



An Impact Analysis Of Covid 19 On Hospitality And Tourism Sector Of India

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ABSTRACT

The hospitality and tourist industry is seen as the backbone of economic prosperity, particularly in emerging nations. This lucrative industry, however, is particularly vulnerable to natural and man-made calamities. The purpose of this study is to examine the impact of the COVID-19 (corona virus disease-2019) pandemic in India's hospitality and tourist sector by addressing critical factors such as existing circumstances and problems, as well as future prospects. The secondary research approach was used for the study. Secondary data was gathered for data collecting via literature, journal papers, government records, and so on. According to the conclusions of the study, COVID-19 has had a substantial impact on the hospitality and tourist sectors in India. Tourists from all around the world have cancelled plans to visit natural, historical, religious, and cultural attractions.

INTRODUCTION

The Indian hotel sector, which includes both branded and chain hotels, spans the length and width of the nation. It serves 1.8 billion local tourists and 9.5 million international visitors each year. Tamil Nadu in the south and Uttar Pradesh in the north provide more than 35% of India's domestic hotel sector. In India, organised hotels account for more than 55% of hotels with three stars or higher. The hotel sector in India (including the unorganised market) was anticipated to be worth \$22 billion in 2019 and expected to increase at an 8.6% annual rate through 2025 (Mobility Foresights, n.d.). However, the COVID-19 pandemic that swept the world in 2020 has had a significant impact on global enterprises and organisations.

This study investigates the impact of the COVID-19 epidemic on the Indian hotel business. According to research, total occupancy rates at India's five-star hotels are expected to fall by 16.7-20.5% in 2019, while Repay is expected to fall by 31-36.2% (Lamba, 2020). The repercussions on the Indian hotel business were obvious when hotel bookings began to decline towards the end of February 2020, despite the fact that there was still a lot of tourist traffic travelling to other nations. Because of the fast expansionAs a result of the COVID-19 outbreak, the Indian government cancelled tourist visas until April 15, 2020. According to a research issued by Hotelier India in 2020.

THE COVID-19 SCENARIO IN INDIA

The hotel industry faced major crises at various points in earlier times. In the time frame of 2000 to 2015, the hotel industry saw several crises such as the terrorist attacks in the USA on 11 September 2001, the SARS outbreak, the MERS outbreak and the global recession of 2008. However, the tourism and hotel industry proved its resilience by getting businesses back to normal (Gössling et al., 2020). The COVID-19 situation is different as such an unprecedented and massive shutdown of the world has not happened recently. The first case of COVID-19 in India was reported in January 2020. The number of infected people rose rapidly as governmental bodies struggled to contain the spread of the virus. In October 2020, there were 8088851 confirmed cases and 121090 deaths (MyGov.in, 2020). Of all the business sectors that have seen massive increases in unemployment, sectors which are hedonic in nature and require the physical presence of people have been the most affected (Donthu & Gustafsson, 2020). Most tourists who had booked hotels in advance had to cancel or reschedule due to cancellation of air travel and the governmental lockdown in India. Since the travel industry was affected, 80 per cent of hotel rooms around the world were empty (Asmelash & Cooper, 2020). The transient demand diminished and what demand remained was because of long-stay guests or the government-prescribed quarantine hotels for returning international travelers (Lamba, 2020). With the World Health Organization (WHO, 2020) advising people to avoid travel and shared spaces, the hotel industry of India was at a standstill. The major business hotspots in India like Bangalore, Jaipur, Delhi, Calcutta and Hyderabad saw drops in the occupancy level as well as the RevPAR (Deccan Chronicle, 2020). The Indian tourism and hospitality industry is predicted to lose at least 70% of its workforce due to redundancies, indicating the extent of the impact of COVID-19 on this sector. Industry experts predict that the hotel industry at large will suffer substantial losses unless there is major governmental intervention (Mazumdar, 2020). The International Air Transport Association (IATA, 2020) estimates that an emergency fund of at least USD 200 billion should be set up to mitigate the loss that has arisen out of the pandemic. This article seeks to understand the first-hand perspectives of employees in five-star, deluxe hotels in India through personal interviews.

OBJECTIVE OF RESEARCH

- (1) To Identify Covid -19 scenario in India.
- (2) To Measure impact of Covid-19 on hospitality and tourism sector of India.

METHODOLOGY

In this study, secondary research data has been implemented for the research.

Data collection has been collected through literature, journal articles, government documents, government press release, newspapers, online portals, temple websites, advertisements, etc. The research findings show that COVID-19 in India has significantly affected the hospitality and tourism sector. Mainly affected sectors of airlines data had published by International Air Transport Association (IATA). However, hotels and other sectors' data was not clearly shown by those sectors. During the pandemic, the author conducted direct interviews with local people, local students, and pilgrims to collect information.

Though there are various approaches to reviewing the literature, the author has followed both mixed methodol

ogies of a qualitative and quantitative approach (Terzidou, Styliadis, & Szivas, 2008). With a mixed-methods approach to research, researchers integrate collecting and analyzing data from the quantitative and qualitative research approaches in a single research study (Carrie, 2018; Johnson & Onwuegbuzie, 2004; Kunwar & Karki, 2020; Mair, Ritchie, & Walters, 2016; Tashakkori & Creswell, 2007). In this study, the pilgrim's experience, discussions with local students, and subsequent interviews with their residents, daily-based workers' relatively age group of 25-50, represent the field's current situation.

IMPACT ON INDIA'S HOSPITALITY AND TOURISM SECTOR

COVID-

19 pandemic has adversely affected the hospitality and tourism sector in India. In the following subsections, the impacts on the airline, hotel, and pilgrimage sectors are elaborated.

IMPACT ON THE AIRLINE SECTOR

The Indian airline service is perhaps the most affected sector by the COVID-19 pandemic. In 2019 the growth of low-cost airlines was expected to promote and increase domestic tourism. India's aviation industry has high fixed costs of nearly 35-40%. These costs include leasing, rentals, worker wages, and interest (Arshad Khan, 2020). Low-cost flights under the Ude Desh Ka Aam Naagrik (UDAN) scheme are expected to connect regions within the country and promote domestic tourism (IBEF, 2019). The airport authorities of India also aimed to start operating 250 airports nationwide by 2020. As of 2019, 132 airports were operating in India. In 2018-19, India's domestic and international airline passengers increased by 14.1% and 3.4%, respectively. By 2020, the number of passengers at Indian airports was expected to reach 450 million (IBEF, 2020). The airline service has been highly disrupted during COVID-19. The two-month lockdown was dramatic for vulnerable airlines, plagued by low-profit margins, liquidity crises, fixed costs, and rising debt (Agrawal, 2020). The change in airline demands for some countries is presented. Due to COVID-19, it was expected that the % change in passenger demand would be decreased by about 49% in India (Money Control, 2020). The Indian aviation sector is hitting a net loss of US\$9-12 million per day during lockdown (Arshad Khan, 2020).

The airline employees have also been affected by the COVID-19 pandemic. Air India has withdrawn job offers for around 180 trainee cabin crew members amid the economic slowdown (PTI, 2020).

Indigo, India's largest airline, has suspended its service for several months due to lockdown. It has announced that it will cut 10% of its staff to tackle sluggish earnings. 10% will result in about 2400 jobs for the airline, which employ about 24000 people. The other smaller airlines have suffered from similar problems and are about to implement similar measures to avoid bankruptcy. Also, analyzing the situation in other countries, airlines in India emphasize their risk of going bankrupt. By 2020, it could drop to half of the airline's revenues, having the biggest negative impact on the aviation sector and endangering airline jobs.

Table 1 shows the losses estimated by the IATA by region. Indian airlines expect COVID-

2019 pandemic revenue to decline to US\$ 11,610 million in 2020. It also expects a US\$ 30,60,000 million losses to aviation and subordinate sectors (Money control, 2020). Passenger demand in India also decreased by 49% in 2020 compared to 2019.

According to the IATA Vice President for the Asia Pacific, Conrad Clifford said, "2020 is the worst year in aviation history, airlines are in survival mode. Also, the impact of this COVID-19 is expected to be the largest loss for airlines in the Asia Pacific region, with annual losses of nearly US\$ 29 billion, more than one-third

of the US\$ 84.3 billion of the aviation sector worldwide. And passenger demand in the region is expected to decline by 53.8%" (Business Standard, 2020a; India Infra Hub, 2020; Money control, 2020).

CURRENT STATUS AND IMPACT OF COVID-19 ON THE LOCAL COMMUNITY IN INDIA

India has a total of 38 protected World Heritage Sites. More than 170,000 daily-based workers are working on such World Heritage Sites only as daily-based salary. For example, many tour guides, porters, and photographers in those areas. (FICCI, 2020a, 2020b; ILO, 2020b). Due to COVID-19, the daily-based workers have lost their jobs and are trying to move to other jobs, but there is no other employment opportunity. COVID-

19 is harming their family's life as well. In most urban areas, the employer's employment is directly related to their family. The loss of that employment means the employer is to return to the village or hometown (Walter, 2020). However, it is hard to find the exact numbers of workers who have returned to their original home by the COVID-19 as data are not published yet. Lockdown and post lockdown have a major impact on daily-based workers' health, mainly in psychological health. Besides, the closure of schools and kindergarten has a major impact on children's and students' studies.

Domestic tourism, which mainly supports India's hospitality and tourism sector, is also restricted by the lockdown. Most of the reservations for summer vacation have been canceled in tourist destinations such as Kerala, Rajasthan, Goa, etc. Subsequently, it claims a negative effect on local communities' employment.

SUPPORT AND STATISTICS FROM THE MINISTRY OF TOURISM OF INDIA

Ministry of Tourism has many challenging projects from past years to promote the tourism and hospitality industry. For instance, it has operated tourism schemes like PRASHAD and Swadesh Darshan. Ministry of Tourism has also released the budget to multiple states and union territories for fairs, festivals, and other tourism-related events. The government of India allows 100% of FDI in the Indian tourism sector. By June 2019, the Indian tourism sector had raised a total of US\$ 13 billion in capital investment. It is expected to be valued at US\$ 460 billion by 2028. However, the COVID-19 pandemic has directly affected the progress of those projects. It will not be a surprise if they need to redefine their strategies and timelines for the post-pandemic period.

Indian Ministry of Tourism is implementing various measures during COVID-19 to support the Indian tourism sector. According to a press release of the Ministry of Tourism, (2020b) on October 16, 2020, "focusing on the promotion of domestic tourism, implementation of the Incredible India Tourist Facilitator (IITF) Certification Programme, improved the connectivity to other states, loans support, an extension of property tax

ilingdeadline,exemption of electricity and water bills during periods when the property was not functioning, opening the tourism services and destination in a phased manner, etc.”

CONCLUSION

In this study, the author presented the impact of COVID-19 on the Indian hospitality and tourism sector and its current situation. It was confirmed that this pandemic has significantly affected the Indian tourism sector, especially the aviation sector, the hotel sector, pilgrim and tourism, and daily-based workers in the local community. Moreover, due to lockdown and travel restriction measures, the tourism sector's employers as well as an employee, are in jeopardy. Furthermore, this unprecedented situation is prevailing not only in India but also around the world.

In India, revenues in the aviation sector have temporarily stopped and now resumed. Although we confirmed the airline sectors' loss estimates, the author could not obtain detailed loss estimates for the hotel sector. However, it can also be said that it will be difficult to revive the hospitality sector for a while. The Indian government, the tourism sector stakeholders also have challenges toward the economic revival after the pandemic. It is thought that a plan that can adequately respond to those issues will be necessary. Finally, the author's proposal, along with the FICCI report to India's Government, could be critical for reviving the hospitality and tourism industry. This strategy could be equally applicable to countries with shared economies and social values.

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