

A STUDY ON IMPACT OF COVID-19 ON HOSPITALITY INDUSTRIES

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Abstract:

The covid19 caused the pandemic situation in all over the world. In Europe it has major effect the economy, tourism activity and health crisis. In order to focus the study on Europe hospitality we should firstly know that in which sector the Europe is famous for. Europe is mainly famous for its hospitality and tourism; Europe's half income is depended on its tourism sector. Due to this pandemic situation every country was facing financial issues. So we will discuss in depth about the hospitality sector of Europe.

Keywords: Covid-19, impact on hospitality industries, Europe, Hospitality and tourism, Pandemic, Market research.

Introduction:

Covid19 is stated as corona virus disease 2019 is an infectious disease caused by the SARS-COV-2 VIRUS. It was detected for the first time in Wuhan China at the end of the 2019. From its rapid expansion the world health organization (WHO) declared state emergency on 30 January 2020, specifically from 11th of March when disease has surpassed the situation it declared as the state of pandemic. All the sectors like Tourism and Hospitality were getting down by this virus because there was a state of emergency and no people were coming to Europe for vacations. As of 18 March, more than 250 million people were in lockdown in Europe. As of 24 May, 68 days since its first recorded case, Montenegro became the first covid free country. Since both the disease and the Virus were unknown then, there were no drugs or vaccine to stop the disease and to protect the people against this virus. This covid19 virus affected more than 33 million peoples and caused more than a million deaths across the world. World health organization (WHO) has saved many life's by informing people to maintain social distancing, by wearing mask (N95), by using sanitizers. This virus spread between people by directly and indirectly via small droplets of when someone with covid19 sneezes, coughs or exhale.

Hospitality

The cordial reception and travel business have maybe been most hard-hit, with hourly staff facing potential devastating hardships. Marriott International with 174,000 workers is poised to position tens of thousands of staff on furlough. Hilton Worldwide has additionally notified lenders on fifth March 2020 borrowing a preventive \$1.75 billion beneath a revolving loan to preserve cash and to take care of flexibility “in lightweight of uncertainty within the world markets”. Hotel business revenue per out there area within the us fell eleven.6% for the week ending 7th March 2020, while in China occupancy rates fell eighty nine by the top of Gregorian calendar month 2020. Other United States building corporations are seeking or so \$150 billion in direct aid for employees thanks to associate degree unprecedented fall in demand, along side associate degree calculable \$1.5 billion loss since time period. MGM Resorts International have additionally declared a brief suspension in operation at its Las Vegas properties, with casino operations closing on sixteenth March, followed by hotel operations. Since first March 2020, occupancy rate in Deutschland decreased by over 12 months. Italian cities as well as Rome are unwittingly affected with a current percentage of 6%, while London remains the foremost stable with associate degree percentage of roughly forty seventh. Overall, the COVID-19 crises have semiconductor diode to international distortions for the cordial reception business and vital slumps for the European building market.

Tourism

The business sector is presently one among the hardest-hit by the irruption of COVID-19, with impacts on each travel provide and demand. As a direct consequence of COVID-19, the planet Travel and business Council has warned that fifty million jobs within the world travel and business sector might be at risk. In Europe, the European Tourism Manifesto alliance, encompassing over fifty European public and personal organisations from the travel abusiness sector, have highlighted the necessity to implement pressing measures. These embrace state aid for the business and travel sector from national governments, quick and straightforward access to short- and medium-term loans to beat liquidity shortages, together with funds created offered by the EU through the Corona Response Investment Initiative, and monetary relief. The alliance has conjointly necessitated the launch of the European Unemployment insurance theme. Internationally, Vietnam received someone.45 million Chinese guests within the half-moon of 2019, dropping by 644,000 in January of 2020. it's calculable that Vietnam's traveller sector will suffer a \$5 billion loss ought to the COVID-19 pandemic extend into the second quarter of 2020. Moreover, the

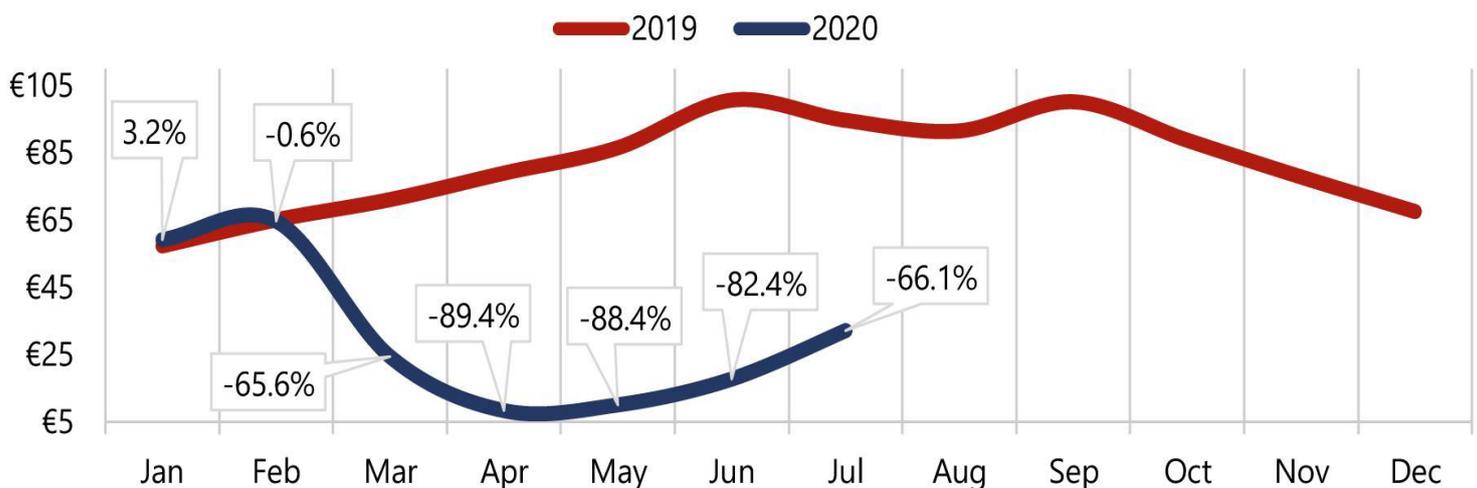
Philippines square measure sticking a zero.3-0.7% lag within the country’s full year GDP. within the us, restriction of all non-essential travel, US-Canada border closure, and the suspension of visa services might accelerate disruption of the yanked economy. In the UK, many parks square measure currently closing to any enforce social distancing as they need in European country.

Literature

Review:

There is no doubt that the COVID-19 pandemic has had a most dramatic effect on the hotel business throughout Europe and words like ‘unprecedented’ and ‘unique’ are used liberally to describe the situation. Performance data from STR for the first half of the year compared with 2019 show how dramatic the effect on the hotel sector has been with RevPAR since March 2020 nose-diving, with many hotels closing their doors. Figure 1 shows the performance of those hotels which remained open during this period. (Adding in those hotels achieving zero RevPAR would make the graph look worse still.)

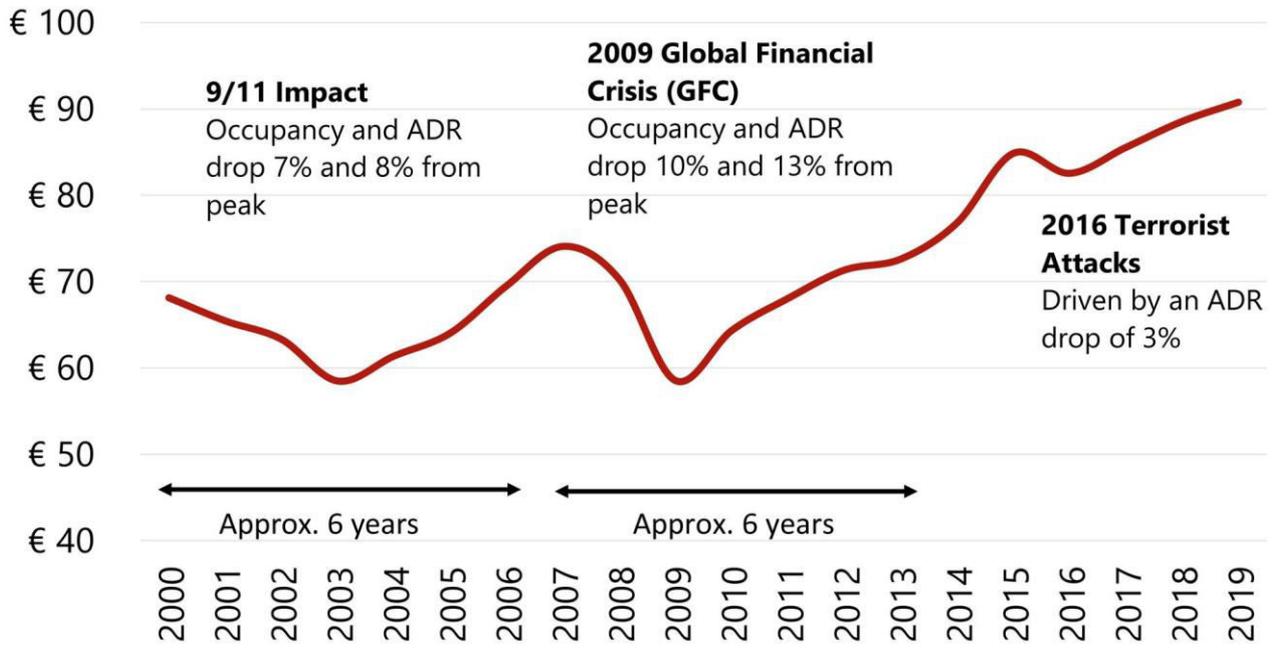
Figure 1: European Hotels RevPAR (Rooms Revenue per Available Room) 2019-20



Source: STR

Reflecting back on previous downturns in the last 20 years enables us to recognise that the sharp declines in RevPAR in the period post-9/11 and following the Global Financial Crisis of 2008-09 were followed by a period of recovery, resulting in an overall cycle of some six years in each case. The various terrorist-related atrocities in 2016 in many European cities had a much less devastating impact on hotel performance. See Figure 2.

Figure 2 – RevPAR Recovery Averaged 6 Years post-9/11 and post-GFC



Source: STR

We are therefore encouraged by this resilience and envisage that, notwithstanding the exceptional decline in business during Q2 of 2020, the hotel sector within Europe should have re-established its RevPAR 2019 performance by 2024, as shown in Figure 3.

	Historical		Forecast				
	2018	2019	2020	2021	2022	2023	2024
Occupancy	72%	72%	35%	61%	66%	72%	72%
Percent Change		0.3%	-52.1%	75.9%	8.3%	9.2%	0.0%
Average Rate in €	113	111	93	97	104	109	117
Percent Change		-2.1%	-16.2%	3.8%	7.8%	5.0%	7.0%
RevPAR	82	80	32	59	69	79	84
Percent Change		-1.8%	-59.8%	82.7%	16.8%	14.6%	7.0%

Figure 3 – Noticeable Recovery Forecast from 2021 – Back to 2019 Levels by 2024

Source: STR (Historics) and HVS (Projections)

Research Methodology:

The paper describes the COVID-19 crisis, emphasizes the role of hospitality in economic and social life, and reviews how the crisis has changed the relationships between sustainability and therefore the hospitality industry. The paper reveals the dramatic effect the crisis has had on sustainability within the hospitality industry. That said, though the crisis has offered a vision of a more sustainable future, this vision may pose a serious challenge for the industry and for several of its traditional customers. This study aims to research the consequences of corona-virus epidemic on hospitality industry. Hence, the initial question was: What are the possible implications of the corona-virus epidemic on hospitality businesses?

The very fact that the epidemic has affected many various areas, especially interactive areas like travel, sports and politics shows that this epidemic will have consequences for the hospitality industry. The research is critical therein it reveals the consequences of this global problem on hospitality businesses, which it's one among the primary studies about the impacts of the virus on tourism. The emergence of the virus in China makes studies on its effects on tourism and hospitality even more important. Especially the very fact that the incident is extremely recent causes the companies to be reluctant to share data. For this reason, besides the wish to research the consequences of the event on a selected sample, difficulties associated with data collection also prompted the preference of a case study, which constitutes the foremost important limitation of this research. Besides the time and price constraints that are usual in many studies, it is often said that there was another limitation caused by the very fact that the companies avoid sharing tip and therefore the researchers feel uneasy about collecting data thanks to health concerns. Therefore, although the study is way from offering generalizations during this state, it could still be considered significant because it is an example that shows the severity of the consequences of the epidemic on the hospitality industry.

Future Scope:

As hotels open up and begin to make back their businesses – unless that they had been able to stay open like those that were accommodating key staff so forth – hoteliers can got to focus fastidiously on guaranteeing that profitableness is maintained and income remains positive. several can have reached associate accommodation with their banks;however, this might return below increasing pressure because the moths evolve. At the instant there aren't any distressed hotels, however many distressed hoteliers, and it's seemingly that as we tend to move towards the top of 2020, a number of these hotels are offered purchasable. the amount of pressure from lenders and alternative parties can indicate the degree to that a procurement has to happen – there appears to be no shortage of potential patrons and a alleged ‘wall cash of cash}’ is there to support this [should you mention that the quantity of money is above ever?]. discount hunters square measure seeking to shop for at but cost and at a big discount to pre-

COVID levels – and any glimmering of distress can solely serve to encourage such patrons to push costs more downwardly. So, there square measure some factors value taking into consideration by those trying to shop for and to sell that have each a downward and upward pressure on costs at that hotels square measure transacted.

Challenges:

COVID-19 has created conditions that impact on the lives of all countries and other people across the globe, forcing political, economic and socio-behavioural changes on societies on, arguably, an unprecedented scale within the era. In terms of tourism, the buyer impact is most blatant in reference to citizens of the worldwide North whose rights to be tourists have been seriously curtailed. The impact on those working in tourism is felt by both those in the Global South and therefore the Global North. Indeed, arguably the impact on the workforce in the former is way greater due to the absence of social safety nets that are widely available in additional wealthy countries (Baum and Nguyen, 2019). We now consider a number of the key areas where COVID-19 has impacted on rights to consume and access hospitality and tourism at international and native levels. As we write, COVID-19 remains considerably with us therefore the analysis provided here draws on a variety of press and other grey sources which can't be formally verified at this point . We acknowledge the 5 potential for the misinterpretation of such information, especially in reference to examples given.

Borders closing

Our expectations of the proper to unfettered mobility across national borders has been severely challenged by government responses to COVID-19 although it's arguable that moves during this direction had already started before the pandemic (as an example, President Trump's 'wall' along the Mexican border). National borders in Europe and North America have, effectively, been closed to most travellers including leisure, business and pilgrimage tourists. In some instances, this involved reinstating borders which were removed many years ago, for instance within the Schengen area in Europe. Many countries, including Australia, China and New Zealand, closed their borders completely to non-nationals and non-residents. Similarly, countries like Vietnam withdrew Visa on Arrival schemes while others, for instance Singapore, removed the proper to transit through airports.

Curtailment of travel

In part as a consequence of the closure of national borders, opportunities to travel were reduced or totally eliminated by governments and transport providers. For instance, the Scottish Government barred about residents and essential workers from using island ferry services. Many airlines reduced both domestic and international services to a skeleton of recent provision and, in other instances, ceased service altogether. Rail and bus company providers, likewise, reduced their services in response both to a decline in demand and to government strictures against non-essential travel. As a consequence, transport operators, notably airlines, face critical financial pressures and lots of them might not come through the crisis during a state ready to operate services as before. Governments are stepping in to nationalise or renationalise airline assets so as to guard their longer-term futures.

Closure of attractions and tourism facilities

In many destinations, the most reasons why tourists visit destinations were removed with the closure of cultural venues like theatres and museums, the postponement of sporting fixtures (including the Games of the XXXII Olympiad in Tokyo), removal of access to beaches and national parks and therefore the closure of non-essential retail and hospitality outlets. As an exemplar consequence, the liberty to roam in Scotland, established by the reform Act in 2003 was about to be abolished. It's worth noting, however, that closure of hospitality and tourism facilities isn't universal-- countries like Sweden took a rather different path in addressing the containment of COVID-19 and allowed such facilities to continue trading for a rather longer time than was the case elsewhere (Franks, 2020).

Rescinding of consumer protection rights in hospitality and tourism

A major consequence of the COVID-19 crisis within the area of travel and tourism was the impact on the world of consumer protection. Consumer rights are often considered as a person's right that's the joint responsibility of state, businesses and other relevant social organizations, underpinned by the United Nations' Guidelines for Consumer Protection 6(UNGCP) that were agreed in 1985 and updated in 1999 and 2015. Consumer rights in tourism are addressed in national legislation and trans-nationally through instruments such as those applicable within the ECU Union. Consumer rights were temporarily suspended with government connivance or unilaterally as hotels, airlines and other operators struggled to deal with

the results of a worldwide shutdown in travel, relating to areas like refunds, compensation and insurance (Murray, 2020). Reaction against second home and campervan owners as urban dwellers have sought to flee pandemic hotspots by removing themselves to second homes or trailer parks in rural areas, communities reacted strongly with the message 'tourists go home' during a rural echo of the over tourism protests of just a couple of months ago. The primary objection centred on potential overloading of medical, social and retail services by tourists in sparsely populated areas which, in Norway, led to a ban on travel beyond counties of residence and a prohibition to remain in second homes or hytte.

Return to the mothership

Global citizenship supported mobilities and therefore the possibility to go to virtually all jurisdictions means that, before the pandemic, more people were in countries aside from that of their primary residence than ever before, as tourists and students and employed. The COVID-19 crisis curtailed such opportunities for global citizenship as individuals in their thousands sought to return to their home countries, under their own steam or in transport provided by their government. Countries like Australia and New Zealand directed their citizens abroad to return home at the earliest possible time, reacting as in wartime to the global uncertainties. Some countries operated rescue flights on behalf of stranded citizens and, where these were delayed or didn't operate, nationals expressed anger at a denial of their right to be protected by the state and repatriated home. Confinement to put of residence and penalties for non-compliance emergency powers and legislation in many countries and states were enacted which effectively places citizens in lockdown within their own homes, further restricting opportunity for travel, even within immediate localities. These powers were also enforced through financial and further punitive sanctions. This was amid the enforced closure of most hospitality businesses.

In the UK, concern was expressed by civil liberties groups about police using drones to focus on those visiting beauty spots and fixing checkpoints to stop entry to national parks. This requirement to demonstrate right to movement was enforced in diverse ways in several countries, for instance through documentation in France and thru a health app in China. Such measures could represent a challenge to interpretations of privacy and, potentially, human rights and would be resisted in other jurisdictions (Wired, 2020). The lack of private mobility beyond the house (for tourism purposes, for example) has other consequences. There was evidence, during COVID-19 lockdowns that domestic abuse and violence increased, with victims literally having few routes of escape. There was also some evidence that, once lockdowns are eased (as was the case in Hubei Province, China), that the amount of couples filing for divorce increased.

Restrictions on rights to go to friends and family

A key marketplace for tourism altogether countries and internationally also is visitation to friends and family, a crucial right that crosses cultures and countries. This right was immediately under challenge at the onset of the COVID-19 pandemic as authorities in China curtailed movement during the lunar holidays early in 2020. This was followed by successive measures in other countries, encouraged and enforced to differing degrees.

Confinement in tourism locations

Tourists saw their ability to travel or return to their home countries restricted by actual and possible outbreaks of COVID-19. Status examples included cruise ships quarantined in Japan and California also as tourists confined in resorts in Spain and Peru. Such confinement also had the effect of accelerating the amount of COVID-19 infection among the travellers, who were impacted, especially on cruise ships.

Abuse of minorities, boycotting of their businesses

COVID-19 was first identified in Hubei Province in China and early in its spread was widely associated with that country although subsequent events have challenged this simplification. However, Chinese tourists (and others of Chinese origin) were subject to racially motivated abuse and denial of services during a number of nations. There have also been further reports of abuse against minorities in other countries, notably migrant workers, which appear to be linked to COVID-19 fears.

Conclusion:

The outbreak of the Covid-19 pandemic rocked each and every industry to its core and the world faced major economic crisis due to lockdown, travel restriction and as a result Tourism and Hotel industry was one of the sectors that was affected dreadfully. The United Nations World Tourism Organisation reported that due travel restrictions, quarantines and lockdown in almost every country had the hardest hit on Tourism and Hospitality sector compared to other sectors. The research work focuses on Impact of Covid-19 pandemic on Hospitality and Tourism Industry in Europe. Europe is famous for its hospitality and tourism and through the study its seen that half of its income is generated through its tourism sector.

But in 2020 i.e. post lockdown, Europe saw some never seen before changes in the hotel sector with drastic decline of RevPAR i.e. revenue per available room, in order to attract tourist, hotels reduced their priced and also few tourism industries came up with idea of offering free airfares to the tourist on certain terms and condition. Due to this pandemic, many hotels were shut down and unemployment was at its peak in this sector. But as in present time, as everything is coming to its place, and now that government has given permission of starting hotels and international travels, there is a hope that, Europe might come up with all the loss. Tourism and Hospital Sector now have to be more mindful and careful when it comes to safety of their customer and have to make sure that nothing is compromised.

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