

PARADIGM SHIFT IN THE GLOBAL HOSPITALITY INDUSTRY- IMPACT OF PANDEMIC COVID-19

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ABSTRACT

The Global hospitality industry constituting of lodging, food and beverage, entertainment, travel etc., was ever-expanding due to the ever-expanding global tourism industry before the outbreak of coronavirus. Before the COVID-19 pandemic, the hospitality industries were booming due to increased disposable income, change in lifestyle, new travel trends, increased internet penetration, internet banking, web presence of hotels and tourism directories. In the past decades, the number of international tourist arrivals had risen continuously. The growth projections as per the world tourism organization, the number of tourists across the globe was expected to cross 1.5 billion by 2020. The Global hospitality industry has come to a standstill after the pandemic as there is tremendous decrease in tours and travels as most of the flights are getting cancelled. Majority of the Governments worldwide, in order to prevent the spread of pandemic, are cancelling flights and foreign visits locking their boundaries. The Global hospitality industry economy is badly affected and its chances of revival in near future seem very bleak. Strategies are needed to revive the same. A paradigm shift in the global hospitality industry is envisaged in the near future.

Keywords: *Global Hospitality Industry; Paradigm Shift; COVID-19*

INTRODUCTION

The starting of 2020 was very unfortunate with the outbreak of an acute respiratory syndrome (SARS) called the novel Corona virus, later termed as COVID-19. The disease started in China and later spread across nations. The disease is taking its toll, everywhere, with the number of deaths increasing day by day.

The COVID-19 pandemic continues to impact various sectors of the economy by presenting unprecedented circumstances. This being the explanation, most of the countries around the world have imposed travel restrictions. The COVID-19 pandemic continues to have a direct impact on the hospitality, travel and tourism industries globally. Where the hospitality industry before the COVID-19 pandemic was driven by factors like surplus income, increase of internet penetration, the new trends of travel. The hotels and sites to go to might be easily accessed through the internet. But because of the COVID-19 pandemic spread the ever-expanding global hospitality industry came to a standstill.

The World Tourism Organization had made growth projections for 2020 and estimated the number of tourists to cross 1.5 billion in 2020. The estimated projections failed because of the unprecedented happening that is COVID-19. The Indian growth

projections are revised by various multilateral and credit rating agencies like, Fitch Ratings has cut its economic projections for India of 2019-20 from 5.1% to 4.9%, Moody has revised the expansion forecast to 5.3% from 5.4% which it gave in February, 2020.

LITERATURE REVIEW

The 1st case of novel Corona virus was reported in Wuhan, China in December 2019 but by the subsequent month January 2020 the infection in the country had risen to 2000 (Wu *et al.*, 2020). There had been previous outbreaks of SARS, but the effect had always been limited and controllable. One such study made by Malhotra & Venkatesh (2009) shows the contrast between the preparedness of SARS outbreak between Thailand and Hong Kong with the result that Hong Kong was able to control the disease better than Thailand. The COVID-19 pandemic of 2020 may have similar origin, but its impact has been profound and still affecting various countries (Mohanty, 2020).

The predicted job loss within the hospitality and tourism industry has been estimated at 38 million being 70% of the industry workforce (Radhakrishna, 2020). Federation of Association in Indian Tourism and Hospitality has estimated losses in India's tourism sector from 5 lakh crore to 10 lakh crores (PTI, 2020). To control the ever-rising Corona virus infection in

India the Central Government has invoked the National Disaster Management Act and directed the State Governments to tackle the rising pandemic (Iyer, 2020).

METHODOLOGY

While the study is underway the COVID-19 pandemic continues to spread catastrophe throughout the world. The study undertaken here is descriptive and based on secondary data collected from various sources. The study is conducted to understand the impact of COVID-19 on the hospitality industry globally. How the pandemic has affected the industry and what possible action can be taken to overcome the impact.

DISCUSSION

With the widespread of pandemic COVID-19 the governments worldwide are cancelling the foreign visits and sealing their boundaries. This being the major cause of slowing of the hospitality industry. The Global hospitality industry's major affected sectors are travel and tourism, food and beverages, lodging and recreation etc. Due to the sealing of boundaries and complete lockdown in maximum countries of the world (Radhakrishna, 2020). The aviation industry has also come to a standstill with no tourism the hospitality industry has also come to a standstill. Since these industries are coming to a standstill the businesses are unable to sustain the pressure enforced by the fixed expenses and the remuneration of the employees. The travel sector has stopped the various chains of hotels worldwide like the Marriott International, the Intercontinental Hotel Groups, who are unable to survive in the tough times as the occupancy levels have hit a bottom low. Before the COVID-19 pandemic the McDonald's Corporation and the KFC Corporation were indigenously sought after, now with the fear of contamination they are not able to sustain in the tough times. The hotels have started seeking alternatives to survive and be able to bear their fixed expenses. In the state of Chhattisgarh, India hotels got themselves registered and were converted to hospitals while the actual hospitals were catering to extremely sick patients only. While the asymptomatic patients were kept in hotels turned into hospitals. This created new avenues for hotels during lockdown time as new opportunities were created for them (Mohanty, 2020).

On the other hand, online businesses boomed and people who seldom used mobile or internet got computer savvy and promoted their businesses online. Some businesses found opportunity in a bleak situation. The recreation industry always boomed, but the

COVID-19 pandemic brought the recreation industry to a full stop. The Hollywood, the Bollywood or the television industry all came to a standstill. The theatres and cinema halls were all closed to avoid the spread of the dangerous Corona virus. Once the Disney Land Park overflowed with people from all over the world, and now the doors are closed (PTI, 2020). All recreations are on hold. All the places of worship which had never closed in past history were all closed. The Vatican in Rome, Mecca in Saudi Arabia, Tirupati Balaji temple in India and all others were temporarily closed to stop the spread of corona virus thus resulting in the impairing of the tourism industry and subsequently all the hospitality industry. Due to lack of tourism the food and beverage industry also has had a setback. Only the essentials are being bought and the extravaganza is being avoided. The COVID-19 pandemic has led to a global crisis impacting the hospitality industry more than the disaster of 9/11. Various cost cutting measures are being adopted by various entities for their survival (Malhotra & Venkatesh, 2009).

CONCLUSION

The hospitality industry is badly affected by the COVID-19 pandemic and with the number of infected persons on the increase, due to the second wave of Corona virus infection, the future seems very bleak. The impact of COVID-19 is very pronounced and long lasting in absence of immediate vaccination to create immunity. There is no sure shot cure for it as of now. What the future holds can only be predicted but the normal analytical statistical tools fail in extraordinary conditions; their help is taken in normal situations where we say that one is a variant and all other things remaining the same. But conditions like pandemic of COVID-19 a new normal has evolved which says that nothing is static. The issue of hygiene and sanitation should be well kept in mind to avoid getting infected by the Corona virus. As a safety measure each establishment should take temperature of each person entering the premises and also keep sanitizers at strategic places for a healthy and safe environment. Hospitality management should consider wearing the mask until the time a full proof cure for Corona virus like vaccine is found.

Conflict of Interests

The author declares that she has no conflict of interest.

ACKNOWLEDGMENT

The author expresses sincere gratitude to the institutional authority for completion of the work.

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