COVID-19 impact on tourism and hospitality industry: Trends, opportunities, and challenges.

Raouf Ahmad Rather*

Independent Scientific Researcher, Jammu and Kashmir, India

Introduction

The COVID-19 pandemic significantly impacts the global tourism, hospitality, economy, socio-cultural, and political systems [1]. Encircled by the growing industry debates and research about COVID-19-based tourism and hospitality, various calls suggest adopting the pandemic as a transformative opportunity [2]. As tourism and hospitality brands or firms (e.g., destinations, sites, attractions, hotels, restaurants, theme parks) transform their priorities in respond to older challenges such as real-time decision-making, security risks, and business continuity, new fangled challenges initiated by the pandemic are *testing businesses' resilience* as tourism and hospitality industry tried to put down a foundation for future opportunities [3].

This study discusses some initial thoughts and ideas on how COVID-19 pandemic would impact the tourism/ hospitality-based CSR, consumer behavior, consumer ethics, sustainability, brand image, technology, and marketing philosophy. Regarding CSR and consumer ethics, this article aims to propose COVID-19 impacts on tourism and hospitality industry and provide key implications, opportunities, challenges, and trends. Further, this article discuss the COVID-19 impact on tourism/marketing philosophy and its potential implications and challenges on core marketing concepts, marketing context, and marketing strategy. This opinion article highlights the long-term and indirect effects including sustainability. The study also critically discusses different COVID-19 key research paths including change in consumer (tourist) behaviour, brand image, and digitalization/ technology. Following the aforesaid discussion, various suggestions for future researches have been provided.

COVID-19 Impact on Tourism and Hospitality Industry

International tourism endures 4 percentage boosts in 2021-22, contrasted to 2020. Although, the global arrivals were still 72 percentage, which is less than pre-pandemic year of 2019 [1]. The key factors and trends to contribute an efficient recovery of international tourism includes economic environment followed by travel restrictions, elevated transport and accommodation costs, ongoing pandemic/uneven vaccination rollout, low customer confidence, lack of coordinated resources among countries, use of digital tools to increase safety mobility, clear information about health protocols [1]. As global tourism rebounds, domestic tourism continues to propel recovery, For

example, domestic travel and tourism close to home, nature-based products or rural tourism, and open-air activities are amongst the foremost travel trends, which would continually shaping the domestic tourism in 2022 as per UNWTO, 2022 [1].

Relatedly, five key trends shaping the future of the hospitality industry [5]. First, mixture of business and leisure travel, extended stay gains momentum, luxury travel makes a comeback, hotel conversion continues to grow (e.g., Radisson Hotel Group has launched a new brand to diversify and widen their offering), rise of sustainable travel. Further, the other 10 trends that are shaping the hospitality industry [6] includes, bleisure travelers & hotel work spaces, digitalized customer experiences, holistic hospitality, health & wellbeing, experience economy & essentialism, virtual & augmented reality, personalization, sustainability, solo travel, traveling less (& Staycations), and asset management strategy (Figure 1).

COVID-19: Trends, Opportunities and Challenges

Corporate social responsibility (CSR)

The COVID-19 pandemic creates challenges to tourism and hospitality industry relating to CSR and ethical conducts [7]. Customers can feel proud with its tourism brands (e.g., hotels, tourism sites, destinations) donating money and supporting their workforce in the times of crisis. The connection created among the customer and brand during the global pandemic crisis could be mostly long-term and meaningful relative to *peaceful* era. It becomes more significant to know what drives certain brands to be more socially responsible and ethical, specifically when survival is in threat and resources are limited. What are the governance and institutional aspects? Alternatively, post-COVID-19 a renewed and prominent issue concerning CSR can be the CSR business case, specifically in medium and long period. Will companies invest maximum in CSR, and/or will brands succumb to short-range business threats? What are the implications for CSR activities? How industry leaders would be satisfied with the significance or (importance) of CSR under growing survival pressures?.

Customer ethics

Ethical decision making classic frameworks stress the mutual effect of contextual (situational) and personal factors [9]. Contextual and situational factors could be the group and
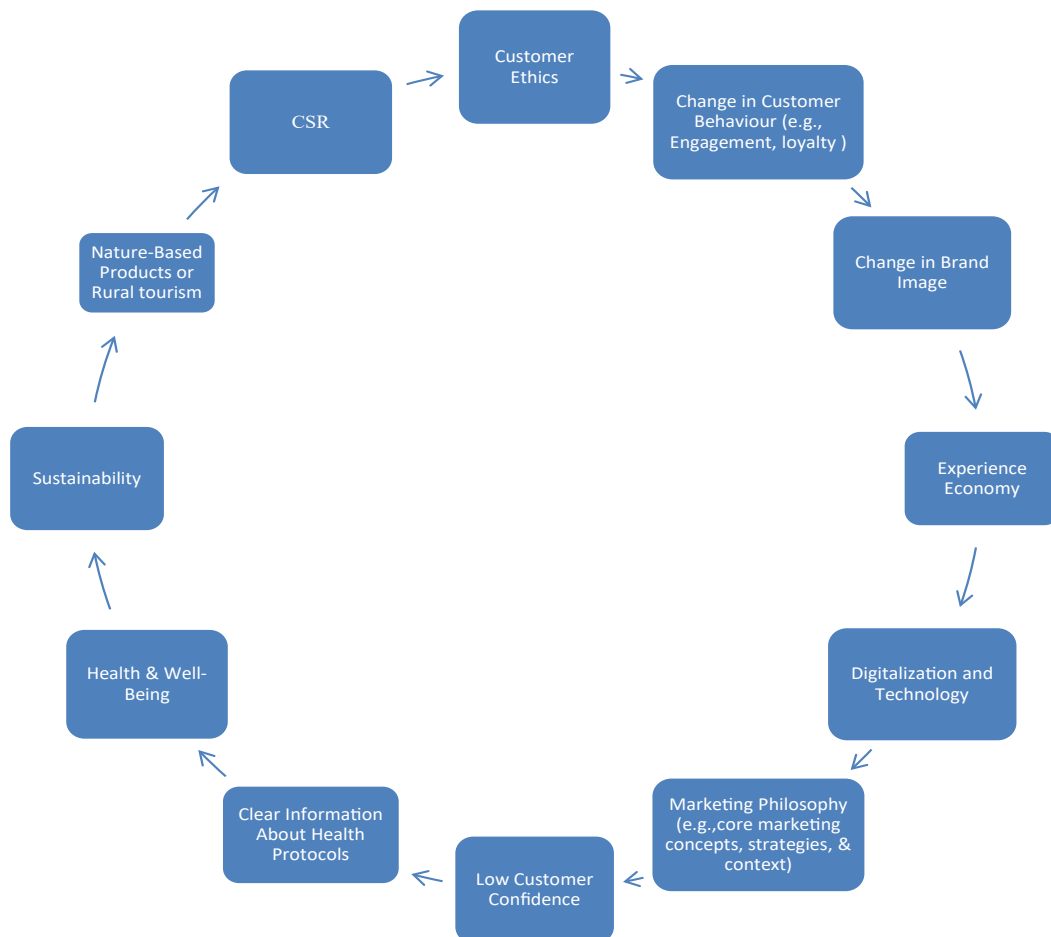
Figure 1. COVID-19 Impact on the tourism and hospitality industry.

inter-group dynamics, social influences, issue characteristics etc. Personal aspects can involve moral values, implicit morality beliefs, customer personality traits, moral identity. As an unprecedented contextual/situational factor, COVID-19 pandemic has important implications in understanding customer ethical decision-making both during/post-pandemic situations. Customer decision-making may be irrational in crises times, for example this epidemic, as marked by stock-piling of medicines, sanitation products, hygiene and food over the globe. However, it appears that customer decision-making is presently led by emotions like hope and self-interest like anxiety, anger and fear. Thus, the current pandemic offers an outstanding opportunity to explore the relationship between contextual/situational factors (social influences, inter-group dynamics) and personal factors (rationality, customer personality differences, customer emotions) in effecting customer's ethical decision making. One more impending field with enlarged consumption is wellness and health. Would customers often become most health- consciousness in their brand (product/service) choices?.

Long-term and indirect effects

Most of the research studies on pandemics (crises) have been underlining the immediate impacts thereof, yet, so as to understand the full impact of COVID-19 threat, future research in tourism needs to investigate the long-term and indirect effects which are discussed below.

Sustainability as the new normal

Sustainability in tourism and hospitality industry has been utmost preference for various hospitality (tourism) stakeholders before/during COVID-19, as being this prioritization begins to be challenged as well [7]. Innovation and sustainability are the fine examples for the complexity of situation, since we witness two distinct states currently. In the hospitality and tourism industry, although sustainability behaviour is well led by industry best practices with the consent of internal stakeholders. Sustainability can be a leading principle in recovery, with the purpose to restrict tourism including hospitality as a vector of epidemic (e.g., waste management related issues) [1], which future hospitality and tourism research needed to be examined.

Change in customer/visitor behaviour

The COVID-19 pandemic may subconsciously re-shape customers or visitors behaviour in crucial means which future research in hospitality and tourism needs to explore [11]. Visitors mostly choose domestic vs. (foreign) brands (hotels, restaurants, tourism destinations, sites, attractions) to support particular economy - a behaviour which extant research called tourism ethnocentrism [19]. Further research needs to be performed to explore the trends of customer nationalism, animosity, ethno-centrism, and how they effect on visitor's behaviour.

Digitalization and technology

COVID-19 pandemic offers an additional opportunity to crucially reflect the impact of COVID-19 pandemic on big-data, emerging technologies, and social media as a 'transformative' research agenda for hospitality and (tourism) research, which future research need to examine [2,3]. Technology has become an important factor in developing resilience in hospitality and tourism [1]. Real time big data-based insights have facilitated researchers, businesses and policymakers to forecast or understand the impact and reach of COVID-19 pandemic [4]. For instance, companies are leveraging their external and internal data on, e.g., employee's information, customer's contact history, monitoring of business operations, gamification, and social media platforms to comprehend different scenarios for sustainable development during/post-COVID-19 pandemic [3,4

,20]. In view of COVID-19, government and companies are designing and piloting fast, responsive frameworks to employ emerging technologies e.g., Internet of things, digital trade, data policy, artificial intelligence, and environmental innovations [11].

Change in brand image

In the marketing, tourism and hospitality fields, brand image is considered as one of the topmost concepts, and is defined as customers brand perceptions as demonstrated by brand associations in customer's mind [12]. In hospitality and tourism context, brand image is one of the best factors which customers consider with respect to their intent to purchase and recommendations towards tourism brands [13]. Customer's positive/favorable perception of brand image has been considered as a significant objective for tourism and hospitality brands to sustain their positions in a highly competitive market [13]. Thus, extant research revealed that images can vary across time; thus, there is a great need to investigate how COVID-19 outbreak change images of specific brand/firm (e.g., tourism destinations, sites, hotels, restaurants). Particularly, hospitality and tourism (destinations, hotels, and airlines) brands were undergo massive infection rates, and it may have changed the brand image(s) of the specific service providers among prospective customers [2]. Likely impacted brand imagery dimensions e.g. health infrastructure, safety or otherwise COVID-19 impaired relations like crowdedness perceptions, nightlife, and so on, are crucial future hospitality-led research that needs to explore.

Impact on marketing philosophy

The COVID-19 impact on marketing philosophy have been pervasive and profound in order to structure our review, this study investigates how this outbreak has transformed the core marketing concepts, marketing strategies, and marketing context.

Core marketing concepts

The prevalent disruption of COVID-19 would impact the marketing discipline in multiple ways. Several tourism/hospitality brands have promoted societal-marketing concept variations; where firms maintain short-range customer needs

with the long-term wellbeing (welfare) of society [14]. In COVID-19 after-math, it likely appears that customers, societies and firms would crucially reassess and questions like priorities and philosophies. Will a pandemic include an adequate upset to marketing scholars and directors to question its firms/brands and its personal core objectives and fundamental ideologies?

In addition, marketers have promoted or defended the advantages of recognizing and driving important consumer evaluations of loyalty, customer satisfaction, value, commitment, co-creation and engagement [15-17, 19, 20]. Pre-COVID-19 pandemic, tourism and hospitality marketers were obsessed on the efficiency of their value-capturing from consumers in terms of consumer equity, share-of-market, and consumer loyalty [7-9]. Post-pandemic, formerly standard and apparently unquestionable metrics (like consumer share, consumer equity, consumer lifetime value, consumer engagement) are expected to be crucially questioned in future within hospitality and tourism industry [10,11,19].

Marketing context

As shifts to basic and (core) marketing concepts happened and continually to occur, such transformations would expose the COVID-19 instability caused in the marketing environment. Micro-marketing environments of firms have been knocked by many changes, which offset any past reverberations, impacts, and fluctuations. The means in which firms/brands work have been transformed by forced lockdowns and social distancing which impose drastic changes to set-ups and operations. In macro-marketing ecosystem: Socially, COVID-19 has transformed and would shift managements, groups, individuals, and government philosophies/mindsets. Economically, the worldwide economy has been strongly disturbed and radically altered the disposition of customer spending. Technologically, technological adoption in replacing face to face interaction has been prevalent. Culturally, individual's opinions of others, themselves, firms, nature, and world have changed. What the specific nature of these shifts (transformations) in our culture and society would be uncertain but marketers can lead in elucidating, exploring and responding to these shifts [16].

Marketing strategy

Shifts in the marketing landscape and environment enforced tourism and hospitality firms/brands to build a strategic agility pre, during, or post-COVID-19. Various tourism and hospitality firms/brands found formerly untapped or hidden sources of innovative and entrepreneurial- agility, which witness success and inventiveness in hard times including COVID-19 [16]. Whatsoever the more fitting strategic orientation, in post the COVID-19 market is recoverably unique. An important aspect of this is the rapidly enhanced shift to online (gamification or social media)-based communications. Most industries including hospitality and tourism established the profound and instantaneous transformation. Either such change simply accelerate a current trend and/or is reversible is questionable. Hospitality and tourism firms/brands, which were depended on face-to-face interactions, determine means and ways to survive (and/or engage) through online and it appears that

a large amount of this shift (change) will solve [2]. Figure 1 outlines the COVID-19 impact on tourism and hospitality industry and its trends, opportunities, and challenges [3,11,20].

Conclusion

This article concludes by inquiring our academia to employ in demanding scholarly investigation on the key research issues or questions. However the influence of COVID-19 pandemic emerges to be apparent, what would be the long-term influence of COVID-19 epidemic on tourism and hospitality-based CSR, customer ethical decision making and consumer behaviour? Can short term shift (change) in customer behaviour, attitudes, habits, and opinions have long-standing shift of customer ethical-based behaviour, if yes and how? How would COVID-19 pandemic change/transform our marketing philosophy? Can the consequence of COVID-19 outbreak leads enhanced integration of societal (social) concerns in our driving philosophies?

Regarding consumer behaviour and attitude, there is a pressing need to investigate how consumers reacted (positively as well as negatively) to different lockdown restrictions. Shifts to behaviors may be apparent (like shift in online communications, entertainments, etc) but changes in beliefs, values, and attitudes are expected to be subtle. Likewise, as COVID-19 drove brands and firm's long-term and indirect effects (including innovation and sustainability) is needed to investigate the effectiveness antecedents or drivers and to elucidate which shifts/changes would be valuable in long-term. There is a crucial need to explore the technological implementation, adoption and integration like artificial intelligence, virtual reality, social service robots, gamification, and social media in hospitality and tourism industry during and post-COVID-19 pandemic. Marketing and tourism scholars need further to uncover new sources and ways in conducting research addressing social distancing, community mobility, and privacy concerns of COVID-19 pandemic affected stakeholders.

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