

# Impact and Survival Strategy for Hospitality Industry after Covid-19

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**Abstract:-** Travel and tourism industry is said to be second largest employer in world subsequently resulting India is one of the most profitable country in terms of tourism. Today India contributes foreign exchange business, hotel and restaurant to social development promoting education, which ultimately results in increasing stretch at our economy globally.

As we know tourism sector has a significant role as a contributor to the country GDP. But during the month of March we saw sudden shut down of tourist attraction in the country, flight come halt completely and for the first time in history Indian railways was completely stagnant in their yards. These incidents raised major grim that will cause to the tourism and travel industry in the country.

Despite of several effort by the central govt.and state govt., unfortunately the virus increasing day by day till now its 2lakh 65 thousand (09/06/2020). Researcher suggested the travel has become one of the main sources of carrying the Covid virus because of that airline industry grounded by government.

It has resulted as a hard blow of pandemic as it launched itself wholly on 17<sup>th</sup> march 2020 shutting over Iconic heritage Taj Mahal. Covid-19 affected the whole world Economy resulting downfall in the graph of foreign Exchange as there are no tourists from foreign countries in India which lead to 60%-70%(approx) to shut hospitality sector completely and as a result it gave rise to unemployment.

More over we can expect domestic tourism to utilize more in the country that will help the government to recover gradually and create more employment. It's sure that the coming two years would be very challenging for the Hospitality Industry to revive, stabilize & to grow.

**Keywords:-** Travel and Tourism, Employment, Tourism Trends, Social Development, Foreign Exchange.

## I. INTRODUCTION

The world economy is reeling under the affects of Covid 19. World economy had hit the snooze button overnight due to Covid 19. Never has the world economy suffered so much in such a short span of time. Hospitality and tourism sector the world over is one of the largest and the hardest hit sectors. Each and every country including

India had to shut down it's doors, making millions jobless and also leaving hoteliers unsure of the future. With no vaccine in sight for still some time to come, the effects of Covid 19 are going to leave scars that will take some time to heal.

While the travel and tourism industry has slowly begun to recover after the government relaxed restrictions on movement of tourists it will take a lot more than just a trickle of tourists that the industry is witnessing at the moment. Restaurants who have not seen any footfall since the lockdown are beginning to breathe, hotels have opened their doors for travelers, bringing a much needed respite to the people who had to lock up and board themselves inside their homes ever since this pandemic began.

Though this is a welcome change to things, the entire industry is and will have to undergo a major change in terms of how they operate. New sanitization and social distancing guidelines will have to be followed which will mean more investments from already suffering hotels and restaurants alike. Majority of customers are still hesitant to dine in at the restaurants, majority still see traveling and staying at hotels as a major risk and avoid doing so. The industry needs to come up with major overhaul solutions and answers to questions the customers have in regards to safety and hygiene and security.

## II. LITERATURE REVIEW

Tourism is one of the most rapidly growing industries in India. Today people of India are moving from one place to another for leisure, recreational, trade or family purposes. After starting the Incredible India campaign, India is getting 0.87% tourists from all over the world. **India's** contribution to **travel and tourism and GDP** (% of **GDP**) was at a level of 9.2 % in 2018, down from 9.3 % the previous year. Travel and tourism offers a diverse portfolio of tourism which includes - cruises, adventure trails, medical, wellness, sports, eco-tourism, film, rural and religious tourism. India has been known as a destination for spiritual tourism in both domestic and international tourist circuit. In the Prime Minister's Independence Day speech he urged people to visit 15 domestic tourist destinations in India by 2022 to promote domestic tourism.

As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country. International Tourists arrival is expected to reach 30.5 billion by 2028. E-Visa facility was

offered to 169 countries as of December 2019. Whenever there has been any major impact on the economy of any country, tourism has always been the first one to get affected as people start to cut down on their travel budgets first. However, tourism relatively had a direct role to play when it comes to COVID-19 which has widely spread most in the countries with a high number of tourists.

The pandemic is the biggest challenge that India has ever faced as international travel is adversely impacted. The disruptions that has occurred across is countrywide and in the following sectors, Hotels, Airlines, Restaurants, Travel agents, Tour Operators, Railways, Roadways, Waterways and a slew of other indirect providers.

**III. GLOBAL PANDEMIC OF COVID-19**

Tourism is a main source of human mobility in the world .According to the world tourism organization (WTO - 2020) the international tourism has indicated continuous growth for the tenth consecutive year reporting 1.5 billion international tourist arrivals in 2019 and estimated 1.8billion of international tourist arrivals by 2030 forecasted by UN NEWS 2018.

Covid-19 outbreak started from Hubei province, Wuhan city in china in November ,2019 and in continues to spread in the world, By March 2020 it has become one of the largest pandemic in the world after world war-II.

However, the government has taken a decision of lockdown, social and physical distancing and also they controlled movement of the people which affected industries like tourism.

Total covid-19 infection in India by12/07/2020

Total number of cases	India
Total infection	850827 thousand
Death	22691 thousand
Recovered	536314thousand
Active cases	291440thousand

**IV. INDIAN TRAVEL AND TOURISM INDUSTRY**

Tourism industry includes airline industry, sea transportation, cruise line, food sector, accommodation sector, entrainment sector and recreation sector.

Travel and tourism industry in India has been a great contributor to the country’s GDP.

Tourism industry creates various job opportunities in country. A total of 42 million people are directly and indirectly involved till 2018.

Travel and tourism industry is one of the largest service industry in India with a contribution of 9.20% to the national GDP and providing 12.75% of total employment in the country(5.56% direct and 7.19 % indirect).

According to the world travel and tourism council India will be a tourism hot spot in the near future. As per the Travel and tourism competitiveness report 2019 by world economy forum India has ranked 6<sup>th</sup> in the Asia pacific region and 34<sup>th</sup> globally and it also comes under the High income economic zone.

Apart from the above mentioned economic growth in tourism industry, Indian tourism sector is also famous for its different kinds of tourist attractions.

Tourists in India can enjoy different kinds of tourism namely Eco tourism, health tourism ,cultural tourism, heritage tourism, wildlife tourism, religious tourism etc.



Figure 1: The main structure of tourism industry

The survey conducted by the FICCI (federation of Indian chambers of commerce and industry) states that only in India tourists can witness all these kind of tourism together and they also state that there is a very bright future for the tourism industry in India. India is also known for its diverse climate, hospitality, uniqueness etc are the few factors for Indian tourism to thrive and flourish.

## V. IMPACT ON TRAVEL AND TOURISM INDUSTRY

The impact of COVID-19 is severe than estimated by specialist and the most tragic pandemic in history almost 200 countries around the world with 7.55 million people are infected and almost 4.50 lakh deaths reported by 14/06/2020.

India being highly a populated country with a high density of habitation in the world is still able to manage less number of deaths when compared to other countries. India with lack of enough employment opportunities, It is important to make strategic approaches to minimize economic recession.

The tourism and travel sector are the one of the largest foreign exchange earner in the country, Has totally collapsed because of lock down and peoples fear of travelling and the need of maintaining social distancing. Closing down of international airports, curfews and lockdown of countries and cities, The situation is severe at the moment as the whole world is on lock down or under social distancing.

Under the travel and tourism sector umbrella there are number of other service providers i.e. Hotels, Restaurants, Travel agencies, MICE, Event management companies etc at this juncture do not have any business from their tourism products.

Few consequences of COVID-19 outbreak in travel and tourism industry in India.

- 1) A decline of 65% occupancy levels was witnessed in the month of March 2020(it was the pre-term of lock down) resulting in potential job loss of around 38 million including the higher profiles.
- 2) The travel restriction imposed on foreign tourists will lead to the loss of about 85 billion keeping in mind the hotel, aviation and other travel sectors.
- 3) Similarly the restaurants & catering industry are almost in zero in the graph of revenue generation resulting a cut-off of 15% in their employment.
- 4) March is termed as a month financial closing; From April we saw passenger growth take a negative dive by 20-25% affecting the GDP of the country.
- 5) More than 60% of organised sector hotels of India are under complete shutdown.
- 6) Economic growth has decreased in 2019-2020 because of a weaker growth in foreign exchange earnings from tourism in India.
- 7) Indian association of tour operators estimate the hotel, aviation and travel sector together may suffer loss of about

85billion rupees keeping in mind the travel and restriction imposed on foreign tourists.

- 8) The imposing of section 144 that says prohibition against mass gathering which resulted tremendous loss in banqueting services.
- 9) We witnessed softening of leisure tourism since February.
- 10) Aviation industry in India could occur losses rupees 27000 crore in the first quarter of 2020-21.
- 11) Summer is known as booking season for travel schedule from October to March .We can see booking portals have evaporated and completely in doom.

## VI. FUTURE PLAN TO RECOVER TOURISM INDUSTRY

- 1) Domestic tourism, we can try to gain some profit through it.
- 2) The operational level cost would be optimised.
- 3) Effective digital and social media strategies must be rolled out as communication step.
- 4) Special agenda for GLOCAL- AGENDA (go –local) should be implemented.
- 5) Pricing charts should include flexible booking terms instead of reducing or hiking tariff charges.
- 6) Hotel should think long term value added services and promote them accordingly.
- 7) Leasing of kitchen for cloud kitchen requirement.
- 8) Refrain any kind of spending which would not lead to direct profit.
- 9) Focus on Ancillary revenue that could be generated from areas like GYM & SPA Services.
- 10) Core offering food in room dining shall be practiced and home delivery should be encouraged to ensure social distancing.
- 11) Prior to powering up all necessary equipment, a thorough service plan should be mobilized to ensure that all equipment is fully functional, adequately safe and capable of delivering the required results.
- 12) Organizing hybrid events is a solution of retaining the MICE industry in a situation like this concept are feature mix of live and virtual components.
- 13) According to IATA the government need to provide financial assistance to airlines. Which could give airlines industry to chance to survive.
- 14) Promote packages for specific target groups such as ‘Staycations’the world tourism organization (UNWTO), has launched a special campaign name “TRAVEL TOMORROW” highlighting the enduring values of tourism “by staying home today, we can travel tomorrow.”

## VII. CONCLUSION

The pandemic no doubt has changed the world as well as Indian economy in a way that was never before witnessed. The recovery has to be steady and slow it should be parallel to the recovery of the other sectors, to boost the economy of the tourism sector. Ensuring the safety of the guest and the staff has become a top priority of the industry. Hospitality sector should continue cost saving measures even when demand becomes normal like earlier to recover

the loss incurred in the year 2020. The industry should promote 'flexi-services' i.e. –offering flexible price, cancellation policy, refund policy etc, to attract potential customers. To neutralize the losses the organization should initiate strong marketing and promotional campaign on a national level and globally to gain the confidence and build a positive image in the mind-set of the potential consumers.

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