

# Strategies to overcome the damages caused by covid-19 in the hotel industry

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## Abstract

The year 2019 saw the emergence of the covid-19 pandemic that has led to low customer demand, reduced revenue, job losses and business closures in the hotel industry. Studies indicate that the hospitality industry is not committed to crisis management and hotels are reactive to crises. This paper consequently facilitates proactive planning by exploring strategies that hotels can adopt to overcome the damages caused by covid-19. The recommended strategies include cost reduction, revenue management, insurance, internal marketing, product development and market re-strategizing. The paper concludes that the covid-19 crisis has created challenges and opportunities for the hotel industry.

**Keywords:** Covid-19, damages, strategies, hotels

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## 1. Introduction

A crisis is a “low probability, high impact event that threatens the viability of the hotel and is characterized by ambiguity of cause, effects and means of resolution, as well as by a belief that decisions must be made swiftly” (Karam, 2018). The hospitality and tourism industries have been exposed to crises that are “natural like earthquakes and floods, environmental like oil leakages, geopolitical like terrorism attacks, political disturbances or wars, social crimes or road accidents and epidemic diseases” (Jawabreh, 2019). Sawalha, Jraisat and Al-Qudah (2013) found that social unrest, terrorism, political instability and financial problems were the major crises that hotels in Jordan were exposed to. The Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation-COMCEC (2017) on the other hand highlighted fraud, floods, terrorism, political unrest, crime, fire and climate change as crises facing the tourism industry.

The year 2019 witnessed the beginning of a global crisis and health pandemic, the covid-19. The covid-19 or coronavirus disease first emerged in Wuhan China on 31<sup>st</sup> December 2019 but spread across the world (World Health Organization WHO 2020; 2021). The contagious disease has infected and/or killed many people (Worldometers, 2020; 2021). The covid-19 was declared a public health emergency of international concern on 30<sup>th</sup> January 2020 and global pandemic on 11<sup>th</sup> March 2020 (WHO 2020).

Crises can have negative and positive effects on industries and societies (Karunathilake, 2020). The hotel, hospitality and tourism industries have suffered damages resulting from the covid-19 pandemic. Decline in visitor arrivals with consequent staff layoffs, reduction in business turnover and profits, falling government tax revenues, reluctance to invest by overseas and domestic entrepreneurs and reduced customer numbers are some of the damages that result from crises in the hospitality and tourism industries (COMCEC, 2017). Alonso-Almeida and

Bremser (2012) and Radwan and Radwan (2017) also noted that hotels cut salaries immediately to cope with crisis. Positive effects of crises on the other hand include innovations such as new technologies (Lau, 2020), emerging markets and shifts in demand for products and services. Albattat, Som, Marzuki and Farooq (2015) even so posit that hospitality firms need to be proactive rather than reactive to crises in order for the industry to develop business resilience. Zech (2016) further observed that the hotel industry is not committed to crisis management. Thus, studies on strategies to overcome the damages caused by crises in the hotel industry especially the covid-19 pandemic are wanting.

## **2 Literature review**

The negative effects of crises on the hospitality and tourism industries have been evident during the covid-19 pandemic (Sigala, 2020). Travel was restricted as most countries banned national, regional and international flights, cruise and travel (Biwota, 2020). National curfews and lockdowns restricting movement were moreover imposed globally (Gursoy and Chi, 2020). These restrictions were aimed at curbing the spread of the disease. Consequently, the United Nations World Tourism Organization-UNWTO predicted that international tourist arrivals could decline by 20% to 30% in 2020 due to the border closures leading to major financial and job loss (UNWTO, 2020).

In Kenya, the Kenya Private Sector Alliance (KEPSA) revealed that the covid-19 crisis affected the country's international and domestic tourism source markets thus reducing tourist arrivals (KEPSA, 2020). Hospitality facilities in the country were also forced to stop operations in March 2020 and food service businesses such as restaurants were encouraged to offer deliveries and takeaways only (Standard Newspaper Kenya 2020). There were moreover restrictions and cancellations of business-related travel such as conferences (KEPSA 2020) and events like festivals, funerals and weddings. Bars and golf courses were eventually closed. These resulted to a drop in the number of hospitality customers. Some hotels therefore had to temporarily or permanently stop operating (Standard Newspaper Kenya, 2020). However, other hotels, both locally and globally, took advantage of emerging business opportunities by turning their establishments into covid-19 quarantine and isolation facilities (Standard Newspaper Kenya, 2020) and hosting covid-19 frontline health workers who needed accommodation (Kaushal and Srivastava, 2021). A few hotels like the Sarova in Nairobi Kenya further developed new products by turning their guest rooms into private offices for hire to customers looking for office space due to work from home and social distancing at the workplace orders (Standard Newspaper Kenya, 2020).

Countries across the world started opening up their economies around July 2020 when the number of Covid-19 infections started declining (Brizek, Frash, McLeod and Patience, 2021). For example, in July 2020, the Kenyan government authorized hospitality facilities like hotels and restaurants to resume operations (Ministry of Tourism and Wildlife Kenya 2020; Ministry of Health Kenya, 2020) by lifting the bans on events and accommodation of guests. Hospitality facilities however had to strictly adhere to Covid-19 Health and Safety protocols and guidelines that were jointly developed by the government and tourism stakeholders (Ministry of Tourism and Wildlife Kenya, 2020). Eventually, restrictions on the operation of bars and the sale of alcoholic beverages in Kenya were lifted in September 2020 (Standard Newspaper Kenya, 2020). The hotel industry started recovering after the rules were relaxed (Standard Newspaper Kenya 2021).

By early December 2020, several countries had developed vaccines to manage covid-19 (WHO, 2020). These vaccines were eventually rolled out across the world. However, it emerged that covid-19 manifested in waves meaning that the number of confirmed cases would surge over different periods of time (Africa Centre for Disease Control and Prevention, 2020). Governments across the world therefore imposed restrictions whenever

they felt that the number of confirmed cases could overwhelm the medical systems. The restrictions included constraining movement and travel, closing business facilities like entertainment spots, bars, restaurants and hotels, announcing curfews and establishing lockdowns again. For instance, the government of Kenya on 26<sup>th</sup> March 2021 announced a partial lockdown of five counties in the country-Nairobi, Nakuru, Machakos, Kiambu and Kajiado- that prohibited movement, the operations of bars and sit in dining, after the number of confirmed cases in the zoned regions increased (President Republic of Kenya, 2021).

### **3. Methodology**

This paper had two objectives. The first objective was to discuss the damages that covid-19 has caused to the hotel industry. Meanwhile, the second objective was to explore the strategies for overcoming the damages that covid-19 has caused to the hotel industry. Hence, the questions that the paper sought to answer were;

- 1) What damages has covid-19 caused to the hotel industry?
- 2) Which strategies can be used to overcome the damages that covid-19 has caused to the hotel industry?

Thus, the paper compiled evidence from secondary data and literature in an attempt to answer the questions. Relevant information on covid-19, damages that covid-19 has caused to the tourism, hospitality and hotel industries and the strategies for overcoming the damages was therefore collected from the media and publications in journals, books, newspapers and the internet. The authors of this paper however further explored covid-19 damages and recovery strategies that were not discussed in the secondary data and literature that was reviewed. These damages and strategies were based on the authors' knowledge and observations during the pandemic.

### **4. Results and discussions**

#### ***4.1 Damages that covid-19 has caused in the hotel industry***

Covid-19 has caused several damages to the global hotel industry. First, the covid-19 has been linked to infections and deaths of people (Worldometers, 2021). The hotel industry has not been spared. The illness has moreover infected and/or killed some guests, customers, employees, suppliers, distributors and other hotel stakeholders. As a result of the risks, some hotel employees fear reporting to work (Stergiou and Fermaki, 2021).

The covid-19 pandemic has exposed hotels to reputation risks and damages. Reputation risk which is defined as "the threat of economic damage from angry, frightened and/or disappointed stakeholders" is common during crises (Kossofsky, 2018). Reputation damage during the covid-19 pandemic can occur when a hotel does not adhere to health and safety protocols and is linked with covid-19 infections of employees in the line of duty and guests during stay. Reputation damage can also occur when a hotel fails to meet its financial obligations. For instance, Dayour, Adongo, Amuquandoh and Adam (2020) found that hospitality and tourism businesses in Ghana had defaulted in the payment of pension contributions and taxes during the covid-19 pandemic. Reputation damage can moreover lead to loss of revenue, customers, guests, employees, lenders, shareholders, suppliers and other hotel stakeholders.

Covid-19 has interfered with service delivery in hotels. For example, wearing of face masks hides the service provider's smile meant to accompany service. The smile is a hotelier's greatest asset (Andrews, 2010) and is known to win guests. Abolishment of buffets in the hotels has on the other hand caused dissatisfaction among

most customers who appreciate variety and self-service. In addition, covid-19 curfews have affected the businesses of hotels, bars and restaurants by reducing the operating hours. Covid-19 lockdowns have also paralyzed service delivery.

The covid-19 pandemic has led to loss of business among hotels. Customer demand has dropped due to the poor economy and recession that has reduced disposable incomes among the travelling public, loss of consumer confidence, general fear of travel (Gursoy and Chi, 2020) and travel restrictions to countries greatly affected by the pandemic. Nan (2020) and Soehardi and Untari (2020) found that covid-19 reduced hotel occupancy as visitor numbers declined. Biwota (2020) further established that hotels in Ethiopia were receiving fewer hotel room bookings and more room booking cancellations due to covid-19. A similar scenario of low hotel room bookings and high cancellations of room reservations was also witnessed in Kenya especially in major tourist destinations like Mombasa and Maasai Mara during the Easter period of March to April 2021 when partial lockdowns were imposed on several counties in the country. Most guests who had booked hotel rooms in Mombasa and Maasai Mara and were traveling from Nairobi, Nakuru, Thika, Machakos and Kajiado had to cancel their reservations due to the partial lockdowns within these regions. The Kenya Television Network-KTN (2021) in a feature titled “Tourism dip in Kwale” later reported that the restrictions in the zoned areas led to lack of travelers, suspension of services by local airlines, empty hotels in most Coastal regions and thousands of job losses with no bailout for the hotels in place. Affected hotel investors however encouraged customers to postpone their stays instead of cancelling the reservations.

Covid-19 has led to loss of traditional hotel markets such as the older segments, group tours, events and sports tourists. Covid-19 has moreover affected the older population the most (Centre for disease control and prevention, 2021) meaning that travel from this market segment has gone down. Smart, Ma, Qu and Ding (2021) further observed that covid-19 had led to total loss of the tour group market indicating that group tours had reduced. Covid-19 as well affected events including sports that normally involve large numbers of people coming together.

Covid-19 has led to high unemployment rates in the hotel industry. Some hotel employees have lost their jobs, been made redundant, been retired early, been forced to take unpaid leave and/or been made to look for alternative sources of income. Soehardi and Untari (2020) also found that covid-19 reduced hotel revenue and tax income thus leading to job loss among employees. Ocheni, Agba, Agba and Eteng (2020) similarly observed that the hospitality industry had experienced major unemployment and job losses and that some facilities had to shut down operations. Thus, the negative financial effects on hospitality facilities are global. For example, in Kenya, the operation of bars and sale of alcohol in restaurants and eateries in Nairobi, Nakuru, Kajiado, Machakos and Kiambu counties were suspended on 26<sup>th</sup> March 2021 when the five counties were placed on partial lockdown (President Republic of Kenya, 2021). Hospitality facilities like restaurants and hotels in the lockdown areas were again directed to only make deliveries and offer takeaway services to their customers (President Republic of Kenya, 2021). This means that the employees in these facilities had to stop working thus resulting in unemployment.

Covid-19 has interfered with the operations of hotels by creating disconnect from the standard operating procedures. The disconnect arises because the slow re-opening calls for reduced number of staff who perform duties meant for other staff. This means that the hotels have to cross-train their employees and make them multi-skilled and flexible enough to work in different areas of the hotels (Kaushal and Srivastava, 2021).

The covid-19 pandemic has increased the operating costs of hotels. Hotels in Kenya have to acquire special business licenses, screen employees and guests, insure employees, train employees, test employees, renovate facilities to comply with covid-19 health and safety protocols, reduce capacity, increase demand, maintain social

distance, manage reduced operating hours and buy new equipment such as partitions, screening machines, hand washing machines, sanitizers and thermo guns meant to curb the spread of disease (Ministry of Tourism and Wildlife Kenya, 2020). For example, the social distancing in the hotels reduces the capacities of restaurants, lounges and conference halls.

Covid-19 has distressed stakeholders (customers, employees, suppliers, local communities and owners) especially through the business closures. Hotels have experienced loss of customers' goodwill since customers have become uncertain of the sustainability and abilities of the hotels to satisfactorily meet their needs. Employees have been laid off, forced on unpaid leaves and had benefits and incentives withdrawn (Agarwal, 2021). Suppliers have lacked markets for their produce and had to cope with delayed payments. Local communities have missed the opportunities to visit hotels. Hotel owners have also experienced business and financial losses.

Business closures due to covid-19 have contributed to physical damages to hotel properties. Hotels have witnessed the deterioration of buildings, hotel vehicles and fixtures due to closure, attraction of mould on linen (bed sheets, bed covers, curtains, sheets) due to lack of airing of guests' rooms during the closure period, growth of algae in the swimming pool due to stagnant water and destruction of the hotels' ambience and comfort. These damages have increased maintenance costs and led to financial and property losses.

Because of the low business volumes in hotels, some establishments have defaulted on loans that they had taken to sustain operations. According to KEPSA (2020), as a result of the drop in the number of customers in hospitality facilities in 2020, there was "business uncertainty, several hospitality facilities were unable to repay loans due to reduced business and expenses had to be incurred due to precautionary response plans thus affecting business activities and resulting to financial loss".

Covid-19 has been linked to financial losses among hotels. For example, Soehardi and Untari (2020) found that hotel revenue had reduced due to covid-19. Hotels have also been forced to revise down the prices of their products and services in a bid to attract customers thus further reducing profit margins. For instance, most hotels have had to slash down guest room rates.

Lastly, Covid-19 has led to business closures among hotels. Nan (2020) observed that due to covid-19, hospitality facilities including hotels in China had to shut down operations. A similar scenario was observed in Kenya where some hotel chains suspended operations by temporarily closing some of their lodges and hotels (Standard Newspaper Kenya, 2020). Other hotels permanently closed their businesses. Thus, the business closures due to covid-19 could be temporary or permanent (Smart et al., 2021).

#### ***4.2 Strategies to overcome the damages caused by covid-19 in the hotel industry***

Several researchers have investigated the strategies for managing covid-19 in the hotel, hospitality and tourism industries. Rodríguez-Antón and Alonso-Almeida (2020) reported the initiatives taken against covid-19 by leading hotel chains in Spain. The two authors moreover found that the hotel chains had initiated programmes that emphasized on "employee and guest health, safety and security, sanitation, reduced contacts, social distancing, innovative experiences, customer focused branding, employee training, communication, scanning and supervision".

Other researchers like Biwota (2020) have gone further and proposed strategies for managing the negative impact of covid-19. Biwota (2020) specifically recommended that tourism and hospitality stakeholders ensure flexible

booking and rates for guests during the pandemic. The hotels should therefore embrace revenue management by adopting pricing strategies such as value based, business expenditure and total expenditure that respond to the customers' needs and allow the guests to reduce costs. Guests should also be allowed to change reservation dates and stay periods. This will help manage cancellations which would otherwise mean total loss of business. Consequently, the hotels should embrace yield management by adjusting the rates as the demand changes thus allowing for flexible rates that maximize profits and reduce losses.

The hotels should strive to reduce costs. The hotels should seek discounts from suppliers, distributors such as travel agents and tour operators and marketers such as promoters and sales people. The hotels should also reduce energy costs by regulating energy consumption in areas that are not operating during the pandemic. The hotels should further insure their businesses thus minimizing operational and financial losses resulting from the covid-19 pandemic. Insurances should range from personal to business, medical, employee and group. The hotels should also create additional meeting and eating places within the compound in order to reduce costs that are linked to reduced capacities.

Rodríguez-Antón and Alonso-Almeida (2020) recommend that the hospitality industry builds tourist trust, reinforces brands and adapts operations to the "new normal". The hotels should therefore develop new markets and products that will attract customers to their facilities. For example, concern for healthy eating, health and fitness with an aim of boosting immunities during the covid-19 pandemic has grown. The hotels can therefore embrace wellness tourism and develop green restaurants, health restaurants and fitness centers for new and existing customers.

The hotels should try to win their customers' trust in their products and services. For instance, emphasizing on room service and private dining spaces will facilitate physical and social distancing in restaurants and bars. In addition, using disposables in food and beverage service and housekeeping will convince customers that the hotels observe the highest standards of hygiene and cleanliness. Hence, the customers should be given the options of using disposables. Disposables that the hotels should invest in include plates, cups, spoons, beddings, towels and napkins. Customers should nonetheless be informed of the hotels' efforts towards ensuring their safety. The resultant costs should then be factored in the prices of the services.

The hotels should work hard to ensure efficient service delivery to customers so that the guest experience is not totally lost due to covid-19. For example, the hotels should re-train employees on how to fully express good service without necessarily showing a smile in order to overcome the setback of a mask hiding the service provider's smile. In addition, creation of barriers at the buffet to allow customers to pass through and view the gastronomical arrangement of foods before they are served by the chefs can help rebuild the meal experience that is desired by most customers.

The hotels should re-strategize existing markets. The traditional international leisure customers in hotels are older adults especially baby boomers who are retired and considered well off. However, covid-19 has affected the elderly the most (Centre for disease control and prevention, 2021) thus reducing international and domestic travel from this market segment. In Kenya and globally, a new generation of young travelers who have embraced domestic, regional and international travel has emerged. The hotels should therefore target domestic, regional and international markets of young travelers especially the millennials who are believed to be more resilient to covid-19. This may mean adjusting the prices to suit the pockets of the younger markets and developing products that would attract this market. For example, Sofronov (2018) observed that millennials seek experiences when travelling. Hence, the hotels should embrace a total experiential approach by focusing on products, services, hospitality, ambience, destination, prices and promotion rather than just concentrating on products and services

alone. In addition, millennials are techno-savvy meaning that they appreciate technology hence the need for the hotels to invest in the latest technologies.

The hotels should target the business market. Business travel is a market segment that is not affected by seasonality. The hotels should therefore focus on international, regional, domestic and local business guests since most airspaces were opened up and cross-border and national travel resumed sometime into the covid-19 pandemic.

The hotels should focus on corporate events like conferences from public and private organizations to sustain operations. Governmental and non-governmental organizations are known to host conferences and meetings for their employees, customers, shareholders, suppliers and other stakeholders. The corporate events will moreover provide markets that will use conference facilities, guest rooms, food, beverages and other hotel products.

The hotels should embrace new promotion and distribution strategies like mail, email, video, social media, internet and digital marketing in order to create a presence in their markets. These strategies do not call for personal interactions, social and physical distancing. For example, the Kenyan government encouraged home deliveries and takeaways from restaurants and hotels during the lockdowns in 2020 and 2021 (Standard Newspaper Kenya, 2020; President Republic of Kenya, 2021) thus preventing total closure of these facilities. Likewise, virtual experiences can prove popular among hotel guests who cannot travel to view and enjoy the hotel products. Events, food, beverages and entertainment are some of the experiences that can be offered virtually for the guests thus reminding them of the hotels' existence.

The hotels should include crises management approaches like proactive planning, business continuity planning and crisis communication in their strategic plans. In proactive planning, the firm plans for crises by analyzing crises risks and developing emergency plans should they arise thus avoiding being reactive (Vašíčková, 2019). In business continuity planning and management, the firm ensures that it does not stop operating when crises arise by laying down plans and strategies for sustaining operations (Alharthi, Khalifa, Abuelhassan, Nusari and Isaac, 2019). Crisis communication on the other hand ensures that the firm's stakeholders are kept informed of unfolding events during crises (Zech, 2016). First, proactive planning will ensure that the hotels strategize on how to manage damages so that the impact and effects of the pandemic are minimal. Second, business continuity planning will ensure that the hotels plan for continuity of operations. Lastly, crisis communication will guarantee open communication with stakeholders on the status of operations during the pandemic hence building stakeholder trust.

The hotels should practice internal marketing by showing concern for their employees. They should plan for staff deployment and maintain morale during the pandemic. The hotels should also operate rotational shifts to ensure employee survival during layoffs. The hotels can further use the downtime during business closure to train their employees. Remote working from home, annual leaves and unpaid leaves should be options for employees during the pandemic. The employees should then be recalled when the hotels resume operations. Furthermore, the hotels should practice employee corporate social responsibility by assisting laid off employees get additional skills and alternative sources of income. They should also re-train staff allocated new responsibilities in order to minimize the effects of disconnect with standard operating procedures that arise when operations are disrupted.

Ocheni et al. (2020) proposed policy options such as the "recapitalizing of tourism stakeholders, safety policies for group tours, adopting advanced telecommunication technology for employees and guests, meals and service delivery for the hospitality industry and financial aids by the government" during the covid-19 pandemic. In light of these, the hotels should establish niches as smart hotels. Technology has proven critical in delivering products

and services to hotel guests during the covid-19 pandemic. Robotics, smart devices and artificial technology such as robotic waiters, remote and mobile check-ins and check-outs have helped manage challenges associated with social and physical distancing and enhance guest and employee health and safety during the pandemic. The hotels should therefore adopt these technologies for enhanced customer experiences and sustained operations. Other relevant technologies that they should embrace include “mobility tracing apps, robotized-AI touchless service delivery, digital health passports and identity controls, social distancing and crowding control technologies, big data for fast and real time decision-making, humanoid robots delivering materials, disinfecting and sterilizing public spaces, detecting or measuring body temperature, providing safety or security” (Sigala, 2020).

Biwota (2020) recommended that tourism and hospitality stakeholders ensure the safety and security of employees and guests. Thus, the hotels should encourage employee and guest vaccinations. Employees, guests and other stakeholders should also be provided with personal protective equipment (PPEs) like masks while in the hotels. These measures should be adopted while strictly adhering to the covid-19 health and safety protocols and guidelines outlined by the governments.

With regard to the destruction of properties due to business closure, the hotels should apply for funds like the Tourism Stimulus Funds in Kenya to caution the maintenance costs, frequently open the rooms for airing and dusting, frequently run the swimming pool machines for recycling of the water, conduct pool treatment and retain a few staff to maintain the images of the hotels through cleanliness and creating order during downtimes.

The hotels should establish other methods of generating revenue so as to manage the distress caused to stakeholders due to closures linked to covid-19. For instance, the hotels should offer affordable packages for local communities to use facilities like gym membership forums.

Lastly, the hotels should work closely with stakeholders especially the governments during the pandemic. Governments across the world are expected to provide financial assistance in order to bail out hospitality facilities affected by covid-19. The hotels should use the funds to resume operations, improve existing products and markets, develop new products and markets, settle debts, run promotions, adapt technologies and ensure guest and employee safety and security.

Table 1 summarizes the strategies to overcome the damages caused by covid-19 in the hotel industry.

**Table 1: Strategies to overcome the damages caused by covid-19 in the hotel industry**

	<b>DAMAGES</b>	<b>NATURE OF DAMAGES</b>	<b>STRATEGIES TO OVERCOME THE DAMAGES</b>
1	Infections and deaths	<ul style="list-style-type: none"> <li>▪ Infections and/or deaths of some employees, guests, customers, owners and other hotel stakeholders</li> <li>▪ Fear of reporting to work among employees</li> </ul>	<ul style="list-style-type: none"> <li>▪ Encouraging covid-19 vaccinations</li> <li>▪ Strictly adhering to covid-19 health and safety protocols</li> <li>▪ Getting personal protective equipment for employees, guests and other stakeholders</li> </ul>
2	Reputation risk and damage	<ul style="list-style-type: none"> <li>▪ Infection of employees in line of duty and guests during stay</li> <li>▪ Default on tax</li> <li>▪ Default on pension</li> <li>▪ Failure to meet other financial and non-financial obligations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Building stakeholder trust</li> <li>▪ Encouraging covid-19 vaccinations</li> <li>▪ Getting insurances - personal, business, employee, medical, group</li> <li>▪ Applying for relief funds</li> <li>▪ Seeking government assistance</li> </ul>



3	Wearing of masks	<ul style="list-style-type: none"> <li>▪ Wearing of masks hides the service provider’s smile meant to accompany service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-training on how to fully express good service without necessarily showing a smile</li> </ul>
4	Abolishment of buffets	<ul style="list-style-type: none"> <li>▪ Abolishment of buffets has led to dissatisfaction among customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creation of a barrier at the buffet to allow customers to pass through and view the gastronomical arrangement of foods before they are served by the chefs</li> </ul>
5	Loss of business	<ul style="list-style-type: none"> <li>▪ Effects of economic recession</li> <li>▪ Impact of economic downtimes</li> <li>▪ Reduced business operating hours due to curfews</li> <li>▪ Total loss of business due to lockdowns</li> <li>▪ Effects of travel restrictions to greatly affected countries</li> <li>▪ Lack of consumer confidence</li> <li>▪ Loss of the customers’ goodwill</li> <li>▪ Low demand for products and services</li> <li>▪ Low disposable income among customers</li> <li>▪ Cancellation of bookings and reservations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aggressive marketing</li> <li>▪ Offering flexible rates</li> <li>▪ Allowing flexible bookings</li> <li>▪ Allowing cancellations of reservations</li> <li>▪ Embracing revenue management</li> <li>▪ Embracing yield management</li> <li>▪ Appropriate pricing strategies - value based, business expenditure and total expenditure</li> <li>▪ Use of disposables in food and beverage service and housekeeping</li> <li>▪ Emphasizing on room service</li> <li>▪ Offering private dining</li> </ul>
6	Loss of traditional markets	<ul style="list-style-type: none"> <li>▪ Cancellation of events</li> <li>▪ Reduction in group tours</li> <li>▪ Loss of older market segment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-strategizing markets</li> <li>▪ Focusing on corporate events</li> <li>▪ Developing new products - wellness, fitness, health</li> <li>▪ Developing new markets - millennials, business market, corporates, domestic tourists, local travellers</li> <li>▪ Revising promotion strategies and distribution channels - mail, email, video, social media, internet, digital and virtual</li> </ul>
7	Higher operating costs	<ul style="list-style-type: none"> <li>▪ Need for special licenses</li> <li>▪ Need for special permits</li> <li>▪ Reduced capacity</li> <li>▪ Increasing competition</li> <li>▪ Need to increase demand</li> <li>▪ Need for aggressive marketing</li> <li>▪ Need for new equipment</li> <li>▪ Reduced operating hours</li> <li>▪ Need to invest in technology</li> <li>▪ Conduction of employee testing</li> <li>▪ Screening of guests and employees</li> <li>▪ Need for physical and social distancing</li> <li>▪ High energy consumption during downtime</li> </ul>	<ul style="list-style-type: none"> <li>▪ Seeking discounts from suppliers, distributors and marketers</li> <li>▪ Getting insurances - personal, business, employee, medical, group</li> <li>▪ Reducing energy costs during downtime</li> </ul>
8	Social distancing	<ul style="list-style-type: none"> <li>▪ Reduced capacity of restaurants, lounges and conference halls</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creation of additional meeting and eating places within the compound</li> </ul>
9	Loss of jobs and benefits to employees	<ul style="list-style-type: none"> <li>▪ Staff layoffs</li> <li>▪ Redundancies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operating rotational shifts to the employees to ensure their survival</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Early retirements</li> <li>▪ Loss of benefits and incentives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Embracing internal marketing</li> <li>▪ Practicing employee corporate social responsibility</li> </ul>
10	Disconnect from standard operating procedures	<ul style="list-style-type: none"> <li>▪ Slow re-opening calling for reduced number of staff who perform duties meant for other staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-training of the staff who have been allocated new responsibilities</li> </ul>
11	Loss of customers' goodwill	<ul style="list-style-type: none"> <li>▪ Loss of customers' goodwill through closure of hotels</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reinforcing brands</li> <li>▪ Vibrant marketing upon re-opening</li> </ul>
12	Distress on the stakeholders	<ul style="list-style-type: none"> <li>▪ Distress on customers, employees, suppliers, local communities and owners</li> <li>▪ Loss of customers' goodwill</li> <li>▪ Job losses and withdrawn benefits and incentives among employees</li> <li>▪ Lack of markets for suppliers and delayed payment for deliveries</li> <li>▪ Missed opportunities for local communities to visit hotels</li> <li>▪ Business and financial losses for hotel owners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Embracing crisis communication - open communication with stakeholders</li> </ul>
13	Deterioration of assets	<ul style="list-style-type: none"> <li>▪ Deterioration of buildings, hotel vehicles and fixtures due to closure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Application for government relief funds and tourism stimulus fund to caution the maintenance costs</li> </ul>
14	Attraction of mould on linen	<ul style="list-style-type: none"> <li>▪ Attraction of mould on bed sheets, bed covers and curtains due to lack of airing in the guests' rooms during the closure period</li> </ul>	<ul style="list-style-type: none"> <li>▪ Frequently opening the rooms for airing and dusting</li> </ul>
15	Growth of algae in swimming pools	<ul style="list-style-type: none"> <li>▪ Growth of algae in the swimming pool due to stagnant water</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conducting pool treatment</li> <li>▪ Frequently running the swimming pool machines for recycling of the water</li> </ul>
16	Destruction of the hotels	<ul style="list-style-type: none"> <li>▪ Destruction of hotels ambience and comfort</li> </ul>	<ul style="list-style-type: none"> <li>▪ Retaining a few staff to maintain the image of the hotels through cleanliness and creating order</li> </ul>
17	Default on loans	<ul style="list-style-type: none"> <li>▪ Failure to re-pay loans</li> <li>▪ Delays in re-paying loans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-negotiating loan repayment terms</li> <li>▪ Seeking government financial assistance</li> </ul>
18	Financial loss	<ul style="list-style-type: none"> <li>▪ Reduced service charge</li> <li>▪ Reduced revenue</li> <li>▪ Lower profit margins</li> <li>▪ Business losses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing other methods of generating revenue for the hotel such as creating affordable packages for local communities to use the hotel's facilities like gym membership forums</li> <li>▪ Getting insurances - business, group</li> <li>▪ Applying for relief funds</li> <li>▪ Seeking government assistance</li> </ul>
19	Business closure	<ul style="list-style-type: none"> <li>▪ Temporary business closure</li> <li>▪ Permanent business closure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopting crises management approaches - proactive planning, business continuity planning and crisis communication</li> <li>▪ Applying for relief funds</li> <li>▪ Seeking government assistance</li> </ul>

## 5. Implementations

This paper provides comprehensive information on the damages that covid-19 has cause to the hotel industry and further proposes strategies for managing the damages. The recommended strategies can be adopted by hospitality facilities and hotels that would like to minimize the negative impact of the covid-19 pandemic on their businesses.

## 6. Limitations

Despite the immense contribution that this paper has made to crises management in the hotel industry, the paper is limited in its lack of empirical evidence to support the findings. Future studies should nonetheless conduct empirical studies that will involve collecting primary data from hotel stakeholders including managers, employees, customers and guests. This will moreover augment the findings and contribute to knowledge.

## 7. Conclusions

Covid-19 has created challenges and opportunities for the hotel industry. Losing one market segment provides the opportunity to develop and embrace a new one. Emerging markets also pave way for the establishment of new pricing strategies for new and existing markets. Similarly, losing a group of employees through layoffs and forced retirements provides the opportunity to employ a new group of more competent employees. Some of the damages caused by covid-19 such as permanent business closure may therefore be irreversible. However, other damages like reduced customer demand and employee layoffs are reversible. The hotel industry nonetheless stands a risk of losing its meaning in terms of inseparability where the service provider is packaged together with the service. Hence, with Covid-19 still in existence, more strategies need to be invented to stop further damage.

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