



Analyzing COVID-19's Implications On The Hospitality And Tourism Sectors: A Primary Study In Uttarakhand

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ABSTRACT

Tourism is a significant component of many national economies. As governments around the world make significant efforts to combat the virus, travel restrictions, business negotiations, and interpersonal connections have all been placed on pause. Many countries are currently working to rebuild their travel and tourism industries. Intensified safety promotion marketing and orientation towards domestic tourists are some effective strategies. Other factors include increased social distance and the reliance on technology rather than face-to-face contact. Given the ramifications of the financial and health crises, along with the steady relaxation of new restrictions, economic and demand-side recovery will be gradual. As the pandemic worsens, consumer confidence and travel behaviour will suffer even more. Several countries' economies would be impacted. Health concerns should be considered as a factor in destination selection. Hoteliers could perhaps put more emphasis on crisis management in order to be ready for a similar situation in the future. The strategy's goal should be to increase visitor trust in safety and sustainability.

Key words – Tourism and hospitality industry, COVID-19, Economy, demand-side recovery.

Introduction

COVID-19 and Hospitality Industry

The corona virus (COVID-19) has had an impact on the Indian economy as a whole, but the hospitality sector as it relates to travel and tourism has been most severely impacted and is anticipated to see long-term impacts. The travel industry, including rail, air, and road transportation, is directly impacted by the lockdown and other formal and informal constraints. This study uses the primary study's methodology to conduct an online survey using self-created questionnaires. The novel corona virus (COVID-19) has brought on a

global economic crisis. The three major contributors to GDP- private consumption, investment and external trade have adversely been affected.

The structure of emerging economies tends to be less developed than that in developed nations like Europe and the US. These nations are typically poorer and attempting to grow economically and socially. Because they rely so heavily on primary sector employment, such as agriculture, mining, and forestry, developing countries are particularly impacted by disrupted supply chains and declining demand for their products.

Contagious outbreaks and epidemics now become a global threat due to globalization, urbanization and the ongoing climate change. International cooperation and collaborative action are essential in the case of COVID-19, particularly in the healthcare systems for the creation and dissemination of a vaccine.

The pandemic has major direct and indirect socio-economic consequences. Untimely deaths, heavy toll on the healthcare system, excess demand for healthcare workers, shut-down of factories, workplace absenteeism, reduction in production leading to fall in revenue and disruption in supply chains are some significant impacts.

Due to the government's decision to shut down hotels, restaurants, cafes, cinema halls, have disrupted the entire travel and tourism ecosystem worldwide. A huge percentage of national businesses related to the industry are going to feel the pinch for which pro-active steps need to be taken to mitigate the impact especially in the long-run. Due to corona virus (COVID-19) pandemic, the travel and tourism industry's employment loss is predicted to 100.8 million worldwide (Statista, 2020).

As a result of the corona virus (COVID-19) outbreak, numerous nations have immediately imposed travel restrictions on people arriving from affected areas. Temporary closures of certain locations and the postponing and cancellation of important gatherings, including important sporting events like the 2020 Olympics, have come after this.

Major hospitality and travel companies like Airbnb, OYO, and Vista also experienced losses. India avoided almost 80 countries during the shutdown, which led to the cancellation of foreign flights. Domestic flights were operating according to the rules. Along with this, the cancellation of numerous events resulted in a significant loss of employment for many organizers

Corona virus (COVID-19) has had a significant negative influence on the hotel industry as well as the broader travel industry. Hotels that are closed have idle workers, a negative impact on earnings, cash flow, and revenue, as well as difficulties paying off debt and stagnant projects. Through indirect employment, the hotel industry generates significant multiplier benefits, which dramatically diminish when hotels close and there are fewer

customers to serve or sales to be generated. The hardest part is the uncertainty and the fear of the unknown since no one can say with certainty when this will end or how severely it will pain us.

Tourism in Uttarakhand

In the modern era, religious tourism in India has grown exponentially. India is one of the most popular places for domestic and international travelers that engage in religious tourism. International tourists can learn about and directly experience India's cultural variety thanks to tourism. Official estimates show that in terms of increase in the number of foreign visitors and in terms of income, the Indian tourism sector have surpassed the world sector. The phenomenal growth of the Indian economy is the primary cause of the rise in religious tourism in India.

Religious tourism helps to support the foundation of Indian society as well as the order of religious culture, principles, and development goals. The practice of pilgrimage has a long history in Indian historic culture. Given the abundance of religious tourist destinations in India, the potential for religious tourism there has been one of the key drivers of the nation's development. In India, it appears that religious and pilgrimage tourism present prospects for revenue diversification. India maintains a rich foundation of ancient culture, 50 religious traditions, 845 dialects, and more than 3 million deities and historical sites.

India's Himalayan area continues to be a top travel destination because it receives a lot of visitors all year round. The state of Uttarakhand is divided into two regions: the Kumaon region in the southeast and the Garhwal region in the north-west. It is a hilly state with stunning forests, snow-capped mountains, and holy pilgrimage sites that draw large crowds of travelers. It is a developing nation, and tourism is crucial to creating job opportunities that give the local population a means of subsistence. Tourism in the mountains needs to be seriously considered because there are massive infrastructure development efforts underway.

The Char Dham Yatra, which is also known as a "travel to four centres," is well known in Uttarakhand. Badrinath, Kedarnath, Gangotri and Yamunotri serve as representatives of these four religious sites in Uttarakhand. Every year, the first two weeks of May mark the start of the Char Dham Yatra. The town of Rishikesh typically serves as the yatra's home base because it contains everything pilgrims and tourists might possibly need. Tourists and pilgrims typically reserve their travel to all four destinations through the neighborhood travel agencies. The city of Haridwar is famous for its bathing ghats on the holy Ganges River. The city also serves as the entry point to the nearby Rajaji National Park.

One of the most severely impacted industries is tourism and hospitality; Uttarakhand, as a travel destination, offers a wealth of opportunities and has the potential to be a veritable

goldmine. Its rich cultural past and breathtaking natural beauty work in its favour, particularly in the Indian state of Uttarakhand, where tourism accounts for 80% of the state's economy and jobs. The COVID19 pandemic's entry into India has dealt a serious harm to Uttarakhand's tourism industry. According to the data, the GDP of India is made up of 9.2% of travel and tourism.

Additionally, the COVID19 pandemic is beginning to have an effect on domestic travel and summer vacation destinations. The number of domestic travellers has decreased because people were only travelling for work or emergencies.

Research Methodology

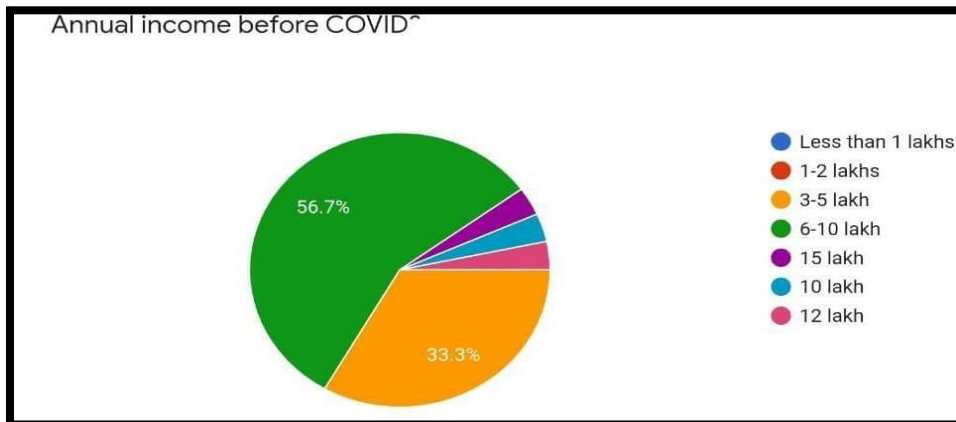
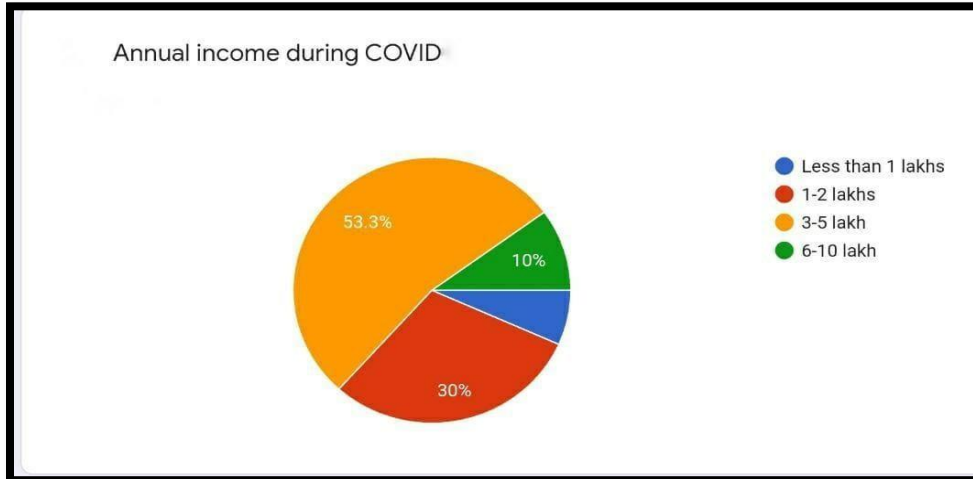
Due to the dearth of datasets and high-quality resources in this field, the majority of the sources used in this study were found online and in a few published journals. A questionnaire has been used in the current research study to analyze the current situation in Uttarakhand. A self-prepared questionnaire for the survey's primary study was given to a chosen group of 30 respondents in the districts of Uttarakhand, and their replies were recorded. By sending online surveys in the form of Google forms to 30 respondents via Whatsapp broadcast messages, data was gathered utilizing survey methodologies. The study's participants were from various organizations and were either directly or indirectly connected to hospitality and tourism industries, such as resorts, hotels, guest houses, and restaurants. Ten questions made up the questionnaire, and information was gathered online. Participants' responses were gathered in the months of October and November 2020.

Analysis

The participants belonged to the hotel industry. There were 30 participants and mostly were of 45-60 age groups. The respondents were asked to assess their pre-COVID income and their post-COVID income. The results are shown in the pie chart below in the following figures. The majority of respondents said they made between 6 and 10 lakhs per year, 33.3% of respondents made between 3-5 lakhs, and 10% of respondents made less than 3 lakhs.

Respondents average income was deducted the hotelier who was earning 6-10 lakh before covid-19 was only able to earn 3-5 lakh during COVID. Only 10% respondents were earning 6-10lakhs reset 53.3% participants were earning 3-5 lakhs during COVID, 30% were earning 1-2 lakhs and income below 1 lakh participants were 6.7%. Before COVID-19, hoteliers had unrestrained freedom to open and close their establishments whenever they wanted. They were also not required to completely or partially close their establishments. Employees never had to worry about being let go or making plans to be let go. The respondents were asked how long they think corona virus (COVID-19) would impact their business. Most of the responses were for 12 months, 20% think that the impact would last for 2 years and 13.3% respondents think that COVID -19 will affect their business for more than 2 years.

Participants in the survey responded strongly to the need for change in order for it to survive the current threat, potentially by coming up with solutions like local tourism, spiritual cooperation, and support. It is believed that the corona virus (COVID-19), which has become more severe, would have a long-term effect on the tourism sector.



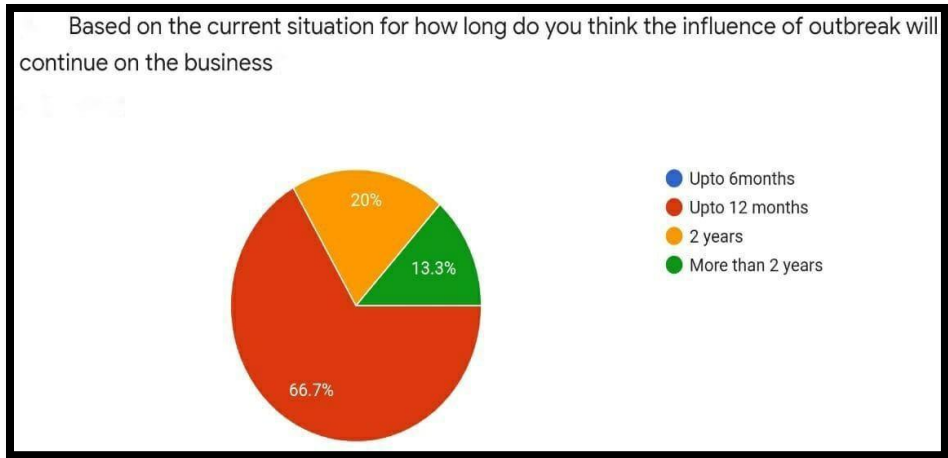


Fig. 3 Duration of influence of outbreak in the industry

Hotel owners had to re-establish their businesses, thus they had to keep costs under control. There were 30 respondents who had taken different measure to control their cost. 83.3% hoteliers partially closed their hotels to control the cost, 13.3% respondents' completely closed their hotels, restaurants and resorts etc. and 3.4% decided to downsize their manpower.

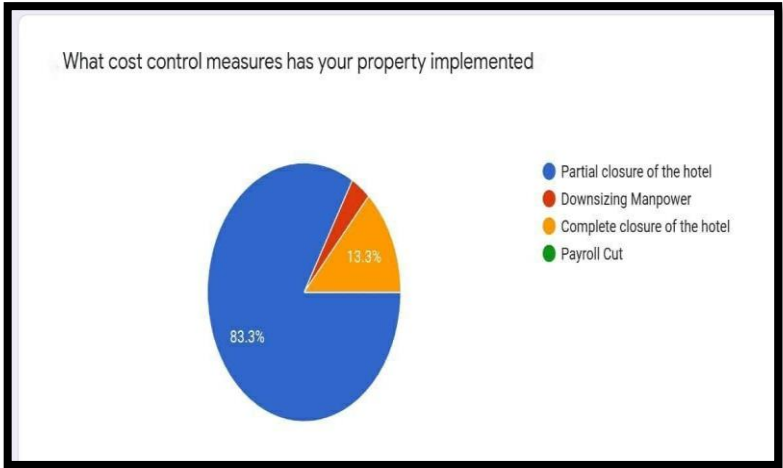


Fig. 4 Cost Control Measures

The respondents were questioned about how much money they made overall during the corona virus (COVID-19) in this part, and the results are shown in the pie chart below. Due to COVID-19, the hotel industry had to deal with a significant drop in their income %. Total respondents' revenue was subtracted 70% of the respondents experienced a loss of 20% to 30% of their overall revenue, 20% saw a loss of 10% to 20%, and 10% had a loss of more than 30%.

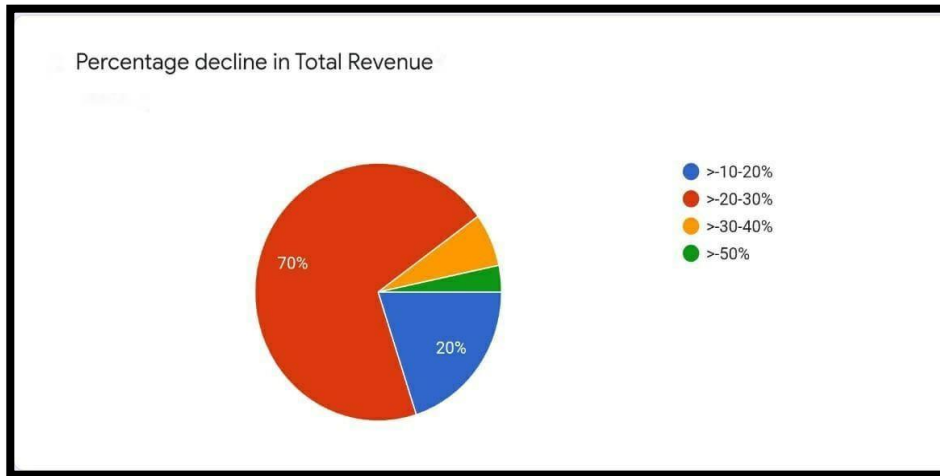


Fig. 5 Percentage decline in Total Revenue

Respondents were asked what they expected the government to do to support or assist their industry in this section. They were asked in reference to the following options, GST Waiver, Tax Rebates, Wage Support, and Promotion of Travel post-pandemic. 53% of respondents requested a tax rebate from the government, 20% selected a GST exemption, 15% requested wage support from the government, and 12% chose to promote travel following the corona virus (COVID-19).

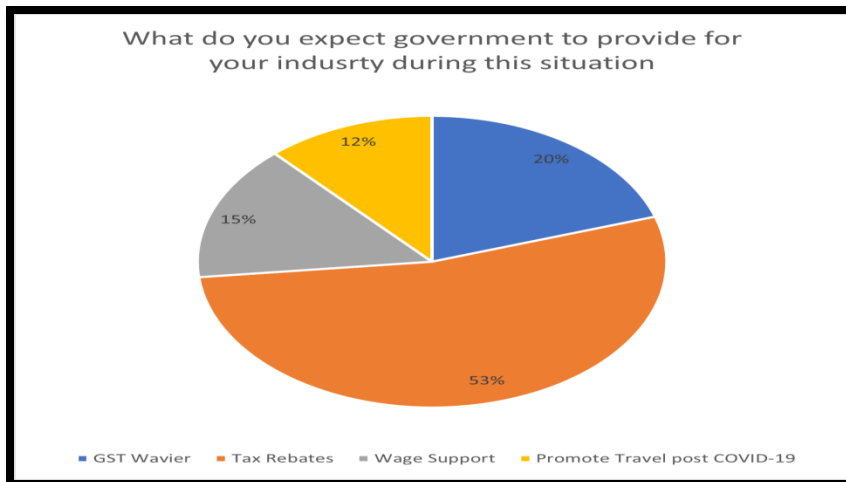
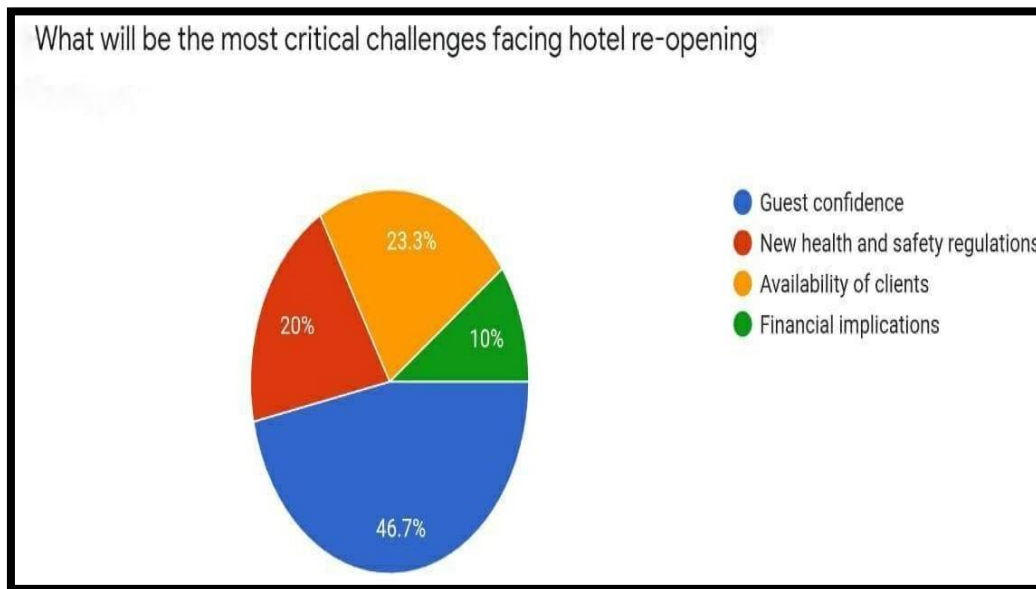


Fig. 6 Government support during the pandemic

Respondents were questioned about difficulties they encountered when the hotel reopened in this section. The challenges that respondents experienced included 46.7% dealing with guest confidence, 23.3% dealing with customer availability, 20% dealing with new government health and safety rules, and 10% dealing with financial repercussions. Hoteliers faced difficulties reopening their establishments, including the availability of customers. In order to inspire confidence in their customers, hoteliers must also deal with new health and safety laws. Some hoteliers have also encountered problems with the financial execution of these regulations.

Fig. 7 Challenges faced by the hotel industry in re-opening



It is difficult for the hotel sector to recruit and keep skilled workers. While working at hotels is not inherently terrible, it is also not advantageous. This internal perspective has created a negative industry image when combined with the exterior reality of COVID shock and image traits of other employment and career options, pay (especially when compared to other industries), hours, and turnover. The hotel industry's employment was immediately impacted by Covid-19's influence on hoteliers' income. 43.3% of respondents said they had cut employee pay, 36.7% said they were going to lay off workers due to a decrease in income, 16.7% said they hadn't done either, and others said they had fired workers.

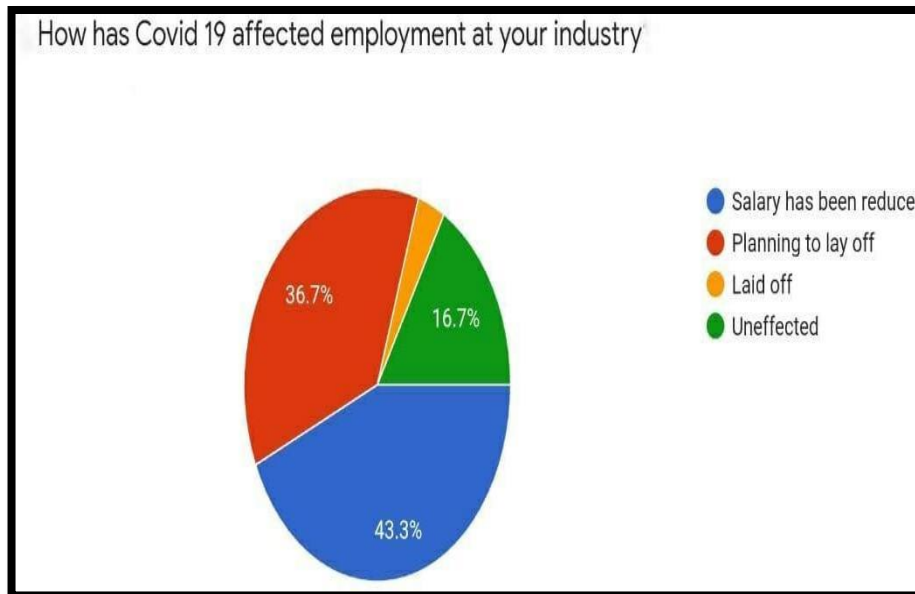


Fig. 8 Impact of COVID on employment in the industry

As a result of the outbreak, several countries and regions have imposed quarantines, travel restrictions, or other restrictions on citizens of or recent visitors to the most affected areas. Other countries and regions have enacted international travel bans that apply to all countries and territories, or have limited their citizens' ability to travel. The restrictions have had a negative economic impact on the travel industries in those regions, as well as a decrease in travel enthusiasm. Long-term effects could include a reduction in corporate travel and international conferencing, as well as an increase in virtual, online alternatives. Travel restrictions have been questioned as to their effectiveness in limiting COVID-19 spread.

Conclusion

The literature review on hotels' challenges to deal with the COVID-19 crisis in 2020 has various applications for hotel managers who work to sustain the industry. The key stakeholders, including staff, customers, and the community, are the focus of some effective strategies employed by hospitality businesses around the world. Among these are increased safety promotion marketing, safety certification, a focus on domestic tourists, more enticing offers, medical assistance, charitable giving, and room/food provision for those in need, particularly displaced medical staff and quarantined individuals. Other factors include increased social distance, greater use of digital technology instead of human contact, and greater use of digital technology.

Because tourism is a significant component of many national economies, the acute and severe shock to the tourism industry caused by the corona virus pandemic has an impact on the larger economy. As governments around the world make significant efforts to combat

the virus, travel restrictions, business negotiations, and interpersonal connections have all been placed on pause. In addition to launching a new phase in their fight against the virus, many countries are currently working to rebuild their travel and tourism industries. It is challenging to gauge the impact on the tourism industry because this is a dynamic and challenging business.

Recovery is expected to begin later and progress more slowly than previously anticipated. Travel restrictions and containment measures are likely in place for an extended period of time and are only intended to be gradually lifted because subsequent waves can undo them. Even after the tourism industry's supply chains reopen, new safety regulations force businesses to operate at a reduced capacity. Given the consequences of the economic and health crises, as well as the gradual relaxation of travel restrictions, demand will take time to recover. As the pandemic continues, consumer confidence and travel behaviour will suffer even more. The economies of several countries would be affected.

The best spot for nature enthusiasts is Uttarakhand. The most well-liked attraction will be nature tourism, which will also meet tourist demand by being significant in terms of cleanliness, safety, and attractiveness. According to the study's findings, a sizable population of people in the nation who have been impacted by the corona will have an impact on the number of tourists and travelers. Therefore, health concerns should be taken into account as a factor that influences destination choice once the pandemic is over. The goal of the strategy should be to increase visitor confidence in the safety and sustainability of the travel destination. To be ready for a similar situation in the future, hotel owners should focus more on crisis management, which includes risk assessment and identification, the development of alternative scenarios, and crisis management strategies.

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