

Confidence Building Strategy of Hospitality Industry Amidst COVID 19 Pandemic

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Abstract

Hospitality industry is considered as a sunrise industry because it has high potential for growth, accounts for a considerable percentage of the GDP of the countries and is proved to be the main source of foreign exchange earner. Though the hospitality industry has the potential to be the major factor for the growth of the economy, the COVID-19 pandemic has affected this as never before. Now, it is critical whether the hospitality industry worldwide will revamp or drop down by losing the market share. This article aims to build confidence of popular hotel brands in the pandemic or post pandemic period by focusing on many brand building factors of the hospitality industry which are categorized as Inherited and Created factors. An effort is also put forward in the hospitality industry to improve all its facilities and standards to become market leader and most importantly, to gain back the confidence of the customers during or after this COVID 19 pandemic. Finally, importance of infrastructure capital, human capital, relationship capital and hygiene and safety capital in the hospitality industry are mentioned.

Keywords: Confidence building, COVID19, Inherited factor, Created factor, Hospitality industry

Introduction

As per World Health Organization (WHO), COVID 19 is an infectious disease caused by a newly discovered Corona Virus. It is one of the most fatal and highly infectious diseases the world has ever encountered. As maintaining social distance is highly recommended to avoid this infection, hospitality industry is hardly hit and will continue to be so being a part of service industry (Batabyal et al, 2021). In this pandemic situation which may continue for an indefinite period, Hotel Industry needs to implement many measures for its survival and growth.

In this situation, the confidence building associated with a brand is categorized into two issues contributing to the confidence building of hotel brands in the state of West Bengal. From an extensive review of literature and interview with hotel professionals, confidence building issues are found. These are inherited factors and created factors respectively. Inherited factors are those factors which are already present in an organization and can be readily branded. These are (i) location of the hotel in the heart of the city or with high accessibility or in a beautiful place (ii) quality, category, location and facilities of room (iii) quality of the food items (iv) architectural design of the guest area and other areas (v) courteous guest contact employees (vi) service mindedness beyond timing (vii) database of retained guests (viii) property management systems and related technological support system (ix) and availability of such infrastructure or superstructure that are event specific in nature. On the other hand, created factors are situational factors -- moments of truth during actual delivery, new social responsibilities, safety and security for guests, customized service offering with individual attention, and so on.

Review of Literature:

Chen H., Huang X. & Li Z. (2020) focuses on the role of hotels in boosting tourist confidence to reduce their psychological pressure and providing them home away from home feeling and will promote the post COVID-19 accommodation market. Hao, F., Xiao, Q. & Chon, K. (2020) explore how the medical emergency and economic influence of the pandemic significantly affect the hotel industry and suggest reorientation of the current business model to get a competitive edge in the entire hospitality market. Petzer, D. J. & Steyn F. J. (2006). advises several customer retention activities. Again, Baghmalek, J.R., Haghighi, M., & Mira, S. A (2019) suggest new trend of customer assessment through a guest loyalty model after COVID 19 crisis. Blengini I. & Yoonjoungheo, C. (2020) intimate the importance of pricing in the profit maximization of a hotel, while Hussain et.al. (2020) outline how existing brand equity is significantly linked with the future market performance of a hotel. Kumar A. (2020) proposes the proper use of social media in hospitality and tourism as importance of the social media can be

definitely understood in the long run. Zhan Z., Chen Po Ju & Lew Alan. A (2020) suggest the use of robots in tourism and hospitality to increase the efficiency of work, the quality of service, image, and expectations. This is further strengthened after COVID 19 outbreak to maintain the social distance.

Jain S. (2020) suggests changes in the marketing strategy of hotel properties during this outbreak from ultra-luxury to ultra-hygienic accommodation with a genuine focus on a bacteria and virus free ambiance, décor and overall, highly sanitized infrastructure. Lin Naiqing & Robert R Kevin (2020), on the other hand, intimate that upgradation of food safety intentions and practices will reduce health care costs that ultimately improve food safety culture and overall public health during and after virus outbreak. Qiu T., Richard, R., Park J., Li SN & Song H. (2020) proposes that tourism strategies should be formulated with a holistic and innovative aim to satisfy the need of the people for safety and desire for travel, while Zhang Y. & Ma Feei Z. (2020) intimate the positive impact of mental health to overcome negative impacts on mental health in this difficult situation.

Objectives

- To find different confidence building variables in the hospitality industry for gaining back the trust of the customers
- To enlighten the inherited and created factors of the hospitality industry in pre and post pandemic times

Findings and Discussion

Amidst the COVID 19 pandemic, the marketing strategy of the Hospitality Industry must be different, nontraditional, and unique for their survival and steady growth in the future. This depends on many brand building factors of the hospitality industry which are categorized as Inherited and Created factors as per Figure 1.

Hospitality Industry Confidence Building Factors for West Bengal

Inherited Factors

- Location
- Room quality
- Food quality
- Architectural design
- Courteous employee
- Long industry presence
- Loyal customer
- Infrastructure

Created Factors

- Situational factors
- Social responsibility
- Customized marketing
- New technology
- Guest loyalty programme
- Entering new market

Figure. 1: Hospitality Industry Brand Building Factors

Inherited Factors are factors that are already there with the Organization, and they will now cash cow these factors to survive and gain competitive advantage. As per SWOT analysis these factors are the **strength** of the organization which will give them leverage.

First inherited factor is Location – An establishment need to be located according to its purpose. For instance, a commercial hotel needs to be in the heart of the city. Similarly, a resort hotel needs to be located in an isolated place and not in any busy area. Second inherited factor is Room quality -- when a hotel offers better decorated room than their competitor at the same price, it seizes the business. Third one is Food quality as guests visit hotel mainly for accommodation and for food. Fourth inherited factor is Architectural design which helps them to create its own brand. Fifth inherited factor -- Courteous employee is of utmost importance as hospitality industry is a part of the service fraternity. Sixth inherited factor, i.e. Long industry presence, gives them valuable experience which is essential in the present scenario to survive. Seventh indispensable factor is loyal customer with their positive word of mouth publicity. Finally, a good infrastructure is also a strong inherited factor.

Created Factors are factors that the organization needs to research, develop, and implement to survive and gain competitive advantage. As per **SWOT** analysis these factors are the **opportunities** of the organization which will give them leverage.

Created Factors can be situational factors which the hotel develops depending on the situation. For instance, hygiene and safety factors amidst COVID 19 pandemic. Created factors can be implemented through maintaining

social responsibility by various ways. Third created factor is new technology -- need of the hour match steps with the world at the same pace. Fourthly, Guest loyalty program is a very good, created factor from the perspective of hospitality industry to increase the business. Last of all, another created factor mainly as a part of the growth strategy is entry to new market which is very essential and a very well calculated step.

During or after this COVID 19 pandemic Hospitality industry needs to improve all its facilities and standards to become market leader and most importantly to gain back the confidence of the customers.

As far as this industry is concerned, there are four major areas which need to be focused on:

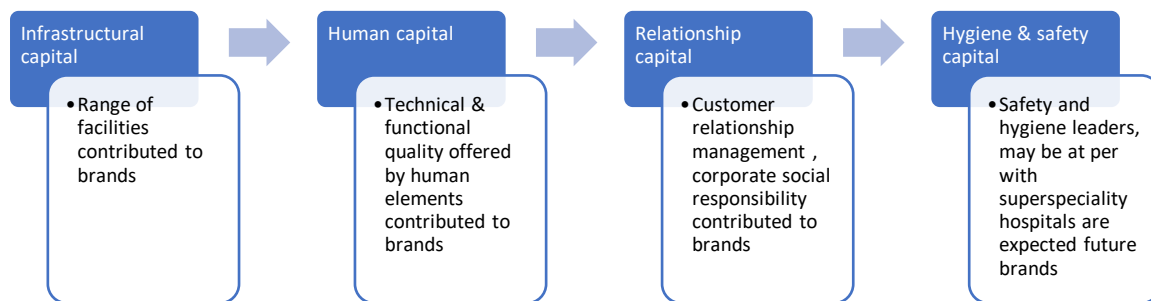


Figure. 2. Hospitality Capital Continuum Showing Confidence Building

- Infrastructure Capital:** Range of factors contributing to the building of guest confidence is termed as Infrastructure capital. Location of the hotel, size of room, parking space, decoration, facilities provided by the hotel, and so on, are part of it. This type of capital is the primary area of focus as this acts as a base for other types of capital.
- Human Capital:** Human capital is always the main driving factor of any organization. In a highly specialized and technical industry like hospitality industry, it certainly has more functions. The more qualified and expert technical or functional human resource an organization has, the more they can strengthen their brand and be renowned in the market. For e.g., if a Five Star hotel employs a world class master chef or a renowned bartender, that can be definitely used in their marketing strategy to gain competitive advantage.
- Relationship Capital:** As Hospitality and Tourism industry is broadly under the Service industry, the relationship between the employees and the customers is of utmost importance. A Hotel is known as 'home away from home', and as per our Indian tradition we believe that Guest is god. So, there lies the importance of our treatment to them. The employees should be courteous, decent, helpful and always be ready to serve the guest with a smiling face to make them comfortable.

- d. **Hygiene and Safety Capital:** Hospitality and Tourism industry always tries to cater to the need and preference of each customer. But, there is also an area which could have been improved. Hygiene and safety factors were not very popular factors pre COVID 19. But now, during or even after the pandemic, this will be considered as the most important confidence building factor. Hotels have their own hygiene and safety standards which they follow with utmost care, but this is not sufficient if the same standard is to be compared with that of a super specialty hospital. In this pandemic situation it is the need of the hour -- the hotels should follow the hygiene and safety standards of the leading super specialty hospitals and make their new hygiene and safety standard operating procedure in comparison to them.

Conclusion

Based on the outcome of the study, the hotels are proposed to do a thorough analysis about the changing need and preference of the guests in this pandemic period. Factors which were more important in the pre pandemic period like personalized service in guest room and restaurant are substituted with cleanliness, hygiene and safety, and security in the pandemic and post pandemic period. Hotels need to keep up with the inherited or already built-up factors which are the strength of the hotel and need to try to seize the created factors which are an opportunity for the hotel. Properties are also expected to build confidence of the guest by strengthening infrastructure, human, relationship, and hygiene and safety capital.

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