

## **IMPACT OF COVID-19 ON THE INDIAN HOSPITALITY INDUSTRY**

**Bindu Aggarwal**

Assistant Professor, Department of Commerce & Management  
S.D College, Ambala Cantt. | Email: binduaggarwal@sdcollegeambala.ac.in

### **Abstract**

The COVID-19 pandemic has caused a health disaster as well as a significant reduction in economic sustainability activities, particularly in tourism management, and has far-reaching and difficult-to-quantify consequences in most countries. As the effects of COVID-19 extend over the world, governments and businesses must prioritize citizen protection. While this focus will continue, the consequences for economic development and business profitability will almost certainly result in a sharp sell-off in global equity markets. The impact on revenue and supply chains is enormous, yet it is still unknown. Hotel, restaurant, theme park, and cinema closures, as well as the travel ecosystem's overall disruptive influence, all have a significant impact on worldwide tourism. The primary purpose of this study paper is to assess Covid-19's overall influence on the hospitality industry.

### **Introduction**

The government of Wuhan, China, said on December 8, 2019, that hundreds of new virus cases have been identified as coronavirus disease 2019. (COVID-19). COVID-19, a new strain of SARS (SARS-CoV-2), has now spread over the globe, causing a global epidemic. COVID-19 is a highly contagious respiratory disease that spreads through contact with other infected persons and causes symptoms such as fever, coughing, and difficulty breathing. With up to 40% of infected people remaining asymptomatic, asymptomatic individuals can potentially transmit the virus. Other factors that influence infection include: (1) the speed and efficiency with which COVID-19 spreads; (2) airborne transmission; (3) close contact between infected and non-infected individuals; (4) the vulnerability of immunocompromised individuals with specific underlying health conditions (e.g., hypertension, diabetes, cardiovascular disease, respiratory problems);

and (5) the susceptibility of immunocompromised individuals with specific underlying health conditions (e.g., hypertension, diabetes, cardiovascular disease, respiratory problems).

### **Role of the hospitality industry in economic and social life**

The hotel business is a significant contributor to the global economy. The hospitality industry, broadly defined, encompasses a wide range of accommodation facilities, from resorts and hotel complexes to Airbnb homestays; food and beverage services and facilities, such as restaurants, fast food outlets, bars and cafes, coffee shops and nightclubs; and travel and tourism, such as package holiday tours and ocean and river cruises. Simultaneously, a hospitality offer is frequently an important component of a wide range of sporting, entertainment, and leisure events and locations. Traditionally, many aspects of the hospitality sector have been regarded as luxuries, which people might enjoy after meeting their basic necessities of food, clothing, and shelter. The COVID-19 problem, on the other hand, has thrown such a description of the hotel business into doubt.

Economically, the hospitality business provides a vast number of employment, and while precise statistics are difficult to quantify, some trade estimates provide an idea of the magnitude of the jobs involved. According to trade estimates, the hotel industry employs around 212 million people worldwide, with the European Union employing nearly 12 million people in 2016 and India employing 14 million in 2020 (Hopkins, 2020). According to these figures, the hospitality sector provides a living for millions of workers and their families. Where travel and tourism is a large component, if not the primary component, of national, regional, and local economies, as in Cambodia, Thailand, the Maldives, and Fiji, employment possibilities are particularly dependent on the hospitality industry, either directly or indirectly.

Locally, coffee shops, cafes, bars, and public houses typically serve as key meeting spaces for millions of people every day, and such establishments are frequently important centers of social and community life. People gather here to unwind, socialize, discuss their daily experiences, play simple card and board games, and watch televised sporting events with their fellow guests. At the same time, many people may regard their hospitality experiences as significant in defining their identity. At one level, an

individual's identity may be shaped in part by regular ocean cruises, which are frequently perceived to visit exotic destinations and unique environments; at another level, identities may be shaped by performance prowess in sporting and leisure events, sports and fitness clubs, and games in cafés, bars, and public houses.

The hospitality industry will face losses of up to 620 crore as a result of the Coronavirus. The coronavirus (Covid 19) pandemic's cascading effect may cost the Indian hotel industry 620 crore in losses. According to one study, layoffs of 'casual staff' or 'contracted staff' are likely to continue. According to a survey by Hotelivate, a hospitality consulting organization, the Indian hospitality industry is going to be severely impacted. According to the analysis, domestic hotel enterprises that use the fiscal year regime would have a difficult Financial Year 2020 and an even weaker Financial Year 2021.

According to the survey, the Indian hotel industry was still performing well in January. Beginning in February, the industry began to show early indications of revival. “Unfortunately, business appears to have gone off a cliff, pretty much across the board,” the report concluded. “March has seen a substantial number of large-scale cancellations in the corporate, MICE, and leisure sectors. Notably, the magnitude of this lost business has been noticed only in the top eight areas. Various Tier Two and Tier Three hotel markets in India continue to see a slight erosion in business for the time being, and occupancies were only partially lower in the first half of March, despite the spread of the virus in several states”, it added. The Indian government, like many others, has blocked their borders and suspended visas until April 15.

Several multinational airlines have reduced their service to Indian cities. Indian airlines have ceased all overseas flights and restricted their domestic operations. In addition, governments have asked people to work from home. According to the report, even if the virus's impact is only seen as devastating for the next two to three months, the weighted impact of this situation is likely to erode the blended nationwide occupancy (in calendar year 2020) by about 18-20%, while the blended nationwide Average Daily Rate ADR may drop by 12-14% this year. Reduced hotel traffic will have an evident knock-on effect on revenue from F&B, MICE, and other commissions.

### **The First Impression: Travel and Tourism**

The travel and tourist business has already experienced a significant slowdown, which is expected to increase in the coming weeks. Foreign tourist arrivals increased by 1.3 percent in January, the smallest increase in at least a decade. According to Pronab Sarkar, president of the Indian Association of Tour Operators, the industry has seen a rush of international and domestic cancellations in recent days. “In the January-March quarter, foreign tourist arrivals are down approximately 67 percent year on year, while domestic tourists are down about 40 percent,” Sarkar told Bloomberg Quint.

**The way forward:** While the globe is currently dealing with the pandemic and the number of confirmed cases and casualties continues to rise, East Asian experiences and analysis derive a few crucial lessons, which are as follows:

1. **A pandemic has a global impact, but the response is local:** The movement is quite high and fast in the expanding interconnected world, which may have accelerated the transmission of the virus globally, making it a global pandemic. However, different countries' tactics to responding differed. As a result, while medical therapy is universal, we must keep in mind that good emergency response techniques are not.
2. **Utilization of technology:** In this day and age, a pandemic reaction is more than just a medical response. It must connect many sorts of technology in an effective manner. In East Asia, the COVID-19 reaction made substantial use of developing technology related to medical advances.
3. **Risk assessment:** A fast study has revealed the importance of integrating health response, emergency response, and disaster risk reduction in the context of the Sendai Framework. They investigated and found that current catastrophe resilience mechanisms and tactics, as stated in the SFDRR, can improve responses to epidemics or global pandemics like COVID-19. Some of the recommendations concern the provision of knowledge and science in understanding disaster and health-related emergency risks, the expansion of disaster risk governance to manage both disaster risks and potential health-emergencies, particularly for humanitarian coordination aspects, and the strengthening of community-level preparedness and response.

**4. Social media use and fake news sensitization:** As the use of social media grows in different countries with varying levels of social media penetration, the significance of distinguishing between true and false news becomes increasingly important. The long-term importance of the harmful impacts of fake news is well understood, not only for combating this pandemic, but also for the long-term recovery process.

**5. Economic implications:** The worldwide economic consequences of the pandemic are still unknown, however there is widespread agreement that the pandemic will cause a global recession. However, sectorial consequences are already visible in other nations, particularly in the tourism and hospitality sectors (Yan, 2020). MSMEs (micro, small, and medium-sized firms) are likely to be the hardest hit in all countries, necessitating a unique economic revitalization package.

**6. Socio-psychological effects and lifestyle changes:** A changed work culture has begun in East Asian countries, as well as in the majority of other countries, as a result of country-wide or partial local downsizing in cities. Telework is growing more popular, as are online meetings and classes in colleges, as well as online education for schoolchildren. As a result, many countries and communities have seen a lifestyle shift, which may have long-term socio-psychological and behavioral consequences.

## **Conclusion**

Following the commencement of the COVID-19 crisis, several shifts in the linkages between sustainability and the hospitality industry may be detected. Environmentally, the decline in the number of air flights and the volume of motor vehicle traffic, combined with the closure of large swaths of the manufacturing industry, quickly resulted in significant reductions in greenhouse gas emissions and pollution levels, as well as reports of a variety of wildlife entering the public domain. However, such environmental improvements are unlikely to be sustained if and when the economy and the hospitality industry return to normalcy.

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