrictions lifted for most domestic travel in June 2020, domestic tourism is set to take center stage as people feel more confident with their own government's assurances and precautions to feel comfortable exploring their backyard. Consequently, the first wave of tourists are locals staying close to home or those who have to travel for need rather than pure pleasure. It is anticipated that people are likely to be traveling less internationally, only when countries that have their infections under control are confident enough to form travel bubbles among themselves, and travelers are convinced. Currently, more people travel in small groups or seek personalized tours. It is highly unlikely that foreign tourists will return to destinations in large numbers until 2021. Holiday travel has become the majority of hotel and airline profits. Travelers stay away from crowded beaches to quieter places.

It should not be a surprise to witness a dramatic increase in merger and acquisition activities between tourism-related sectors around the world once the dust settles. Larger-scale multinationals have re-examined their practices and concentrate on shorter, regional, or local supply chains, following (Gyimothy & Ioannides , 2020). Flying is almost certainly going to be more difficult, unpleasant, and expensive. (Gavira, 2020b) maintains that low-cost carriers will be forced to rethink their business model. Their strategy of squeezing as many passengers as possible on aircraft, which in turn stay in the air as much as possible, will become unsustainable. Now aircraft needs to be sterilized before each flight, which is time-consuming and costs money. Business travel is less common because the bar for what will be considered an essential in-person meeting is much higher. One of the positive outcomes of the COVID-19 pandemic is video-conferences (to reduce transport demand), that has become widely adopted by home office workers, and business travelers avoiding non-essential air travel, suggested by (Banister & Stead, 2004, as cited in Gössling, Hall & Scott, 2020). Virtual tourism is the use of technology to artificially enhance or create a tourism experience.

New Normal

The new normal would include standards and protocols such as social distancing at airports, masks on board, digital check-in, contactless payment, and rigorous hygiene, among other things. Slowly but surely tourism will be reborn. The focus will be on traveler health, safety, and well-being. Air travel fares initially will be low and some adventurous travelers would take advantage, but ultimately air travel will become dearer. More video conferencing and webinars than face-to-face meetings may be adopted. Enhanced health screening could become a

"new normal" for people who booked flights. Protective equipment has become part of the uniform for cabin crew still at work. As a result of the global pandemic, ship cruises and long-haul flights could lose their appeal.

Gössling , Hall, & Scott (2020) maintained that domestic travel might make people realize that you do not always need to travel so far. A large percentage of elderly travelers might not jump first until a vaccine is developed. More strict cleaning of public amenities like pools and fitness centers. Clinically clean is the new level of cleanliness for the hospitality and accommodation sector.

The tourism industry is built upon close contact among customers, service employees, and managers (Gill, Fitzgerald, Bhutani, Mand, & Sharma, 2010, as cited in Wen, Aston, Liu & Ying, 2020, p. 334). Fear of foreigners ('xenophobia'), if not harming them, even distancing from foreigners will harm tourism. People may choose their destinations very carefully and base it on medical index, capabilities, and preparedness. Travelers will tend to be more cautious in selecting their travel agent, travel destination, airline, or hotel during the COVID-19 outbreak, and those who now have a compelling safety process in place will be strongly positioned.

Conclusions and Implications for the Post-Pandemic Tourism
According to (WTO, 2020), the COVID-19 pandemic has hit travel and tourism hard. The virus has created a global trauma. The pandemic has confronted the H&T industry with an unprecedented challenge. Social distancing practices had a major impact on industries that rely on high levels of human interaction, especially hospitality and tourism, which are suffering greatly during this period observed by (Hoque et al., 2020, as cited in Zeng et al., 2020). From ongoing border openings - and closings, and openings - and the disparity between the ways that countries are responding to the virus, the travel industry, as a whole, is chaotic and filled with a great deal of uncertainty, observed (Munoz, 2020).

H&T businesses will need to rethink almost every part of their business, focusing on all areas that are accessed by guests as well as considering the safety and protection of staff. It remains to be seen how accommodation businesses can make sure that rooms are safe for newly arriving guests. It needs to understand that we have to live with this virus, or the preventive measures are the new normal. The terms sanitation, hygiene, and sterilization will remain popular until scientists will find a vaccine that is proven to be safe and effective. Additionally, the question of how long it will take for consumers to once again feel confident staying in hotels.

Though consumer confidence remains fragile, the desire to travel remains strong for many people. It appears that international travel is not expected to return to significant levels until next year. Eating at home has become the new reality for many consumers. Business and leisure travel will return at different paces, as will domestic and international travel, believe (Krishnan, Mann, Seitzman, & Wittkamp, 2020). For holiday travelers, the combination effect of fear of infection and economic uncertainty results in a slump in demand. The companies that thrive after this crisis will likely be those that work with travelers to cocreate distinctive solutions in a rapid and agile manner, maintain (Dalrymple, Mann, Peters, & Seitzman, N., 2020).

Looking ahead to 2021, a myriad of unknowns remains. Hospitality and tourism will undoubtedly re-emerge from the effects of the pandemic over an extended timeframe and at varying speeds in different countries (Baum and Hai, 2020) and the changes to tourism as a result of COVID-19 will be uneven in space and time (Hall, Scott, & Gössling (2020). Even if the shock-recovery time takes longer in the Western world, travel bans are gradually being lifted from May 2020 onwards and consumer travel sentiment is starting to rise again (Gavria, 2020a). It is believed strongly that travel will experience one of the fastest upticks and recovery in the aftermath of reasonably beating this pandemic into a retreat.

References

Baum, T. and Hai, N.T., (2020). Hospitality, tourism, human rights, and the impact of COVID -19, *International Journal of Contemporary Hospitality Management*. **DOI 10.1108/IJCHM-03-2020-0242.**

Banister, D., & Stead, D. (2004). Impact of information and communications technology on transport. *Transport Reviews*, 24(5), 611–632. **https://doi.org/10.1080/0144164042000206060.**

Brouder, P. (2020): Reset redux: possible evolutionary pathways towards the transformation of tourism in a COVID-19 world, *Tourism Geographies.* **https://doi.org/10.1080/14616688.2020.1760928**

Dalrymple, M., Mann, R., Peters, M., and Seitzman, N. (2020). Make it better, not just safer: The opportunity to reinvent travel. **https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/make-it-better-not-just-safer-the-opportunity-to-reinvent-travel**

Gavira, M., (2020a). Possible futures for the post-pandemic travel industry, part1. **https://www.phocuswire.com/Futures-radically-different-travel-industry-part-1**

Gavira, M., (2020b). Possible futures for the post-pandemic travel industry, part 2. **https://www.phocuswire.com/Futures-radically-different-travel-industry-part-2**

Gilchrist, K. (2020). Face masks, blood tests, and onboard janitors. Flying's about to feel very different, *CNBC*. **https://www.cnbc.com/2020/05/18/when   -is-it-safe-to-fly-and-what-will-flying-be-like-after-coronavirus.html**

Gill, A., Fitzgerald, S., Bhutani, S., Mand, H., & Sharma, S. (2010). The relationship between transformational leadership and employee desire for empowerment. *International Journal of Contemporary Hospitality Management*, 22(2), 263–273.

Gössling, S., Scott, D. & Hall, C.M. (2020). Pandemics, tourism and global change: a rapid assessment of COVID-19, *Journal of Sustainable Tourism*, 29(1)1-20 **https://www.tandfonline.com/doi/full/10.1080/09669582.2020.1758708**

Hall, C.M., Scott, D. & Gössling, S. (2020). Pandemics, transformations, and tourism: be careful what you wish for, *Tourism Geographies*, 22:3, 577-598, **DOI:10.1080/14616688.2020.1759131.**

Hoque, A., Shikha, F. A., Hasanat, M. W., Arif, I., & Hamid, A. B. A. (2020). The effect of

Coronavirus (COVID-19) in the tourism industry in China. *Asian Journal of Multidisciplinary Studies*, 3(1), 52–58. **https://asianjournal.org/online/index.php/ajms/article/view/213.**

Krishnan, V., Mann, R., Seitzman, N., and Wittkamp, N. (2020). Hospitality and COVID-19: How long until 'no vacancy' for US hotels? **https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/hospitality-and-covid-19-how-long-until-no-vacancy-for-us-hotels**

Ioannides, D., and Gyimothy, S. (2020). The COVID-19 crisis as an opportunity for escaping the unsustainable global tourism path, *Tourism GeographiesaAn International Journal of Tourism Space, Place, and Environment*,

Wen, J., Aston, J., Liu, X., & Ying, T. (2020). Effects of misleading media coverage on public health crisis: a case of the 2019 novel coronavirus outbreak in China, *Anatolia*, 31:2, 331-336, **DOI: 10.1080/13032917.2020.1730621**.

Munoz, E., (2020). For Hoteliers Around the World, the 'New Normal' Feels More Like the 'New Confusion' **https://www.4hoteliers.com/features/article/13972**

Novelli, M., Burgess, L. G., Jones, A., Ritchie, B. W. (2018). No Ebola… still doomed"–The Ebola-induced tourism crisis. *Annals of Tourism Research*, 70, 76–87. **https://doi.org/10.1016/j.**

Papatheodorou, A., Rosselló, J., & Xiao, H. (2010). Global economic crisis and tourism: Consequences and perspectives. *Journal of Travel Research*, 49(1), 39–45. **https://doi.org/10.1177/0047287509355327.**

Ying, T., Wang, K., Liu, X., Wen, J. & Goh, E. (2020). Rethinking game consumption in tourism: a case of the 2019 novel coronavirus pneumonia outbreak in China, *Tourism Recreation Research*, **DOI: 10.1080/02508281.2020.1743048**.

UNWTO (2020). Impact assessment of the COVID-19 outbreak on international tourism. **https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism.**

World Tourism Organization (2020). Supporting Jobs and Economies through Travel & Tourism – A Call for Action to Mitigate the Socio-Economic Impact of COVID-19 and Accelerate Recovery, UNWTO, Madrid. **https://doi.org/10.18111/9789284421633.**

Zeng, Z, Chen, P. & Lew, A.A. (2020). From high-touch to high-tech: COVID-19 drives robotics adoption, *Tourism Geographies,* 22(3)724-734 **https://doi.org/10.1080/14616688.2020.1762118**