

Responding to the Pandemic: A Case of the Indian Hotel Industry

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EXECUTIVE SUMMARY

The chapter presents a case study on how Indian hotel industry was affected by COVID-19. Three hotels—Lemon Tree, Oyo Rooms, and Taj Hotels—were selected to elaborate. The study found that the hotel industry developed various policies to keep running their hotels during the pandemic. Lemon Tree joined various hospitals to provide rooms to COVID patients, provided free food and face masks to individuals. Oyo Rooms gave employee stock ownership plans of Rs 130 crore to its COVID-hit employees. Taj Hotels did not cut down the salaries of their employees and reduced its seating capacity by 50%. The study concluded that as the hospitality sector battled hard to continue during the pandemic, modernization would become an imperative tool in the post-COVID period to beat obstructions and spotlight advancement. So, the companies should minimize fixed costs and maximize variable costs. They should preferably have liquid cash available that could enable them to mitigate the risk.

INTRODUCTION

The world has witnessed unprecedented challenges during and after the Covid-19 pandemic. The economies across the globe were shut down almost overnight (UNWTO, 2020). The authorities were completely shaken and went clueless as how to manage businesses during this worldwide spread contingency (Kumar & Gupta, 2021). There has been multi-sectoral impact of COVID-19 and it has had several adverse consequences which have been unique in themselves. Small and entrepreneurial ventures including owned and run by women responded to the pandemic challenges by adopting innovative approaches to survive (Kovid et al., 2021). Populations have experienced crises of resources, aggravated susceptible circumstances and paucity of basic survival elements which forced the health, infrastructure and other public service authorities to stretch themselves beyond capacities (Mullafiroze and Cha 2020). The tourism industry's contact-intensive nature makes it vulnerable to the spread of infectious diseases (Sobaih et al., 2021). Such diseases are increasing rapidly due to population, tourist and transportation increase (Kumar & Malhotra, 2021). Furthermore, open-air activities, nature, rural tourism and road trips are preferred by the tourists. The main worries of travellers are health and safety precautions, as well as cancellation rules, with last-minute bookings on the rise as a result of the volatile and unpredictable epidemic. COVID-19 has influenced lodging preferences, according to Pappas and Glyptou (2021), with tourists preferring to rent a house rather than reserve a hotel room. Zhang et al. (2021) make a similar point. The current literature is a discussion on the impact of COVID-19 on the very dynamic and ever demanded hospitality sector. There has been a direct impact on the working of this sector. Moreover, a lot of expectations were connected to the hospitality sector related to making incremental changes in the way they have been running their operations to adapt to the dynamics brought in the COVID-19 business environment. They were expected to look deeper into the safety protocols concerns, employees' safety, and customers' health and to make efforts to enhance the agreeableness of the customers to support their business (Gössling et al., 2020).

At the macro level, the economies have tried their best to establish approaches to curb the ill consequences brought in by COVID-19. Strict guidelines like community lockdowns, social distancing, orders to stay-at-home, restrictions on travel and mobility and many more have had ghastly impact on the existence of many hospitality businesses (Bhardwaj & Kumar, 2022). The demand for such businesses has fallen to an extent to which it became almost impossible for such ventures to even operate (Bartik et al., 2020). Amidst restrictions placed on travel, stays and dine-in functions, all the hotels and restaurants were struggling to survive and sustain. The novel coronavirus pandemic has brought significant disturbances

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